

## Weekly Alert

**Russian War Against  
Ukraine: Energy Dimension**

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**Russian War Against Ukraine: Energy Dimension**  
**DiXi Group weekly review**

(September 4 - 10)

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

**Summary**

- As of September 11, due to hostilities and other reasons, 421 settlements remained without electricity.
- Ukraine lost 35-40% of its annual fresh water reserves due to the explosion of the Kakhovskaya HPP – CEO of Ukrhydroenergo Ihor Syrota.
- IAEA experts at the Zaporizhia NPP reported numerous explosions, which indicates a possible increase in military activity. There are mines around the ZNPP remaining, while the occupiers do not provide access for the IAEA experts to the floors of reactors No. 1, 2, 5, and 6 and full access to all turbine halls.
- In August, the Ministry of Energy received humanitarian aid from 32 donors from 18 countries, weighing about 258 tons, including transformers, generators, cars, cables, and other equipment needed for infrastructure repairs and restoration. The aid was distributed among 26 companies in the electricity, coal, oil, gas, and nuclear industries.
- The first set of nuclear fuel produced by Westinghouse Electric Sweden AB in cooperation with Energoatom was loaded into the VVER-440 reactor of the Rivne NPP. The NPP

operator of Ukraine, Energoatom, also signed a confidentiality agreement and a memorandum of understanding in the field of uranium conversion with ConverDyn.

- Against the background of low trading intensity in the segment of bilateral contracts and the surplus on the "day-ahead" market, the export of electricity to Slovakia increased. This was facilitated by repairing one NPP power unit more than two weeks ahead of schedule.
- Meanwhile, the Regulator asks Ukrenergo to urgently provide information on the reasons for receiving emergency assistance for balancing the power system in July-August.
- Ukraine is counting on the decision of ENTSO-E, which will allow to increase the permitted cross-border import capacity from 1.2 GW to 2 GW – Minister of Energy Herman Galushchenko.
- The Regulator published several draft regulatory acts. The draft Procedure for acquiring, terminating, and suspending the status of a data transfer administrator, which was developed to comply with REMIT, was also approved. The draft amendments to the GTS Code envisage postponing the application of the fee for balancing neutrality for one more year.
- An additional alternative draft law has been submitted to the Verkhovna Rada on the specifics of financial settlements with RES producers, whose capacities are temporarily under occupation or in the territories of hostilities.
- The government approved amendments to the Procedure for conducting public hearings in the environmental impact assessment process, resuming holding the hearings in videoconference mode.
- The Ministry of Energy has published a draft resolution of the CMU, which envisages obliging gas suppliers to create an insurance reserve of 3% of the planned supply volumes for the next month and store it in underground storage facilities.
- The renegotiation of contracts between heat producers and Naftogaz for gas supply under the amended PSO scheme is ongoing. At the same time, the Association of Cities of Ukraine points to a number of supplemented risks.
- The international working group on sanctions against Russia has prepared two new documents – on strengthening energy sanctions and the importance of confiscating Russian state assets.

## IMPACT OF THE WAR

### Attacks

**Shelling of energy infrastructure.** On [September 5](#), the shelling of the Kherson region left about 3,000 consumers without electricity. In the Donetsk region, 9 lines of different voltage classes were disconnected, resulting in power outages in 26 settlements. On [September 6](#), an attack by kamikaze drones damaged power lines in the Odesa region, leaving some consumers in the town of Kiliya without electricity. In the Donetsk region, a 35 kV overhead power line and a 35 kV substation were shut down, which resulted in a power outage for 4,000 customers in 9 settlements. On [September 7](#), a repair crew carrying out repairs came under fire in the Kharkiv region near the town of Kupiansk, which caused the suspension of repairs.

On [September 8](#), hostile shelling in the Donetsk region disconnected 4 overhead power lines, which led to the disconnection of more than 5,000 customers; in Sumy region, about 100 customers were disconnected; in the Kirovohrad region, a 330 kV overhead line was disconnected, which was automatically reconnected, with no customer disconnections. On the same day, a missile attack in [Kryvyi Rih](#), the Dnipro region, damaged more than 10 multi-apartment and private buildings, and the gas supply was cut off to check the condition of gas equipment. On [September 9](#), a 35 kV

overhead line was damaged in the Zaporizhzhya region, and two 35 kV substations were disconnected. In the Donetsk region, two 35 kV overhead lines were disconnected, which resulted in an electricity outage to 10,500 consumers in 22 settlements. As of [September 11](#), 421 settlements remained without electricity supply due to hostilities and other reasons.

**Consequences of the Kakhovka HPP explosion.** On September 7, 6 kV power lines and a transformer substation were partially [repaired](#) in Kherson to restore the electricity supply to local residents. As of [September 11](#), about 8,000 consumers remained without power in the city (about 1,000 were connected during the week). However, repairs have been slowed down by shellings. [According to](#) the head of Ukrhydroenergo, Ihor Syrota, Ukraine has lost 35-40% of its annual freshwater reserves due to the Kakhovka HPP explosion: before the dam was blown up, there were 18.6 million cubic kilometers of water in the reservoir, while now only 3-3.5 million cubic kilometers remain in the Dnipro riverbed.

## Nuclear and Radiation Safety

- [As of 10:00 a.m. on September 11](#), a slight decrease in the water level in the Zaporizhzhya NPP cooling pond was recorded (15.97 m). The water level in the "hot" channel of Zaporizhzhya TPP, from which the ZNPP pond is recharged if necessary, is 16.95 meters. In the cold channel of ZNPP, the level reaches 10.67 meters.
- IAEA experts working at ZNPP [reported](#) that they had heard numerous explosions over the past week, which is a possible sign of increased military activity in the region, which could also pose a potential threat to nuclear safety. The IAEA also [reports](#) that mines remain around ZNPP, and the occupiers do not provide access to the floors of reactors 1, 2, 5, and 6. In addition, the IAEA requires full access to all turbine halls of the plant.
- According to the IAEA, on September 4, a water leak was [detected](#) at ZNPP in the recirculation valve of the main service water system at Unit 5. To repair this valve, the site had to disconnect one safety line for Unit 5 and one for Unit 6. After the valve was repaired, the Unit 6 safety line was returned to standby, and Unit 5 was shut down for maintenance.
- The IAEA experts have been [rotated](#) to Khmelnytsky, Rivne, and South Ukrainian NPPs, and the next week, the team is scheduled to rotate to the Chornobyl NPP site. The IAEA teams at the four sites did not report any nuclear safety issues.
- The first set of nuclear fuel produced by Westinghouse Electric Sweden AB with the participation of Energoatom experts was loaded into the VVER-440 reactor at Rivne NPP. Previously, reactors of this type operated only on russian-made nuclear fuel.

## Countermeasures

On [September 6 and 9](#), President of Ukraine Volodymyr Zelenskyy held regular meetings of the Supreme Commander-in-Chief's Staff to discuss preparing the energy system for winter. The key topic of discussion was the protection of the energy sector and critical infrastructure from russian strikes; the following instructions were given.

On September 5, the CoM of Ukraine [amended](#) the procedure for providing financial state support for energy companies for recovery, setting 1 January 2023 as the date from which such support can be received. In addition, the procedure removes the requirement to include equipment for which compensation can be received in the repair schedules for the main equipment of TPPs and CHPs approved by the Ministry of Energy.

The Ministry of Energy [informed](#) that in August, humanitarian aid was delivered from 32 donors from 18 countries with a total weight of about 258 tons, including transformers, generators, cars, cables, and other equipment necessary to repair and restore energy infrastructure affected by hostile attacks. The aid was distributed among 26 companies in the electricity, coal, oil and gas, and nuclear industries. The donors include energy companies, government agencies, and organizations from the Netherlands, Germany, Austria, Sweden, Italy, Denmark, Slovenia, France,

Norway, Switzerland, Finland, Poland, Latvia, Belgium, Japan, the Czech Republic, Lithuania and Romania.

On September 8, the CoM of Ukraine [approved](#) amendments to the Procedure for Holding Public Hearings in the Process of Environmental Impact Assessment (EIA), thus resuming the holding of such EIA hearings via video conference until the end of martial law.

Prime Minister Denys Shmyhal [said](#) that the government has allocated over UAH 60 billion for the rapid recovery of Ukraine, including demining, restoration of housing, and restoration and protection of critical infrastructure. In addition, it is [reported](#) that the first billion hryvnias has been paid under the e-Restoration program to repair apartments and houses damaged by Russian shelling.

The Prime Minister also [stated](#) that Ukraine offers its partners a special compensation mechanism for raising funds for reconstruction, which will consist of:

- a compensation fund to which the funds confiscated from Russian oligarchs and Russia as the aggressor country will be directed;
- a compensation commission that will determine how to use the funds effectively;
- an international register of losses, which will allow Ukraine to compensate for all the losses it has suffered as a result of Russian aggression.

## MARKETS PULSE

### Electricity Sector

#### *Power system operation*

According to [Ukrenergo](#) and the [Ministry of Energy](#), the demand was covered by electricity produced in Ukraine and imported from Slovakia and Moldova. To balance the power system, the operation of RES generation was curtailed three times: on September 6 from 11:52 to 12:54 (total volume 312 MWh), September 8 in the afternoon for an hour (the volume is not specified), September 10 from 11:00 a.m. to 2:00 p.m. (1,290 MWh). On September 6, three units of TPP were put into emergency repair for various technical reasons. On September 9, the 1,000 MW NPP power unit came out of repair more than two weeks ahead of schedule.

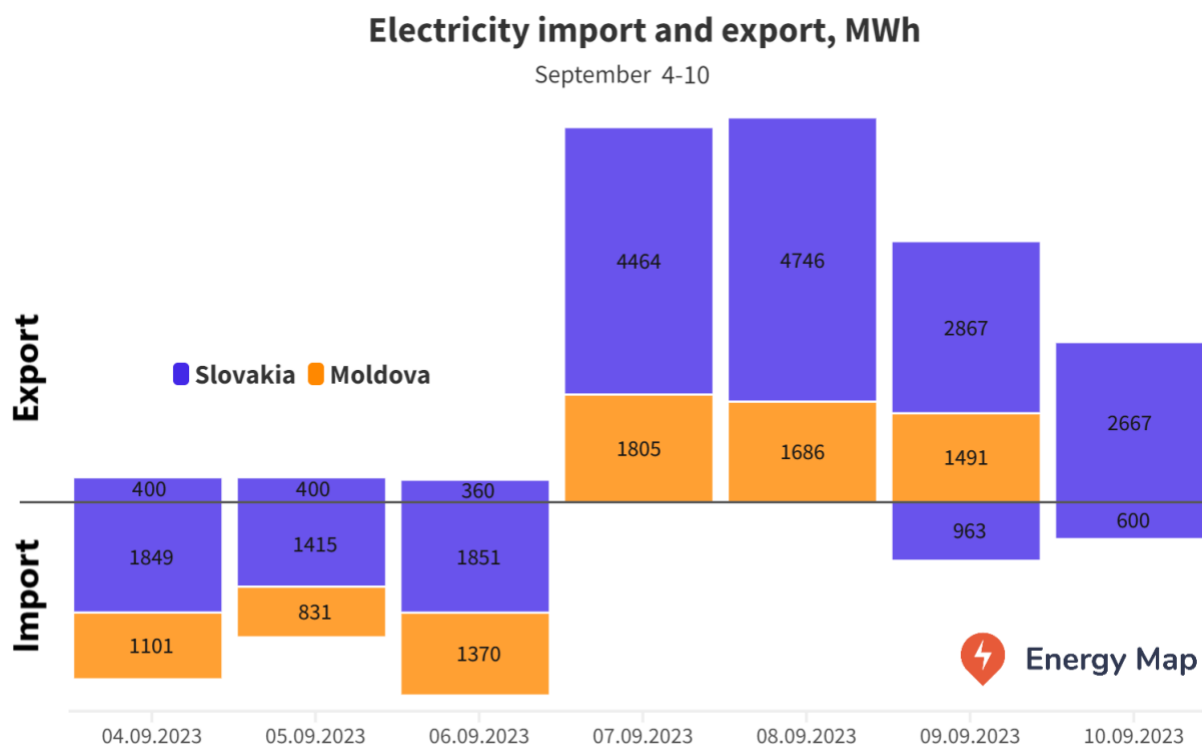
**Technological failures and emergencies** were a frequent cause of outages. On September 5, the 110 kV transmission line (Ivano-Frankivsk region) was shut down, which disconnected about 8,000 consumers. In the Dnipropetrovsk region, ten power transmission lines of 10 kV were shut down, and more than 7,000 consumers were disconnected. In the Kyiv region, the 10 kV line was shut down, and about 3,000 consumers were disconnected in 4 communities of the Brovary region. On September 6, two 150 kV overhead transmission lines were simultaneously disconnected in the Mykolaiv region, which shut down two wind turbines with a total load of 80 MW. On September 8, the 110 kV overhead line was shut down in the Ternopil region, which led to the blackout of 5 substations of 110 kV and disconnected 49,000 consumers.

**Adverse weather conditions** were another reason for outages. On September 4, 11 power transmission lines of 10 kV were shut down in the Chernivtsi region, which led to the blackout of more than 13,000 consumers in 25 communities. On September 5, five communities in the Donetsk region were shut down due to the weather.

According to the [NEURC](#) and [ENTSO-E](#), Ukraine performed commercial electricity imports from Slovakia (mainly in the evening hours), with a total [volume](#) of 6.7 GWh (-35% compared to the previous week); the capacity ranged from 5 MW to 350 MW. On September 4-6, the volume of electricity imported from Moldova reached 3.3 GWh; the capacity ranged from 10 MW to 313 MW.

During the week, the volume of electricity exported to Slovakia reached 15.9 GWh (130 times more than the previous week). The capacity ranged from 94 MW to 200 MW. On September 7-9, 5,000

MWh was exported to Moldova\*; the capacity ranged from 80 MW to 199 MW. The data on deliveries to/from Moldova on September 10 was unavailable.



Source: [Energy Map](#)-

At daily auctions on September 4-6 and 9-10, 8 to 11 companies [booked](#) capacity for imports in the Slovakia-Ukraine direction; the main players were ERU Trading, TEP, TES, and EES. On September 4-6 and 9, the marginal price varied for different hours from 0.06 to 500 UAH/MWh, so the total revenues of Ukrenergo reached 221,100 UAH. In the Moldova-Ukraine direction, 1-8 companies booked capacity, including DE Trading, Artlex-Group, CPG Energy, Solipower, and others. The marginal price was set only on September 4-6 during certain hours at 0.01-0.1 UAH/MWh; the revenues of Ukrenergo totaled 700 UAH.

3-5 companies purchased access to import capacity on the Slovakia-Ukraine route; the main players were DTEK Zahidenergo, ERU Trading, Y. Commodities, TES, and Unimex Trading. The marginal price on September 7 and 9 in the amount of 2 UAH/MWh allowed Ukrenergo to receive an income of 1000 UAH. In the Moldova-Ukraine direction, on September 7-10, 7 to 10 companies bought access, including D.Trading, DE Trading, EES, Energo Resurs RI Group, Solipower, Ukrhydroenergo and others. The marginal price was set only on September 7-10 and varied from 0.01 to 240 UAH/MWh; the total income of "Ukrenergo" was 123,000 UAH.

## Electricity market performance

**Bilateral contracts market (BCM):** For the second week in a row, trading went down at the Ukrainian Energy Exchange (UEEX). During September 4-10, 12 auctions for the purchase/sale of electricity were [held](#) at the UEEX: 7 in commercial sections and 5 in specialized ones. Energoatom-Trading, Ukrhydroenergo, Kharkivska CHP-5, universal service suppliers, distribution system operators, etc., were among those who initiated auctions. A total of 172.4 GWh were sold at the UEEX with supply in September (+10.5% week-on-week). At the same time, the monthly Base BCM index for September remained at 3,871.6 UAH/MWh.

Namely, Energoatom-Trading initiated auctions, offering base load with delivery in September's second and third decades of September, but electricity was not sold. Ukrhydroenergo offered block positions (08:00-23:00) at a starting price of 4,800 UAH/MW; electricity was not realized. Kharkiv CHP-5 sold 14.4 GWh of base load at an average price of 4,000 UAH/MWh. The Guaranteed Buyer

sold 108 GWh in block positions of daytime hours at 1,805.9 - 3,128.9 UAH/MWh with delivery in the second decade of September. In the commercial sections, electricity was mainly purchased by the load of individual profiles.

**Day-ahead market (DAM):** According to the [Energy Map service](#), prices remained highly [volatile](#). On September 4-10, the deviation of hourly prices from the price caps ranged from 0 to 91.7% and averaged 25.7%. The largest price deviations (over 50%) were typical for the night hours (02:00-06:00, on some days) and daytime (11:00-16:00). At the same time, the number of hours when prices were close (with a deviation of less than 1%) or at the level of price caps significantly decreased to 19.6% (as compared to 36.9% in the previous week).

The average hourly price of electricity (Base DAM index) for the week slightly decreased to 3,143.2 UAH/MWh (-1.5% compared to the previous week), while the weighted average daily price [varied](#) within 3,017.7 – 4,314.1 UAH/MWh. The ratio between the Base DAM indices in the countries of Eastern Europe (Poland, Hungary, Romania, and Slovakia) and Ukraine [ranged](#) from 0.90 to 1.44.

The total volume of electricity sales on the DAM of Ukraine [decreased](#) to 282.5 GWh (-15%). In particular, the daily trading volume varied between 36.9 and 42.5 GWh. In general, the DAM was in surplus: the ratio between the total volume of sale and purchase bids was between 1.30 and 1.73. At the same time, the number of deficit hours decreased significantly to 7.1% (compared to 28.6% in the previous week). The purchase composition was [dominated](#) by suppliers (88.3-89.9%, except on September 7, when it was abnormally low at 54.7%), network operators (10.0-11.6%), the rest (about 0.1%) belonged to producers and traders (except on September 7, when producers covered atypical 33.7%).

## **Policy and regulation**

The NEURC approved the draft of the Procedure for acquiring, terminating, and suspending the status of a data transfer administrator, which was developed in compliance with the requirements of the Law "On Amendments to Certain Laws of Ukraine on Prevention of Abuse in Wholesale Energy Markets" dated June 10, 2023 No. 3141-IX (implementation of REMIT). The document, in particular, [defines](#)

- the procedure for acquiring the status of a data transfer administrator;
- technical and organizational requirements for data submission by the data transfer administrator;
- conditions of suspension and termination of the data transfer administrator status;
- application form for acquiring the status of a data transfer administrator.

Also, the Regulator published draft amendments to the [Procedure for setting the electricity transmission tariff](#) and the [Procedure for setting the dispatching \(operational-technological\) services tariff](#). In particular, the amended Art. 8 of the Law "On Alternative Energy Sources" introduced a rule that when determining the tariff for electricity transmission by the TSO, "the amount of expenditures for the performance of PSO to ensure the public interests of ensuring an increase in the share of electricity production from alternative sources is determined taking into account financial support from of the state budget following the legislation of Ukraine." Also, the documents regulate approaches to determining the amount of electricity transmitted by the TSO and the amount of electricity released by producers in the period before the TSO of Ukraine joined the ITC mechanism between TSOs (through December 31, 2023, and after January 1, 2024). In addition, the NEURC [published](#) a draft of amendments to the Transmission System Code with the aim of

- determination of approaches to the development of the investment program (IP) of the TSO and reports on its implementation;
- streamlining the submission procedure and timely IP review by the Regulator;
- definition of a detailed list of the necessary supporting materials for measures proposed to the TSO for the IP implementation;
- settlement of the issues regarding the implementation of IP measures.

Since part of the RES-based generating capacities are temporarily in the occupation or in the territories of hostilities and do not work in synchronous mode with the United Power System (UPS) of Ukraine, an alternative draft law was [submitted](#) to the Verkhovna Rada (in addition to the [draft law № 9629](#) submitted on August 21) № 9629-2 on the peculiarities of settlements with such producers. The document includes the following provisions:

- creation of a register of generating facilities that produce electricity from alternative sources (except for blast furnace and coke gases, and as of hydropower – only micro-, mini-, and small hydropower plants) and are located in the territories where hostilities are (were) taking place or temporarily occupied by the Russian Federation, but do not operate synchronously with the UPS of Ukraine;
- prohibiting the guaranteed buyer from purchasing electricity produced by electric facilities being in such a register;
- considering the payments for electricity already made by the guaranteed buyer to such producers as payment for the periods for which there is debt with the oldest date of origin;
- creation and publication by the TSO of the register of households producing electricity under the "green" tariff scheme and the register of active consumers in the territories where hostilities are (were) taking place or temporarily occupied by the Russian Federation, which do not operate synchronously with the UPS of Ukraine;
- prohibiting suppliers from buying electricity from households and active consumers who are in the respective registers.

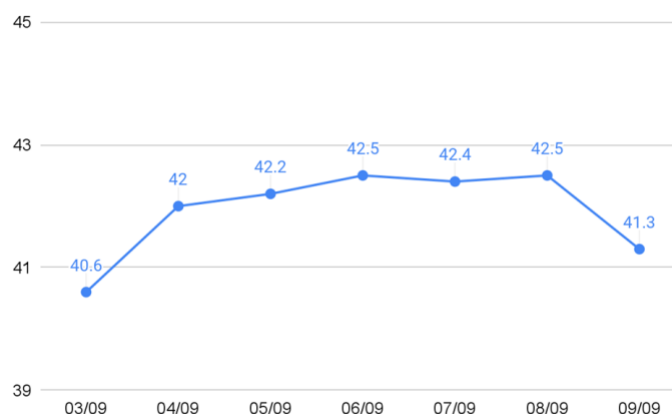
Due to the activation of significant emergency aid by the Ukrainian TSO from the power systems of neighboring EU countries, the NEURC [requested](#) data from Ukrenergo regarding this situation. The regulator requests to urgently provide information on the reasons for receiving emergency aid for balancing the UPS of Ukraine during July-August 2023. The reason for the request was the Regulator's concern about the situation in which Ukrenergo did not take measures to find frequency regulation reserves within the UPS of Ukraine by activating additional sources of internal generation, including thermal. In addition, the Regulator emphasizes the need for urgent amendments to the Temporary Order for the acquisition of auxiliary services to ensure regulation of frequency and active power in the UPS of Ukraine.

## Gas

### Gas system performance

On September 3-9, the volume of gas transit through the territory of Ukraine amounted to 40.6-42.5 mcm per day, i.e., only 37-39% of the capacity contracted by Gazprom (109 mcm per day). In the reporting week, the average daily transit was 41.9 mcm. There were no transit flows via the Sokhranivka interconnection point.

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



Physical imports from the EU countries amounted to 196.7 mcm (on average, 28.1 mcm per day), which is 8% less week-on-week. The imports were performed via the Beregdaroc interconnection point (VIP Bereg) at 54.4 mcm, via the Orlovka interconnection point (Ukraine-Romania) at 23.5 mcm, via the Hermanowice interconnection point (VIP Ukraine-Poland) at 29.5 mcm, and via the Budince interconnection point (Ukraine-Slovakia) at 89.3 mcm. The gas volumes coming from Romania were not commercial imports but transit that later entered Moldova.

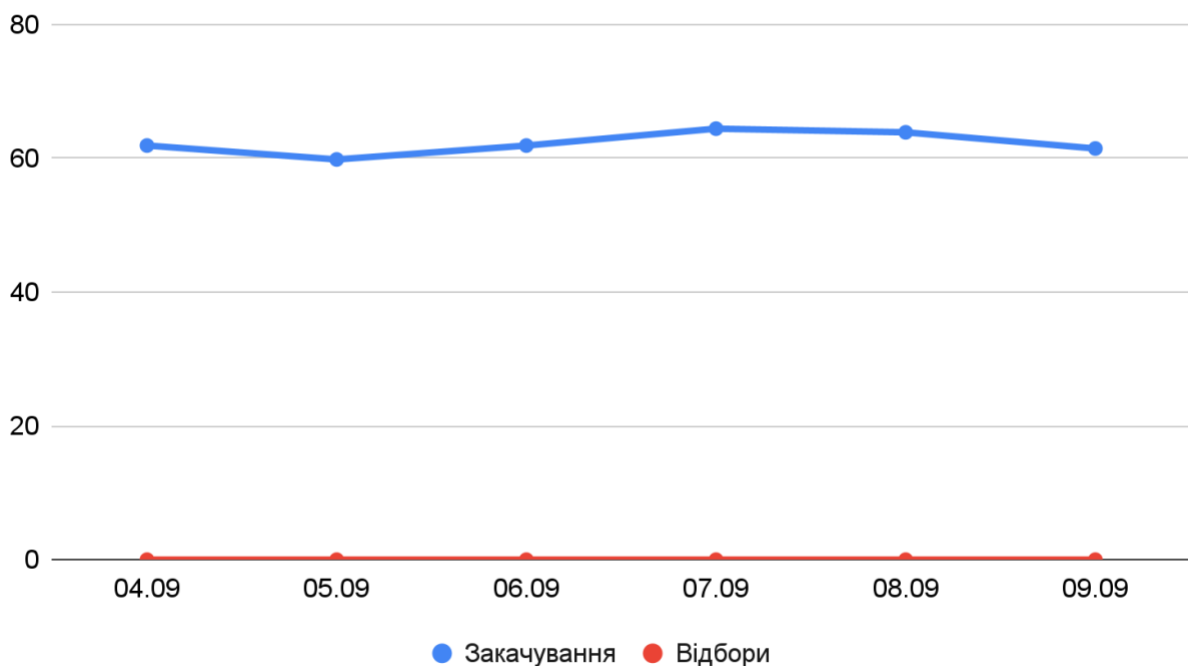
Commercial imports into the Ukrainian system amounted to 262.7 mcm. In particular, 238.4 mcm arrived in the "customs warehouse" regime, 123.8 mcm - in the short-haul mode (service of the TSO, which provides a discount in the transmission tariff for transit over short distances).

The excess of commercial import flows over physical ones is because part of the gas enters Ukraine as a virtual reverse flow and is injected by traders into Ukrainian gas storages. E.g., even though there was no physical import from Moldova in the reporting week, commercial flows amounted to 32.6 mcm. No gas was transmitted on Ukraine's gas system exit, except for transit flows.

### **Underground storage facilities**

According to the AGSI platform, as of September 9, 10.08 bcm of gas was accumulated in the Ukrainian storages (+1.48% week-on-week). It corresponds to 33.19% of the total working capacity, i.e., without 4.662 bcm of "long-term storage" buffer gas. On September 3-9, injections were performed at 435.3 mcm (+11.7 mcm WoW). The average daily injection was 62.2 mcm.

**Natural gas withdrawals and injections into/from Ukrainian storages, mcm**



Source: [AGSI](#) (all indicators calculated by dividing the primary indicators in MWh by the conversion factor of 10.595 kWh/cm)

### **Functioning of the market**

In the [trading sessions](#) of September 4-8, seven companies (6 buyers and 2 sellers) submitted bids for the purchase of natural gas at the Ukrainian Energy Exchange (UEEX). In the reporting period, UEEX received purchase bids for 92.6 mcm of gas (-17% week-on-week) with a total starting cost of 1.37 billion UAH (-18%). The weighted average starting price of all bids was 14.71 UAH/cm (excluding VAT), which is 2% less than the indicator of the previous week.



A total of 25.1 mcm was sold, and three bids were successful, all from GTSOU. The weighted average price of the purchased and sold resource was 15.41 UAH/cm without VAT. 60.2% of the resource was sold with delivery in September and 39.8% – in October. 39.8% of the resource was sold with the transfer into storage and 60.2% – with the transmission via the GTS.

## ***Policy and regulation***

On September 6, the NEURC [published](#) a draft resolution on amendments to the GTS Code, which provides for the postponement of the application of the fee for balancing neutrality by extending the first stage of its implementation for the period of the 2023/2024 gas year, excluding the second stage with a simultaneous transition to the third stage, and settling individual calculation issues neutrality fees. Also, when calculating the fee for balancing neutrality, funds received by the GTS operator for unauthorized withdrawals and funds spent by the operator to cover such withdrawals will not be taken into account. Also, when calculating the fee for neutrality, the indebtedness of customers of transmission services for the daily imbalance and the reserve of doubtful debts will not be considered.

Also, the NEURC has [published](#) several draft resolutions, which are planned to ensure the monitoring of the heating market, as well as monitoring the distribution and use of funds that go to the non-budget accounts of heat-supplying and generating organizations within the PSO regime. The subjects of monitoring will be the level of transparency, the level of tariffs for heating, the development and implementation of investment programs and projects, compliance with the requirements for the reliability and continuity of heat supply, the efficiency of heat supply, and the level of competition in the heating market, ensuring the protection of consumer rights.

The draft resolution of the NEURC was also [published](#), which provides for the introduction of changes to reporting form No. 4 – NEURC-gas-monitoring (quarterly) "Report on wholesale prices for natural gas", in particular, the separation of gas purchase/sale volumes at organized trading platforms and gas sales volumes within the performance of special duties.

The Ministry of Energy has published a [draft resolution](#) of the CoM, which suggests obliging gas suppliers to create an insurance reserve in the amount of 3% of the planned monthly volumes of gas supply to consumers for the next month and to store it in Ukrainian underground storage facilities for sustainable heating.

## ***Other***

Naftogaz [called on](#) heat producers to renegotiate gas supply contracts following the changes in the PSO for the heat sector. In particular, heat producers who have debts and must open accounts in the State Treasury Service bodies must send a complete package of documents, including an agreement on transferring funds to the State Treasury. As of September 8, 577 heat producers have applied to Naftogaz for renegotiating contracts. Contracts were developed and concluded with 77 district heating companies and 137 condominiums. Sixty-five packages of submitted documents were returned for revision with comments.

At the same time, the Association of Ukrainian Cities (AUC) [declares](#) that with changes to the PSO regime and the conclusion of new contracts, heat producers have no legal grounds for obtaining gas within the PSO regime, which will force heat producers to either carry out unsanctioned gas withdrawals or stop the hot water supply. The AUC also points to the risks of the sequence in which heat producers must make payments. This sequence provides that payments for the execution of court decisions should be made first. Given the decisions on debt recovery from heat producers in favor of Naftogaz Trading LLC, these provisions may limit them in making other payments.

The sale price of natural gas, which is used to calculate rent for subsoil use for gas extraction, in August 2023 [increased](#) to 12.5 UAH/cm, which is 15.4% more than in July.

# International Cooperation

Minister of Energy Herman Galushchenko [took part](#) in the third meeting of the Ukrainian-Danish Energy Partnership Program Coordination Committee. The meeting took place with the participation of the Ambassador of Denmark to Ukraine, Ole Egberg Mikkelsen, co-chairman of the Coordination Committee. During the meeting, the results of the previous stage of the Program implementation were presented, and the work program for the next 12 months, until the end of August 2024, was approved.

The international working group on sanctions against Russia, headed by the head of the Office of the President of Ukraine, Andriy Yermak, and the ex-adviser of the US president on national security, Ambassador Michael McFaul, has [prepared](#) two new documents: on the strengthening of energy sanctions and on the importance of confiscating Russian state assets. According to Andriy Yermak, in the latest analytical document, the group provides detailed proposals for improving and strengthening the sanctions pressure on the energy industry of the aggressor country. The head of the President's Office emphasized that the improvement of compliance with the introduced sanctions and the adoption of new proposals of the group will allow for a further reduction of Russian revenues from energy sources by at least half.

On September 7, the Ministry of Finance of Ukraine and the World Bank [reviewed](#) the project portfolio for the first time since 2021. Deputy Minister of Finance Olga Zykova and Head of the Security Council Office in Ukraine Gevorg Sarkisian chaired the event. In total, about 100 representatives of beneficiary institutions and state institutions took part in the meeting. The parties discussed the status quo of preparation and implementation of joint projects, as well as agreed on a plan of activities for the next period, considered problematic issues within the framework of the projects.

The portfolio consists of 20 active projects for a total amount of more than USD 5.5 billion and EUR 1 billion of credit funds, and more than USD 20 billion of grant funds, including within the framework of the PEACE in Ukraine projects (Support of public spending to ensure sustainable public administration in Ukraine), SDPL, Re-Power (Restoration of energy supply in the winter period and supply of energy resources), RELINC (Restoration of critical logistics infrastructure and network connection), Heal Ukraine and HOPE (Housing Repair for Empowerment of People). As for budgetary support, within the framework of mobilized WB financial resources, Ukraine received and utilized credit and grant funds of more than USD 25 billion through the Trust Funds of many donors, including within the framework of the PEACE in Ukraine project.

Japanese businesses are [ready](#) to participate in the reconstruction of Ukraine and offer several modern technologies that will help speed up recovery. This was discussed during the meeting of the First Vice Prime Minister – Minister of Economy of Ukraine, Yulia Svyridenko, with representatives of the Japanese business delegation. During the meeting, Japanese business representatives presented several projects and technologies they propose to implement in Ukraine. Thus, in the city of Bucha, with the participation of Japanese businesses, it is suggested to create a green industrial zone with an area of 3,000 hectares, where the production of green hydrogen will be carried out.

The Minister of Energy of Ukraine, Herman Galushchenko, [held a meeting](#) with the Italian delegation led by the Special Envoy of the Ministry of Foreign Affairs of Italy for the Reconstruction and Strengthening of the Stability of Ukraine Davide La Cecilia and with the participation of the Ambassador of the Italian Republic to Ukraine Pier Francesco Dzado. The minister thanked Italy for the humanitarian aid (over 161 tons) and emphasized that importing electricity from European countries can be essential in balancing the power system next winter. Ukraine is counting on the appropriate decision of ENTSO-E, which will allow to increase the permitted cross-border transmission capacity from the current 1.2 GW to 2 GW. The parties discussed directions of cooperation in the gas sector, particularly regarding the implementation of renewable gases and hydrogen production projects. The meeting also discussed issues of ensuring the energy security of Ukraine and the whole European continent.

Within the framework of the World Nuclear Symposium 2023 held in London, the president of Energoatom, Petro Kotin, and the president of the American company ConverDyn Malcolm

Critchley, [signed](#) a confidentiality agreement and a memorandum of understanding in the field of uranium conversion. Future cooperation with ConverDyn includes assistance in increasing ShidGZK's uranium production and building a plant for its conversion into uranium hexafluoride. This process is an integral part of creating a complete nuclear cycle.

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).*