

Weekly Alert

**Russian War Against
Ukraine: Energy Dimension**

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

(January 8 - 14)

#StopRussianAggression
#StandWithUkraine

Summary

- As of January 15, 373 settlements were without electricity due to hostilities and technological disruptions. Inter alia, on January 8, drone attack damaged a wind turbine at the 5.5 MW power plant in the Odesa region.
- The enemy continues to regularly take satellite imagery of Ukraine's energy facilities to conduct strikes if necessary – so the Defence Intelligence of Ukraine. The Security Service of Ukraine detained a saboteur who was supposed to coordinate Russian air attacks on Ukraine's energy infrastructure.
- The situation with regular maintenance and repair of the occupied Zaporizhzhia NPP is deteriorating, there is no systemic approach and scheduled maintenance of the safety systems equipment – so the Acting Chair of the State Nuclear Regulatory Inspectorate Oleh Korikov.
- Electricity imports increased to 31.1 GWh, which is 5 times more week-on-week.

- The Regulator has started analyzing and studying information and materials related to the atypical behavior of certain DAM and IDM participants, which led to significant price fluctuations in these segments of the electricity market in early January.
- The National Anti-Corruption Bureau and the Specialized Anti-Corruption Prosecutor's Office exposed a scheme to seize electricity and legalize the proceeds from its sale. It is about electricity purchased in March 2022 by United Energy LLC (at that time, one of the largest traders) from Ukrenergo.
- Natural gas withdrawals from storage increased by 61% and averaged at 93.9 mcm per day. On January 9, gas withdrawals exceeded 100 mcm/day for the first time in more than two years.
- The Cabinet of Ministers lifted the ban on the termination of housing and utilities services, the accrual and collection of penalties and debts in case of non-payment. The moratorium still applies to consumers whose facilities are located in the occupied territory, in the area of hostilities, or whose facilities were destroyed as a result of hostilities.
- 2024 was designated as the year of climate dialogue, so the Minister of Environmental Protection and Natural Resources Ruslan Strilets. The Ministry of Environment is preparing the draft law "On the Basic Principles of Public Climate Policy".
- The government introduced to the Verkhovna Rada a draft law, which envisages setting comprehensive powers of the State Inspectorate for Energy Supervision in supervision of the technical condition and organization of the operation of heat, heat-using installations and networks. Another draft provides for redistribution of powers in the field of energy efficiency.
- The Asset Recovery and Management Agency (ARMA) initiated cancellation of government orders and the termination of contracts with Ukrnafta regarding the management of arrested chain Glusco and the assets of Tatneft. Reasons mentioned are avoidance of Ukrnafta from signing the act of acceptance and transfer of assets, thus lack of any revenues for the state budget.
- The U.S. Special Representative for Ukraine's Economic Recovery Penny Pritzker discussed with Ukrainian stakeholders investment opportunities, development of logistics routes and public-private partnerships.

IMPACT OF THE WAR

Attacks

[According to](#) Ukrenergo, as of January 15, 373 settlements in Ukraine were without electricity due to hostilities and technological disruptions. Hostile attacks and, consequently, interruptions of electricity and gas supply took place:

Donetsk region. On [January 8](#), a 330 kV line was disconnected due to shelling. On [January 9](#), 18 settlements were disconnected from electricity supply. On [January 10](#), a 330 kV line was disconnected during artillery shelling, and needs emergency repairs. On [January 11](#), high-voltage lines came under repeated fire, resulting in power outages for household consumers and 2 mines. On [January 12](#), the enemy again shelled a thermal power plant, damaging equipment on the site. On [January 13](#), 800 consumers in 3 settlements lost power supply. On [January 14](#), 648 consumers were disconnected from gas supply due to shelling.

Kharkiv region. On [January 8](#), 2,700 consumers were cut off from electricity supply. On [January 9](#), medium-pressure gas pipelines were damaged in Kharkiv on the territory of two enterprises. On [January 14](#), a 110 kV overhead line was disconnected.

Kherson region. On [January 8](#), 6,300 metering points were offline in Kherson, with over 20,000 consumers without electricity.

Zaporizhzhya region. On [January 9](#), a 110 kV line was disconnected as a result of a missile attack. On [January 13](#), about 3,500 metering points were offline.

Mykolaiv region. On [January 13](#), the shelling left 868 consumers in Ochakiv and more than 700 in the Bashtanka district without electricity supply; 32 consumers without gas supply.

Dnipropetrovsk region. On [January 10](#), a low-pressure gas inlet pipeline was damaged in the Nikopol district, leaving 60 consumers without gas supply. On [January 11](#), a high-voltage line in Kryvyi Rih was disconnected due to equipment damage, which cut off power supply to household consumers and partially to the water utility, resulting in disruptions in the city's boiler houses. On [13 January](#), a 330 kV overhead line was disconnected; on [January 14](#), 564 consumers were deprived of electricity supply.

Odesa region. On [January 8](#), drone attack damaged a wind turbine at the 5.5 MW power plant operated by Elementum Energy (UK). Following the attack, a partial shutdown of the wind farm was initiated; works were underway to restore electricity supply to consumers.

Sumy region. On [January 13](#), 1,600 consumers in 8 settlements were cut off from electricity supply due to shelling from the Russian side of the border. On [January 13](#), almost 7,000 consumers were disconnected due to shelling. On [January 14](#), a 110 kV overhead line was disconnected, and local enterprises lost power supply.

Chernihiv region. On [January 9](#), an overhead line and over 800 consumers were offline. On [January 10](#), a 10 kV line in the border community and 650 consumers in 7 settlements were disconnected. On [January 12](#), about 900 consumers in 13 settlements were disconnected from electricity supply due to shelling of a 10 kV line.

Despite the absence of massive strikes, the threat to Ukraine's energy system remains, [according to](#) Vadym Skibitskyi, a representative of the Defence Intelligence of Ukraine. According to him, Russia conducted an analysis of the Ukrainian energy system to strike energy facilities in 2022-2023. In particular, the most critical facilities that could be hit by missile and UAVs were identified. **The enemy continues to regularly take satellite imagery of Ukraine's energy facilities to conduct such strikes if necessary.**

The Security Service of Ukraine [detained](#) a Russian militant who was supposed to coordinate Russian air attacks on Ukraine's energy infrastructure. The saboteur arrived from Belarus to spy in Rivne region, where he tried to attach GPS trackers to the power transmission towers that supply the Kyiv agglomeration. Based on the trackers' signals, the occupiers planned to carry out a targeted attack, including using Shahed drones.

Nuclear and Radiation Safety

Experts of the International Atomic Energy Agency (IAEA) at the occupied Zaporizhzhia NPP were again [denied](#) access to the reactor halls of units 1, 2 and 6. After the mission's rotation, the team repeated the request, but the occupation administration again refused. In addition, since October 18, 2023, the IAEA experts have not been able to access parts of the turbine hall of each unit. On January 10, the occupiers again restricted access to the engine rooms of units 1 and 2.

A new team of IAEA experts re-examined unit 6 in the area where boric acid was deposited on the valves, pump and floor of several rooms of the unit's safety system. The team noted a significant reduction in boric acid deposits compared to the December 22 inspection, and the leakage was also significantly reduced.

Five of the six ZNPP units remain in 'cold shutdown' mode, while unit 4 is in 'hot shutdown' mode, producing steam for the site's own needs and district heating in Energodar.

On [January 11](#), the Acting Chair of the State Nuclear Regulatory Inspectorate - Chief State Nuclear and Radiation Safety Inspector of Ukraine Oleh Korikov held an online meeting with representatives of nuclear regulators from leading countries. At the meeting, international partners were informed about the current state of nuclear and radiation safety. Korikov stated that the situation with regular

maintenance and repair of ZNPP is deteriorating day by day. There was also no scheduled maintenance of the main equipment, and no maintenance and repair plan for 2024 was developed.

Countermeasures

By the Resolution [No. 1405](#) of December 29, 2023, the Cabinet of Ministers lifted the ban on the termination of housing and utilities services, the accrual and collection of penalties and debts for the majority of households in case of non-payment. The moratorium on disconnection and penalties still applies to those consumers whose facilities are located in the occupied territory, in the area of hostilities, or whose facilities were destroyed as a result of hostilities.

The main reason, [according to](#) the Chair of the Verkhovna Rada Committee on Energy and Utilities Andrii Gerus, is the increase in debts from high-income consumers. At the same time, the most disciplined payers are housing subsidy recipients and pensioners. [According to](#) Serhii Kovalenko, CEO of electricity supplier Yasno, an official warning is sent 10 days prior to power disconnection. At the same time, debtors who are unable to pay can apply for a debt restructuring agreement, which provides for the establishment of a repayment schedule.

On January 12, the Ministry of Energy [handed](#) over to Zaporizhzhiaoblenergo a batch of energy humanitarian aid provided by international partners or purchased at the expense of the Ukraine Energy Support Fund, including 4 complete transformer substations, over 3,300 liters of oil for power transformers at substations, and more than 9,600 meters of insulated wire to restore overhead power lines in the frontline areas of the Zaporizhzhia region. According to the CEO of Zaporizhzhiaoblenergo Mykhailo Havrylov, the equipment will provide power supply to at least 3,500 consumers in the region and create a reserve for restoring supply after damage.

On the same day, the Minister of Environmental Protection and Natural Resources Ruslan Strilets [said](#) that 2024 was designated as the year of climate dialogue in Ukraine. The Ministry of Environment plans to intensify work on Ukraine's low-carbon strategy, developed before the full-scale Russian invasion, and is preparing to submit the draft law "On the Basic Principles of Public Climate Policy" to the Verkhovna Rada. The agency is also working on a draft law on the implementation of an emissions trading system (ETS), with a pilot launch of the ETS scheduled for 2025 and a full launch in 2026 in cooperation with the EU.

On January 13, the Ministry of Energy presented the draft 2050 Hydrogen Strategy at a meeting of the working group. [As reported](#), the document contains data on the development of hydrogen energy in the world, hydrogen classifications, analysis of international legislation, and planned pilot ideas for the production of renewable hydrogen. Work on the strategy continues.

MARKETS PULSE

Electricity Sector

Power system operation

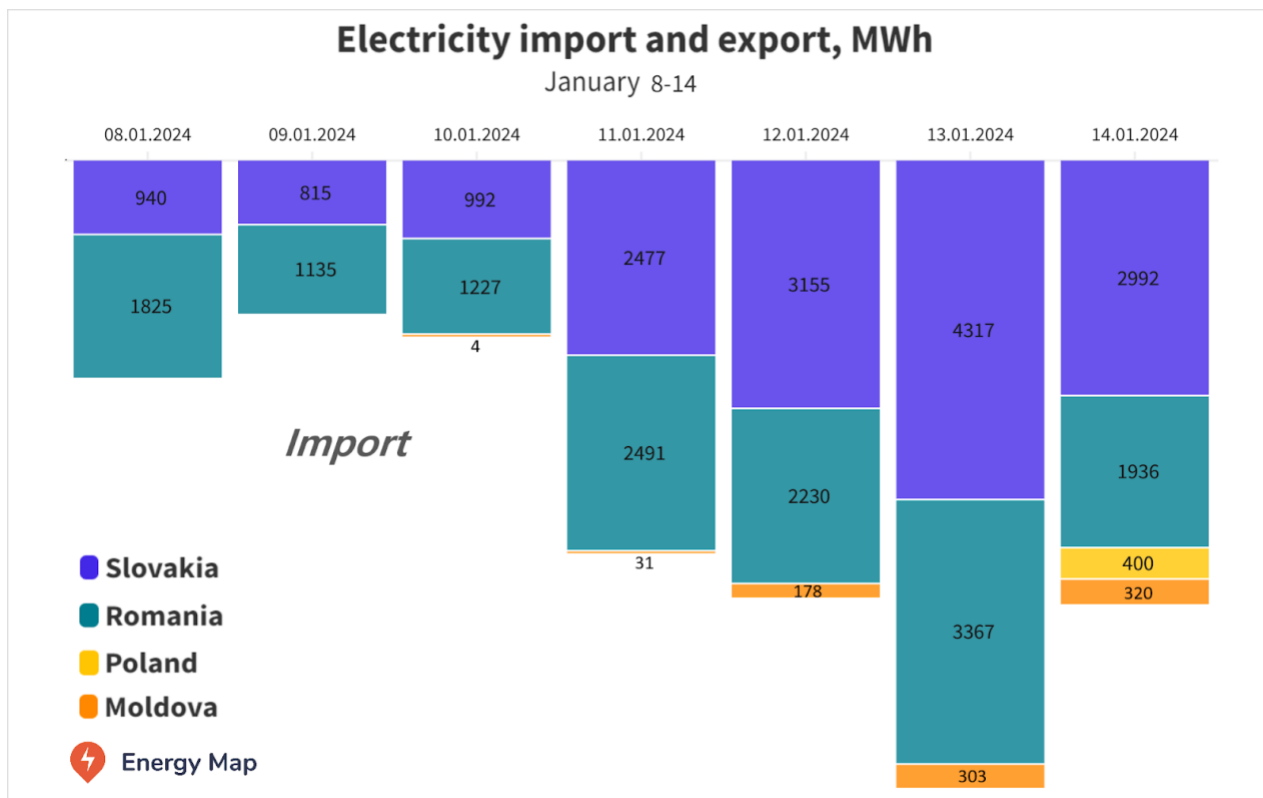
According to [Ukrenergo](#) and the [Ministry of Energy](#), electricity consumption was covered by domestic production, as well as by imports from Romania, Slovakia, Poland, and Moldova.

Repairs continued at the generation facilities. On January 8, 5 units of generating equipment were put back into operation after repairs. On January 9, 2 TPP units were put offline for emergency short-term repairs; while 3 units of generating equipment were put back online. On January 10, 1 unit was taken offline for emergency repair; at the same time, a TPP unit was reconnected. On January 12, 2 TPP units were put out of service for short-term repairs, while a 120 MW unit was put back online after long-term conservation and subsequent restoration. On January 14, two TPP units were taken offline for emergency short-term repairs.

One of the reasons for power outages was **adverse weather conditions**. On January 8, 396 settlements were disconnected, most of them in the Dnipropetrovsk (202), Kirovohrad (79), Odesa (58), and Mykolaiv (54) regions. High-voltage lines were also disconnected in the Dnipropetrovsk, Kirovohrad, Donetsk, Odesa, and Mykolaiv regions; household consumers, industrial facilities, and some railroads were offline. On January 9, 1,025 settlements lost power supply, most of them in the Dnipropetrovsk (324), Odesa (268), Mykolaiv (215), and Kirovohrad (146) regions. In the Dnipropetrovsk region, a 330 kV line was offline; in the Odesa region, an overhead line was disconnected at one of Ukrenergo's substations; in the Mykolaiv region, a 110 kV substation that supplies industry and the railroad was cut off due to damaged poles. On January 10, 523 settlements were without electricity: 186 in the Dnipropetrovsk region, 107 in the Kirovohrad region, 99 in the Mykolaiv region, and 97 in the Odesa region. There were also outages in the Chernihiv, Sumy, and Zaporizhzhia regions. On January 11, due to icing and falling power poles, and the breakdown of power lines, 281 settlements in the Dnipropetrovsk (128), Kirovohrad (70), Mykolaiv (56), and Odesa (27) regions lost electricity supply. On January 12, 229 settlements were without power supply in 6 regions: Dnipropetrovsk (80), Kirovohrad (51), Mykolaiv (39), Sumy (28), Zaporizhzhia (18), and Chernihiv (13). On January 13, 131 settlements were without electricity, in particular in the Dnipropetrovsk (41), Kirovohrad (38), Mykolaiv (23), Zaporizhzhia (15), and Khmelnytskyi (14) regions. On January 14, 67 settlements in the Kirovohrad (33), Dnipropetrovsk (17), and Mykolaiv (16) regions lost power supply.

Another reason for the outages was **technological disruptions**. On January 8, 7,500 consumers in the Zaporizhzhia region and 9 settlements in the Sumy region were disconnected. On January 9, a 330 kV high-voltage overhead line in the southern region was disconnected by automatic protection. On January 11, a malfunction in the DSO equipment cut off power supply to more than 8,000 consumers in the Dnipropetrovsk region. Also, 4 settlements in the Sumy region were offline. On January 12, 660 consumers in the Chernihiv region, on January 13 - 234 consumers in the Sumy region were left without electricity supply. In the Volyn region, there was a short-term technological disruption in the operation of 110 kV substation equipment, which resulted in power outages. On January 14, 1,600 household consumers and 5 legal entities in the Dnipropetrovsk region and 1 settlement in the Sumy region were left without electricity supply.

According to the [NEURC](#) and [ENTSO-E](#), there were no commercial electricity exports during the week. Electricity was imported from Slovakia, Romania, Moldova and Poland in the total amount of 31.1 GWh, which is 5 times more week-on-week. Commercial imports from Slovakia [amounted](#) to 15.7 GWh (7 times more WoW), with capacity ranging from 1 to 350 MW. Imports from Romania amounted to 14.2 GWh (almost 10 times more WoW), with capacity ranging from 4 to 415 MW. Imports from Moldova were performed on January 10-14 in small volumes (from 1 to 41 MW), the total volume was 0.8 GWh (+84%). Imports from Poland were performed only on January 14 from 17:00 to 21:00 on a flat schedule of 100 MW, the total volume was 0.4 GWh (-80%).



Source: [Energy Map](#)

Import capacity in the Slovakia-Ukraine direction [was booked](#) by 12-21 companies, with the largest volumes distributed among D.Trading, Tviy Energopostachalnyk, ERU Trading, Trade Energy Solution, and Energy Company of Ukraine. The marginal price varied from 0.16 to 10 UAH/MWh, and the revenue of Ukrenergo amounted to 32,400 UAH. The capacity from Romania was booked at daily auctions by 6-10 companies, in particular CPG Energy, Energy Company of Ukraine, Energy Exchange Solutions, Solipower, etc. The marginal price was set on January 10-14 and ranged from 0.1 to 9.1 EUR/MWh, with total revenue of Ukrenergo amounting to 39,000 EUR (about 1.6 million UAH). In the Moldova-Ukraine direction, capacity was booked by 3-5 companies: CPG Energy, Artlex Group, D.Trading, Synapse Electric, and others. The marginal price was set only on January 14 at 0.03-0.22 UAH/MWh, and the total revenue of Ukrenergo amounted to 400 UAH. The capacity from Poland in the Rzeszów-KhNPP direction was booked by D.Trading, the marginal price was not set.

Market performance

Bilateral contracts market (BCM): After the previous week's revival, trading dynamics at the Ukrainian Energy Exchange (UEEX) showed a decline. On [January 8-14](#), the UEEX held 16 auctions for the purchase/sale of electricity (6 in commercial and 10 in specialized sections). Among the initiators were Ukrhydroenergo, Centrenergo, Guaranteed Buyer, Nyzhniodnistrovska HPP, universal service suppliers, distribution system operators, and others. In total, 352.9 GWh were sold at the UEEX (-79.9% week-on-week). The monthly DAM Base Index for January remained at 3,752.3 UAH/MWh.

Ukrhydroenergo sold 43.2 GWh of baseload at prices in the range of 3,400-3,750 UAH/MWh with delivery in January and 93 GWh of baseload at a weighted average price of 3,400 UAH/MWh with delivery in Q1 2024. Centrenergo sold 52.4 GWh of baseload at prices in the range of 3,770-3,793 UAH/MWh. Guaranteed Buyer sold 19.2 GWh of block positions with delivery in January at prices of 3,600.3-4,047.5 UAH/MWh. Nyzhniodnistrovska HPP initiated an auction for the sale of baseload in the specialized section, but not successfully. In the commercial sections, the companies purchased/sold electricity by individual load profiles.

Day-ahead market (DAM): According to the [Energy Map service](#), on January 8-14, DAM prices showed high [volatility](#): the deviation of hourly prices from price caps ranged from 0% to 66.7% and averaged 19.7%. The number of cases of significant price deviations (over 50%) from the price caps was observed in 5.4% of the settlement periods (hours of the week). At the same time, the number of hours when prices were close (with a deviation under 1%) or at the level of price caps increased to 10.7%.

The average hourly price of electricity for the week (Base DAM index) stopped the downward trend and increased to 4,228.4 UAH/MWh (+159% week-on-week), while the weighted average daily price [varied](#) from 3,607.6 to 5,190.1 UAH/MWh. At the same time, the ratio between the Base DAM indices of Eastern European countries (Poland, Hungary, Romania, and Slovakia) and Ukraine [ranged](#) from 0.88 to 1.29.

After three weeks of decline, the total volume of electricity sales on the DAM increased and [amounted](#) to 556 GWh. The daily trading volume varied 70.8-85.2 GWh. In general, the DAM was in surplus: the ratio between the total daily volume of sale and purchase bids ranged from 1.17 to 1.47. At the same time, only 3.6% of the settlement periods showed a slight deficit (in the evening and night hours on January 10-13). The purchase composition was [dominated](#) by suppliers (83.2-85.8%), the share of system operators was 14-16.7%, and the rest (0.1-0.8%) belonged to producers and traders.

Policy and regulation

On January 10, the Verkhovna Rada of Ukraine adopted in the first reading the [draft law No. 5399](#) on amendments to the Tax Code to stabilize payments in the electricity market. [According to the explanatory note](#), the relevant provisions are aimed at temporarily reducing the tax burden on RES producers who systematically do not receive payments from Guaranteed Buyer. In addition, the draft provides for the prolongation until January 1, 2026, of the application of cash method for VAT payments for electricity market participants.

On January 10, the NEURC [published](#) a draft resolution amending the Procedure for Registration of Wholesale Energy Market Participants. In particular, the draft aims to postpone the deadlines for registration (from February 1 to April 1) and the provision of information on the ultimate beneficial owners (from June 1 to August 1). In addition, the changes relate to the improvement of the registration form. As of [January 12, 2024](#), 1,494 Ukrainian and 36 foreign entities were registered as participants in the wholesale energy market.

The Regulator [has started](#) analyzing and studying information and materials related to the atypical behavior of certain DAM and IDM participants, which led to significant price fluctuations in these segments of the electricity market in early January 2024. To this purpose, the NEURC requested information, documents and explanations from Ukrenergo, Market Operator, as well as a number of market participants. The Regulator also sent a request to Market Operator to model the results of trading on the DAM using XMtrade software, which could have occurred in the absence of atypical actions of individual participants. Upon completion of the preliminary study, the Regulator will take appropriate measures, including regulatory action.

Other

In 2023, DTEK Energo [invested](#) about 11 billion UAH in TPPs' repairs and coal production, almost twice as much as in 2022. In particular, 9 power units were repaired, and 2 more units with a capacity of 500 MW were brought back online from conservation. Investments in the maintenance campaign amounted to about 4 billion UAH. A stockpile of critical equipment was purchased and accumulated in case of new shelling, and TPPs and mines were provided with more than 200 generators as backup power supply. In 2023, DTEK Energo put 26 new longwalls into operation, with investments in coal mining amounting to about 7 billion UAH. Reserves of imported coal were also formed, with 154,000 tons delivered from Poland.

On January 11, the National Anti-Corruption Bureau of Ukraine and the Specialized Anti-Corruption Prosecutor's Office [exposed](#) a scheme to seize electricity and legalize the proceeds from its sale. The investigation found that in March 2022, United Energy LLC, at that time one of the largest

traders in Ukraine, purchased electricity from Ukrenergo worth over 716 million UAH. Despite the company's existing debt, the head of the relevant department of Ukrenergo did not stop the sale. At the same time, one of the commercial banks acted as a guarantor of payment, and the decision to issue the guarantee was made by the chairman of the board alone and in violation of the procedure. Subsequently, electricity was sold to real market participants, and the proceeds were transferred to the accounts of a foreign entity. Ukrenergo did not receive any money for the electricity supplied, and when it applied to the guarantor bank, it was refused.

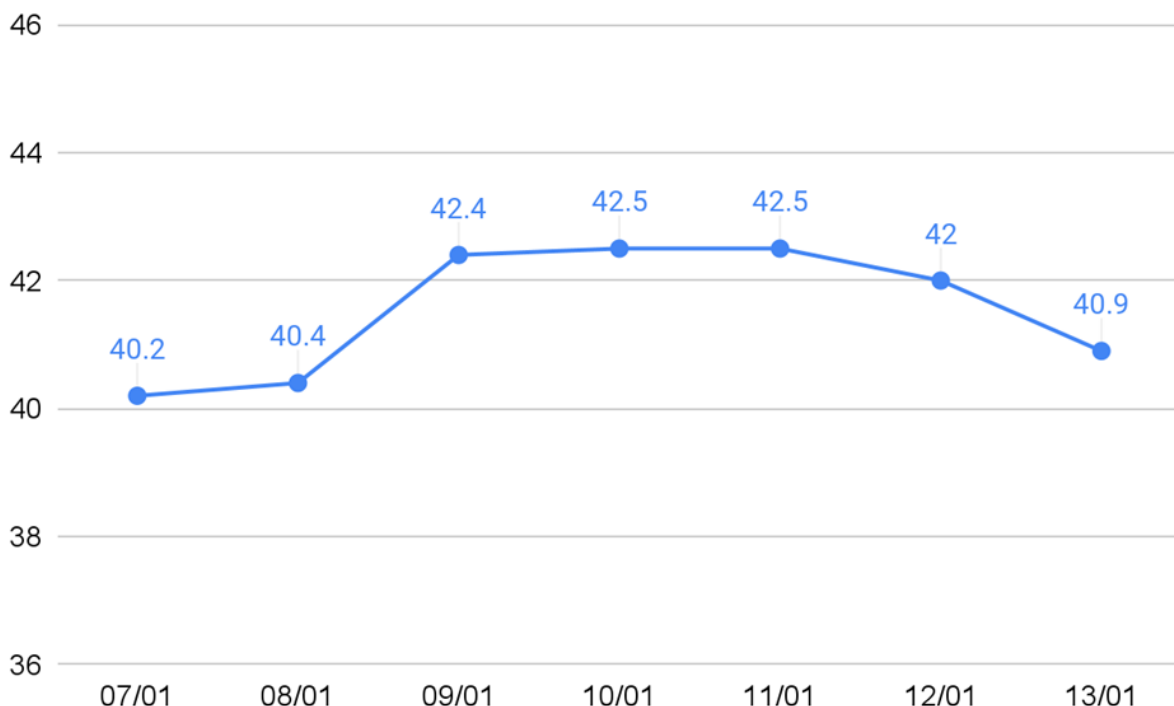
The person who organized the fraud, an ex-official of the company, the chairman of the bank's board and a director of a private company were served with suspicion notices. Currently, over 700 million UAH on the accounts of the companies involved in the scheme have been seized. In addition, in order to prevent market participants from incurring significant debts to Ukrenergo, the NABU submitted proposals to the NEURC to amend certain provisions of the Market Rules, which were supported.

Gas

Gas system operation

On January 7-13, 2024, the volume of gas transit through the territory of Ukraine amounted to 40.2-42.5 mcm per day, i.e. 37-39% of the capacity contracted by Gazprom (109 mcm per day). In the reporting week the average daily transit was 41.6 mcm (+0.8 mcm week-on-week). There were no transit flows via the Sokhranivka interconnection point.

Transit of Russian gas through the territory of Ukraine, mcm



Source: [Gas Transmission System Operator of Ukraine LLC](#)

The physical imports from EU countries were minimal. 8.4 mcm of gas arrived from Moldova through the Căușeni interconnection point, but it was probably a transit of gas, which later returned to Moldova through the "Consumers of Moldova" virtual interconnection point (VIP). Another 1.4 mcm were delivered through the Bereg VIP from Hungary.

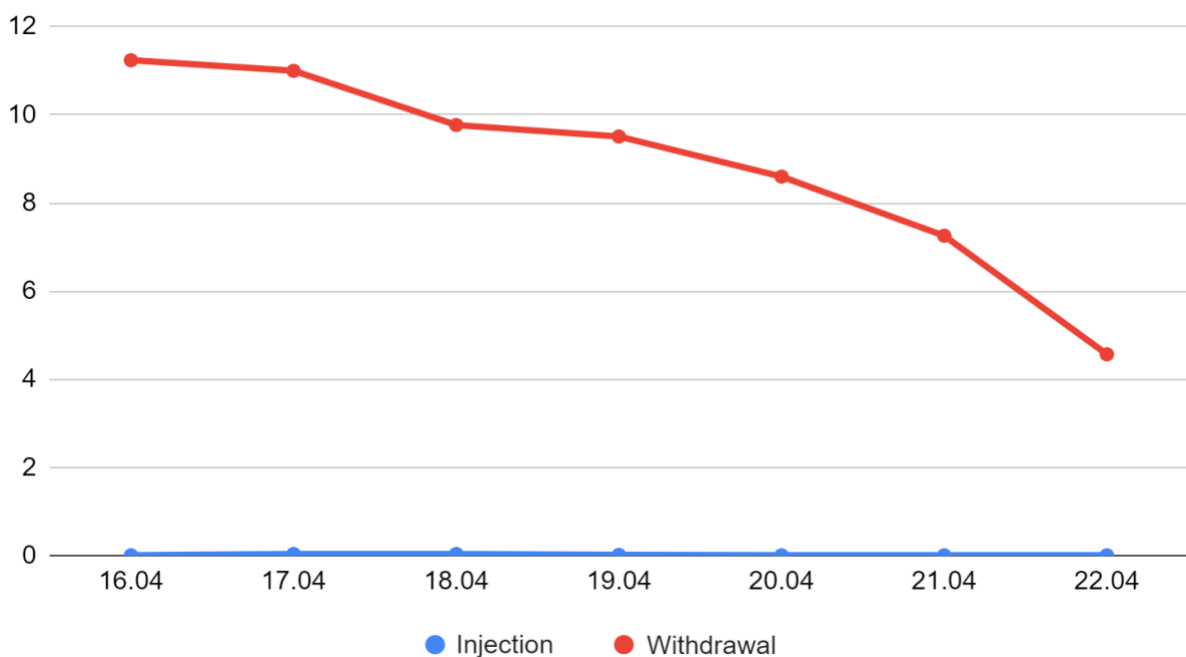
At the same time, gas exports from Ukraine continued. In the circumstances of the ban on the exports of Ukrainian-produced gas, exports are the gas volumes withdrawn from the storage facilities by non-residents, who previously injected it for storage in the "customs warehouse" mode. The volume of such exports on January 7-13 was 23.9 mcm (-80% WoW), which were transported through the Drozdowicze/Hermanowice interconnection point with Poland.

Commercial imports through the VIP Ukraine-Poland were performed at 25.2 mcm (actually corresponding to physical volumes). Another 4 mcm was exported through the Bereg VIP to Hungary. It is also likely that part of the volumes exiting the Ukrainian system to Moldova is the transmission of gas stored by foreign companies in Ukrainian storages. This assumption is due to the fact that the volumes of gas transported from the system in the "customs warehouse" mode exceeded the indicators of commercial exports to Poland and amounted to 104.3 mcm (-14% WoW).

Underground storage facilities

According to the [AGSI platform](#), as of January 13, 7.26 bcm of gas was accumulated in the Ukrainian storage facilities (-2.2% as compared to January 6). It corresponds to 24.1% of the total working capacity, i.e. without 4.662 bcm of "long-term storage" buffer gas. Withdrawals from storage in the reporting week increased by 61% and totaled 408.1 mcm; the average daily withdrawal amounted to 93.9 mcm (+35.6 mcm). On January 9, gas withdrawals exceeded 100 mcm per day for the first time in more than two years.

Natural gas withdrawals and injections into/from Ukrainian storage facilities, mcm



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

Gas market performance

In the [trading sessions](#) of January 8-12, two companies (GSC Naftogaz Trading LLC as buyer and Craft Energy LLC as seller) submitted bids for purchasing gas at the Ukrainian Energy Exchange (UEEX). In the reporting period, UEEX received purchase bids for 111 mcm of gas (+39% as compared to the previous two weeks) with a total starting cost of 1.36 billion UAH (+38%). The weighted average starting price of bids was 12.24 UAH/cm (excluding VAT, -1%).

In the monitoring period, 15.5 mcm (+64%) of gas at a weighted average price of 12.29 UAH/cm (without VAT) (-0.8%) were purchased. All of the resource was procured by GSC Naftogaz Trading.

96% was purchased on the terms of transfer in the underground storages, and 4% - at a virtual trading point (i.e. in the gas transportation system). All the gas was sold with delivery in January.

Policy and regulation

The Verkhovna Rada [registered](#) the draft law "On Amendments to the Law of Ukraine "On Heat Supply", which envisages setting comprehensive powers of the State Inspectorate for Energy Supervision in the field of technical supervision in the field of heat supply in terms of the technical condition and organization of the operation of heat, heat-using installations and networks. The draft law also excludes the duplication of powers during supervision in the field of heat supply and provision of housing and utilities services.

Another draft law [introduced](#) by the government "On the powers of central executive authorities in the field of energy efficiency" provides for changes to a number of laws of Ukraine, which reflect innovations in the distribution of powers in the field of energy efficiency between the Ministry of Energy, the Ministry of Communities, Territories and Infrastructure Development (Ministry of Reconstruction), and the State Agency on Energy Efficiency, provided for by CMU [Resolution](#) No. 153 of February 14, 2023. To remind, according to this resolution, the Ministry of Reconstruction is entrusted with the functions of formation and implementation of public policy in the field of effective use of fuel and energy resources, liquid and solid alternative fuels, energy saving and energy efficiency. At the same time, the State Agency on Energy Efficiency lost part of its powers related to the promotion of renewable energy sources.

The NEURC has published a [draft resolution](#) supplementing the list of network development plans of Gas Distribution Networks of Ukraine by two new plans for the Ternopil and Chernivtsi branches. The [distribution tariff](#) is also being set at 1.75 and 1.99 UAH/cm (without VAT), respectively.

The NEURC approved [a new version of the compliance program](#) of GTSOU, which takes into account the latest changes in the operator's structure, as well as the recently [granted](#) opportunity to temporarily engage in electricity production.

Oil and Motor Fuels

The Chairman of the Verkhovna Rada Committee on Finance, Taxation and Customs Policy Danylo Hetmantsev [said](#) in an interview with the media that the excise duty on liquefied petroleum gas (LPG) will not be increased. MPs are waiting for proposals from the Ministry of Finance, which is preparing a draft law. The act has already been submitted to the Cabinet of Ministers three times without further approval.

The Asset Recovery and Management Agency (ARMA) [initiated](#) the cancellation of government orders and the termination of contracts with Ukrnafta regarding the management of the arrested retail chain Glusco of Viktor Medvedchuk and the assets of Tatneft. ARMA motivates the termination by the deliberate avoidance of Ukrnafta from signing the act of acceptance and transfer of the relevant assets. As a result, the enterprise is still not a source of income for the state budget. According to ARMA, under the management agreement, Ukrnafta had to deduct 5 million UAH of its own income and 85% of the net profit from asset management every month. Ukrnafta has not yet made public its official position.

On January 5-12, the average retail price of LPG [decreased by](#) 0.93 UAH/l to 28.58 UAH/l. Also, in the same period, the average retail price of A-95 petroleum [decreased by](#) 0.19 UAH/l and amounted to 51.22 UAH/l, of A-95 premium petroleum - decreased by 0.12 UAH/l (to 54.42 UAH/l), and of diesel fuel - by 0.19 UAH/l (to 51.22 UAH/l).

International Cooperation

The Deputy Minister of Energy of Ukraine Yaroslav Demchenkov [met](#) with representatives of the recently opened OECD Liaison Office in Ukraine Michal Falenchyk and Marta Sydoryak. The parties discussed the expansion of cooperation within the framework of OECD projects and with its agencies, including the International Energy Agency and the Nuclear Energy Agency. The meeting focused on strengthening the institutional capacity of energy companies, as well as the possibility of sharing best practices and experience in the energy sector under the OECD-Ukraine Country Programme, which is designed to facilitate the process of reforms, recovery and European integration of Ukraine.

During her visit to Ukraine, the U.S. Special Representative for Ukraine's Economic Recovery Penny Pritzker met with the President of Ukraine Volodymyr Zelenskyi, the Prime Minister Denys Shmyhal, the Vice PM and Minister for Communities, Territories and Infrastructure Development Oleksandr Kubrakov, and took part in many discussions:

- at a [meeting](#) with Volodymyr Zelenskyi, the Ukrainian party expressed interest in increasing US private investment in long-term projects in agriculture, energy, engineering, chemical production and other sectors of the economy;
- at a [meeting](#) with Denis Shmyhal, the parties discussed investment opportunities in Ukraine and the development of public-private partnerships;
- Oleksandr Kubrakov, together with the team of the Ministry of Reconstruction and representatives of the Ukrainian exporting companies, [held](#) a roundtable discussion on exports and development of logistics routes.

In Riga, in the presence of the President of Ukraine Volodymyr Zelenskyi and the Prime Minister of Latvia Evika Siliņa, the Cabinet of Ministers of Ukraine and the Government of the Republic of Latvia signed an agreement on technical and financial cooperation. The document will facilitate the implementation of Latvia's assistance projects to supply equipment and materials for reconstruction, transfer modern technologies to Ukraine, and implement priority reforms in the field of European integration. The draft 2024 budget of Latvia provides 5 million EUR for these purposes. In particular, 2 million EUR will be used through the Ministry of Economy of Latvia to purchase equipment and materials for reconstruction projects in the Chernihiv region; 3 million EUR will be implemented through the Ministry of Foreign Affairs of Latvia as part of social infrastructure reconstruction projects in the Chernihiv region.

Ukraine has [joined](#) the leading European association COGEN Europe, where it will be represented by COGEN Ukraine association. Membership will provide more opportunities to present Ukraine and the potential of the cogeneration market, find partners, launch new projects, attract investment, and bring Ukrainian businesses to the European market.

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).