

Daily Alert

Russian War Against Ukraine: Energy Dimension

(status as of 12:00, February 23)

#StopRussianAggression
#StandWithUkraine

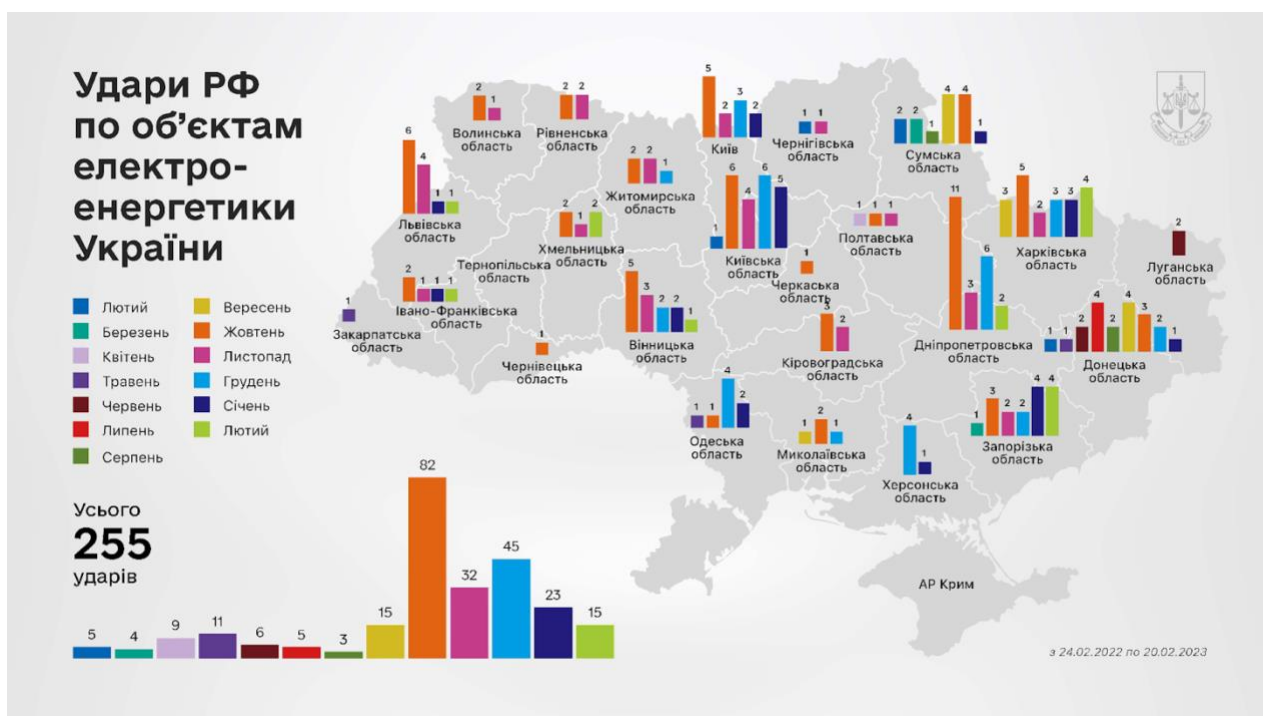
Summary

- The enemy is deliberately destroying critical infrastructure - so the Prosecutor General Andrii Kostin. For the time of the war, 255 strikes (which reached targets) on 112 energy facilities were carried out, 77% in the period from October to February.
- The largest number of attacks was recorded in the Kyiv (22), Dnipropetrovsk (22), Donetsk (20), Kharkiv (20) and Zaporizhzhia (16) regions. In total, Russia damaged or destroyed 4,040 infrastructure networks - gas pipelines, water pipelines, and power grids.
- Almost 1.9 trillion UAH of damage made to the environment of Ukraine, reported the Minister of Environmental Protection and Natural Resources Ruslan Strilets. 132 deposits of mineral resources are occupied, and the losses of the industry reach 7.76 trillion UAH.
- According to Ukrenergo, on February 23, there is no capacity deficit in the power system and it is not forecasted. Due to damaged distribution grids as a result of enemy's shelling, outages were recorded in the areas close to fighting of the Kharkiv, Zaporizhzhia and Kherson regions.
- The Prime Minister Denys Shmyhal said that about 150 billion UAH had been raised for the rapid recovery, including 17 billion UAH confiscated from Russian banks, 35.5 billion UAH from the National Bank, 1.5 billion USD from the United States and 1 billion EUR from the European Commission. In the energy sector, Shmyhal reminded that the U.S. allocated an additional 0.8 billion USD, and in this regard, the Ministry of Energy and Ukrenergo are developing a strategy.

- At a special session of the UN General Assembly, the Minister of Foreign Affairs Dmytro Kuleba presented a draft resolution on principles of the comprehensive, just and lasting peace in Ukraine.
- The President Volodymyr Zelenskyi submitted to the Verkhovna Rada a resolution on sectoral special economic sanctions on Russian financial institutions.

Attacks

Starting from October 10, 2022, the enemy is deliberately destroying the critical civilian infrastructure of Ukraine, in particular the energy infrastructure, [said](#) the Prosecutor General Andrii Kostin. The enemy carried out 255 strikes (which reached their targets) on 112 targets, 77% of them occurred in the period from October to February. The largest number of attacks on energy facilities was recorded in the Kyiv (22), Dnipropetrovsk (22), Donetsk (20), Kharkiv (20) and Zaporizhzhia (16) regions. In total, Russia damaged or destroyed 4,040 infrastructure networks - gas pipelines, water pipelines, and power grids. Kostin noted that the Prosecutor General's Office considers these attacks as deliberately inflicting conditions of life calculated to bring about physical destruction, which corresponds to one of the characteristics of genocide defined in the UN Convention on the Prevention and Punishment of the Crime of Genocide.



Source: [Prosecutor General's Office](#)

Andrii Kostin also [reported](#) that more than 20 countries support the creation of a special tribunal to prosecute the crime of Russian aggression. According to him, the model of the tribunal will provide for the possibility of conviction in absentia. Kostin added that the creation of the special tribunal is currently at the stage of political decision in the partner countries.

[According to](#) the CEO of DTEK Energo Ildar Saleev, from October to February, the company's thermal power plants were attacked 28 times, and for the year of the war, 32 workers were injured while performing their professional duties, and 3 killed.

During the year of the full-scale war, the terrorist country caused almost 1.9 trillion UAH of damage to the environment of Ukraine, [reported](#) the Minister of Environmental Protection

and Natural Resources Ruslan Strilets. In particular, the most industrialized part of Ukraine is located in the combat zone, 132 deposits of mineral resources are occupied, and the losses of the industry reach 7.76 trillion UAH. In addition, the situation with Russia's actions at the Kakhovka Reservoir could have colossal consequences - the failure of the Zaporizhzhia NPP cooling systems, as well as the deprivation of 1 million Ukrainians from access to drinking water. The Kherson Regional Military Administration [reported](#) that, as a result of a critical drop in water levels in the Dnipro River, water has completely disappeared from the wells that provide water supply in one of the villages.

Nuclear Safety

On February 20-22, the IAEA inspection was successfully [conducted](#) at Chornobyl NPP SSE within the framework of the Treaty on the Non-Proliferation of Nuclear Weapons. The purpose of the inspection was to verify the absence of undeclared nuclear materials and information on the construction of the nuclear installation, provided by Ukraine. There were no comments from the inspectors.

Electricity Sector

Power system operation

[According](#) to the Minister of Energy Herman Halushchenko, on February 23, despite an increase in consumption due to the cold weather, the generation has enough capacity to fully meet the consumers' demand, as well as a significant reserve.

[According](#) to Ukrenergo, on February 23, the volume of electricity consumption is at the level of a normal working day, there has been no capacity deficit in the power system for 12 days in a row and it is currently not forecasted. All types of power plants are in operation, the imports of electricity are insignificant and continue to decrease. Due to the absence of deficit, consumption limits were not applied in the regions. As a result of enemy's shelling, there is damage to distribution networks and disruption of electricity supply to consumers in a number of regions. In the city of Odesa, due to significant damage to energy infrastructure, which necessitates the use of hourly outage schedules, network restrictions still apply.

[According](#) to ENTSO-E, on February 23, Ukraine imported insignificant volumes of electricity from Slovakia (3-17 MW) and Moldova (0-5 MW) (for different hours during the day). Capacity in the Slovakia->Ukraine direction (500 MW) [was booked by three companies](#) for a total volume of 360-362 MW: D.Trading (350 MW), Avgusta (10 MW), and Artlex Group (0-2 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 approximately 2.3 times.

Disruption and resumption of supply

[According](#) to Ukrenergo, due to damage of distribution networks as a result of enemy's shelling, outages were recorded in the areas close to fighting of the Kharkiv, Zaporizhzhia and Kherson regions. Where the security situation allows, repairs are carried out.

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

- in the **Kharkiv region**, [according](#) to the Regional Military Administration, during the day, the enemy shelled at least 18 settlements, as a result electricity poles were damaged in the village of Cherneshchyna (Izium district). [On February 22](#), specialists restored power supply to a water tower in one of the villages located on the border with the Russian Federation, which is under constant shelling. This facility is the only source of water supply in the settlement. [According](#) to the Ministry of Energy, as a result of enemy's shelling, the number of consumers without power supply increased during the day;
- in the **Dnipropetrovsk region**, [according](#) to the local DSO, on February 23, 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. [On February 22](#), the enemy once again opened fire on the Nikopol district, as a result power lines were damaged in the city of Marhanets and the pumping stations of one of the water utilities were disconnected. This led to the suspension of water supply for about 35,000 households. As of 20:00 on the same day, water supply was restored;
- in the **Zaporizhzhia region**, [according](#) to the local DSO, as of 07:00 on February 23, 30,060 consumers in 76 settlements remained offline (excluding the temporarily uncontrolled territory). During the day, specialists restored supply to 85 households in the Orikhiv district and 3 in the city of Zaporizhzhia (another 3 single outages were reported). On February 22, due to enemy's shelling, new damage occurred to equipment of the Stepanivsk power grids, as a result 5,950 consumers were disconnected, restoration works will begin as soon as the security situation allows;
- in the **Kherson region**, [according](#) to the Regional Military Administration, as of February 21, 33 crews (143 specialists and 54 units of equipment) were working to restore electricity supply. Specialists carried out work on the damaged lines supplying the city of Kherson, the towns and villages of Virivka, Lymanets, Novovoznesenske, Novodmytrivka, Myroliubivka, Arkhangelske, Borozenske, Bilousove, Pravdyne, Zymivnyk, Veletenske, Stanislav and Velyka Oleksandrivka. On February 22, specialists [restored](#) power supply to 785 consumers in the [deoccupied villages](#) of Inhulivka and Lymanets (Daryivka community) and Myroliubivka (Novovorontsovka community). Currently, electricity supply has been restored to 103 out of 228 liberated settlements in the Kherson region, i.e. 45% of the total number;
- in the **Odesa region**, [according](#) to the local DSO, on February 21-22, specialists restored electricity supply to 30,500 households in 50 settlements. 44 crews (106 workers and 44 pieces of equipment) were deployed, having repaired 38 overhead lines and reconnected 848 transformer substations;
- in the **Mykolaiv region**, [according](#) to the Regional Military Administration, as of February 23, 1,027 electricity supply facilities were partially or completely damaged (+14 during the day), while 5 settlements (-2) of the Bashtanka and Mykolaiv districts remained offline;
- in the **Donetsk region**, [according](#) to the local DSO, on February 21, specialists repaired equipment damaged by shelling and restored electricity supply to 2,079 households in 2 settlements. Due to constant shelling, 131 settlements remained offline, as specialists did not have access to works there. [According](#) to the Ministry of Energy, on February 22, electricity supply was restored for almost 18,000 subscribers in the region;
- in the **Luhansk region**, [according](#) to the Regional Military Administration, in the city of Severodonetsk, as well as in most occupied settlements, residents spend the winter in

multi-apartment buildings without district heating, in most areas there is no electricity and water supply as well;

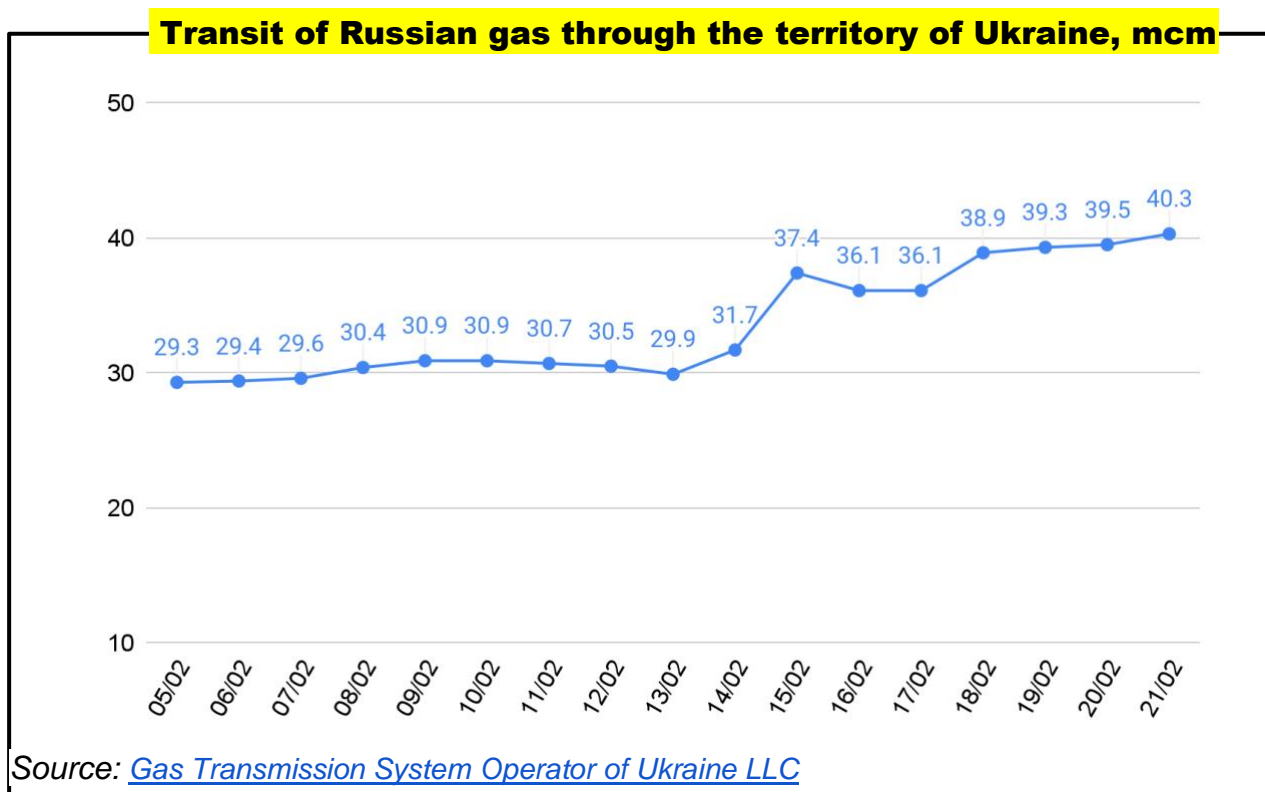
in the **Kyiv region** and the **city of Kyiv**, according to the local DSOs [1,2], on February 23, no consumption limits were applied, yet in the event of network overload, outages were possible in some areas. As of the morning on February 22, 7 power lines with a voltage of 6-10 kV and 101 transformer substations were disconnected in the Kyiv region, about 4,000 consumers in 12 settlements remained without electricity supply, while the elimination of the consequences of bad weather continued.

Oil & Gas Sector

Gas system performance

On February 21, the volume of gas transit through the territory of Ukraine increased to 40.3 mcm (+0.8 mcm as compared to the previous day), i.e. only 37% of the capacity contracted by Gazprom (109 mcm per day). There were no transit flows via the Sokhranivka interconnection point.

The physical imports of gas from the EU countries were reported at 11.3 mcm: via the Beregdaroc interconnection point (VIP Bereg) at 4.3 mcm, via the Hermanowice interconnection point (VIP Ukraine-Poland) at 1.6 mcm, via the Budince interconnection point at 4.6 mcm, and via the Căușeni interconnection point (Ukraine-Moldova) at 0.8 mcm. On February 21, on Ukraine's gas system exit, except for transit flows, no gas was transmitted.



Disruption and resumption of supply

As of February 22, 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 **Donetsk region**, the city of Chasiv Yar [remained](#) without gas supply. According to the local DSO, due to active hostilities, it was impossible to eliminate leaks and restore destroyed sections of the gas distribution system, particularly gas distribution stations.

In the **Luhansk region**, the Severodonetsk City Military Administration Head Oleksandr Stryuk [reported](#) that the occupied city remains entirely without district heating.

In the **Kherson region**, the local DSO [restored](#) gas supply to consumers of one of the settlements in the Beryslav district (former Velyka Oleksandrivka district). Gas distribution has already been restored to the first 28 households; works were ongoing.

In the **Mykolaiv region**, according to the Regional Military Administration, as of February 23, 1,147 gas infrastructure facilities (no change as compared to February 22) were damaged during the war, as a result, 5,302 consumers (-20) [remained](#) with no gas supply.

In the **Kharkiv region**, the local DSO [reconnected](#) 800 households in the de-occupied Chuhuyiv, Izium, and Kupyansk districts. Also, after the occupiers shelled the Zolochiv community, the DSO crews quickly localized the emergency and repaired the damaged network without stopping gas flow to the households.

In the **Dnipropetrovsk region**, gas infrastructure of the city of Marhanets was again [damaged](#) due to another attack by the occupiers.

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

Speaking at a special session of the UN General Assembly, the Minister of Foreign Affairs Dmytro Kuleba [presented](#) a draft resolution entitled "Principles of the Charter of the United Nations that underline the comprehensive, just and lasting peace in Ukraine". According to Kuleba, the draft covers key provisions of the Peace Formula, including "the complete withdrawal of Russian troops from the territory of Ukraine, and a clear qualification of Russia's actions". Kuleba said there is a "fierce behind-the-scenes struggle" around the draft resolution, as Russia is trying to dissuade some countries from voting. Kuleba [appealed](#) to countries that seek to justify their "neutrality" by "being friends with both Russia and Ukraine", emphasizing that any assistance to Russia now means helping it to destroy the UN Charter, and justifying military support for Russia is a hypocrisy.

Nataliia Kostenko, the Deputy Permanent Representative of Ukraine to the International Organizations in Vienna, [said](#) at a meeting of the OSCE Forum for Security Cooperation that Russia's nuclear terrorism threatens the whole world, and Moscow's decision to suspend its participation in the new Strategic Arms Reduction Treaty is another provocative act of the aggressor state. According to her, Russia "continues to deliberately destroy the existing nuclear disarmament and non-proliferation architecture". Kostenko called on the international community to remain united in its "decisive response to Russia's aggressive behavior" and to take "urgent joint measures to prevent and counteract any form of nuclear blackmail by the terrorist state".

The President Volodymyr Zelenskyi [submitted](#) to the Verkhovna Rada a resolution on the application of sectoral special economic sanctions on financial institutions of the Russian Federation. The sanctions apply to all banks in Russia, including the Central Bank, non-

bank credit organizations, payment system operators, professional stock market participants, insurance companies, investment funds and other financial services institutions. The Head of the Presidential Office Andrii Yermak [said](#) that the International Working Group on Russian Sanctions ('Yermak-McFaul group') is working on introducing visa sanctions against the military involved in the aggression and their family members. "Banks, energy, diamonds - this work is ongoing", Yermak added.

In response to the petition [No. 22/177712-ep](#), the President Volodymyr Zelenskyi replied that the issue of restoring electronic assets declaration by officials can only be resolved at the legislative level, and the relevant draft law is on the agenda of the Verkhovna Rada. This is the draft law "On Amendments to Certain Laws of Ukraine to Meet the Requirements of the European Commission on Ukraine's Accession to the European Union" (reg. No. 8071), which, in particular, aims to restore the obligation for officials to submit declarations.

At a meeting of the Presidium of the Local and Regional Authorities Congress under the President of Ukraine, the Prime Minister Denys Shmyhal [said](#) that about 150 billion UAH had been raised for the rapid recovery, including 17 billion UAH confiscated from Russian banks, 35.5 billion UAH from the National Bank, 1.5 billion USD from the United States and 1 billion EUR from the European Commission. In the energy sector, Shmyhal reminded that the United States has allocated an additional 0.8 billion USD, and in this regard, the Ministry of Energy and Ukrenergo are developing a strategy to be presented to the government soon. Other priorities include the restoration of damaged housing, critical infrastructure, demining and economic recovery. The Prime Minister also urged the heads of the regional military administrations to prepare project documentation in all five areas as soon as possible - to start the process of fast recovery immediately after the legislation is adopted.

The National Energy and Utilities Regulatory Commission (NEURC) [announced](#) a meeting on February 28, where it plans to consider:

- draft [amendments](#) to the licensing conditions on electricity production, which will exempt from licensing the activities of backup (emergency) electricity production by mobile (autonomous) installations;
- [amendments](#) to the NEURC resolutions aimed at preventing manipulations by electricity market participants, in particular by monitoring operations in the market management system and market operator (MO) software. In particular, it is envisaged that, in case a market participant fails to confirm by own generation capacities and/or purchase on the DAM and/or imports of electricity volumes declared for sale on the DAM, the MO shall reject its trading bids on the DAM and IDM and suspend the participation of such a participant in the DAM and IDM for 7 calendar days.

The National Anti-Corruption Bureau (NABU) and the Specialized Anti-Corruption Prosecutor's Office (SAPO) [announced](#) suspicion of abuse of power to the former Minister of Infrastructure and his former First Deputy, which resulted in over 30 million USD in losses to the state. According to the investigation, in 2015, the officials issued an order allowing private companies to collect half of the state port duties in the Pivdennyi seaport.

For subscriptions, comments and other questions, please email to: author@dixigroup.org

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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)

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