

Weekly Alert

**Russian War Against
Ukraine: Energy Dimension**

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Russian War Against Ukraine: Energy Dimension
DiXi Group weekly review

(March 4 – 10)

#StopRussianAggression
#StandWithUkraine**Summary**

- On March 6, a fire broke out at a DSO substation in the Khmelnytsky region due to a drone attack, resulting in the disconnection of over 14,000 consumers.
- On March 9, the enemy attacked a 330 kV substation in the Zaporizhzhya region with an UAV, but no equipment or personnel were affected. On March 10, after another attack, equipment was damaged.
- As of March 11, 386 settlements remained without electricity due to hostilities and technological disruptions.
- The IAEA Board of Governors endorsed a resolution calling on Russia to immediately remove all unauthorized personnel, including military, from the Zaporizhzhia NPP and immediately return the facility to full Ukrainian control.
- Fresh nuclear fuel of Westinghouse has been delivered to units of the Khmelnytskyi NPP. All Ukrainian nuclear power plants will now use American fuel assemblies.
- On March 8, Energoatom started a regular maintenance campaign, 5 days ahead of schedule.

- The power system operates with a surplus. The volume of exports increased by 74% - to 76.5 GWh, exceeding imports by almost 16 times. The Base DAM index decreased to 2,418.4 UAH/MWh (-1.1% WoW).
- Since March 4, joint capacity allocation auctions between Ukraine and Slovakia began on the JAO platform.
- Active import of gas from Hungary began in March. The media indicate that these volumes are transited to Moldova.
- The NEURC provided clarifications on changes to the Rules of Retail Electricity Market concerning active consumers (prosumers).
- In response to the Ministry of Energy request, the Regulator offers 925 USD/kW as the marginal price for the purchase of generating capacity development service.
- The State Service for Food Safety and Consumer Protection can conduct unscheduled inspections of compliance with the requirements of legislation on regulated prices, consumer protection and metrological supervision in the field of housing and utilities.
- Ukrnafta received a new composition of the supervisory board, which includes 3 independent members (Timothy Dodson, Ireneusz Fafara, Duncan Nightingale) and 2 representatives of the shareholder (Liudmyla Daragan, Roza Tapanova).
- Under the Power for Health project, healthcare institutions in 20 regions of Ukraine and Kyiv received 300 energy storage systems to provide hospitals with backup power.
- The government allocated an additional 9.3 billion UAH for 13 regions for the rapid reconstruction program, in particular for the restoration of critical infrastructure facilities.

IMPACT OF THE WAR

Attacks

[According](#) to Ukrenergo, as of March 11, 386 settlements in Ukraine remained without electricity due to hostilities and technological disruptions. Hostile attacks and, accordingly, the interruption of electricity and gas supply took place:

Donetsk region. On [March 4](#), a 110 kV power line was disconnected due to shelling. In total, more than 10,800 consumers in 20 settlements were cut off from [electricity supply](#), and almost 2,000 households were disconnected from gas supply. On [March 5](#), a coal mining enterprise was cut off from power supply due to damage to a 110 kV line, the miners were rescued. In total, more than 25,500 consumers were [left without electricity](#) during the day. On [March 6](#), at least 5 settlements were cut off from power supply; on [March 7](#), about 3,000 consumers in 4 settlements were disconnected. On [March 8](#), as a result of shelling, a fire broke out in the administrative buildings of a mine, with no casualties. In total, on March 8, 12,700 consumers in 3 settlements were cut off from electricity supply; on [March 9](#), 5,600 consumers; and on [March 10](#), 4,002 consumers in 2 settlements.

Kharkiv region. On [March 7](#), the building of a local DSO was damaged in one of the settlements, no employees were injured. The networks in two settlements were also damaged. On [March 10](#), gas distribution networks were damaged, and 617 consumers were disconnected from gas supply. On [March 10](#), an overhead line was disconnected, leaving a 110 kV substation and the settlement without electricity supply.

Dnipropetrovsk region. On [March 4](#), 10,200 customers were cut off from power supply. On [March 5](#), 270 customers were disconnected; a gas pipeline in the city of Nikopol was [damaged](#), resulting in disconnection of consumers. On [March 9](#), almost 120 customers in the Pokrovsk district were left without gas supply due to damage to an underground distribution pipeline. On [March 10](#), a substation was damaged, resulting in power outages.

Kherson region. On [March 8](#), 67 consumers in the city of Kherson were cut off from electricity supply; on [March 10](#), 336 consumers in 2 settlements were disconnected.

Zaporizhzhia region. On [March 5](#), as a result of shelling of frontline settlements, power supply to more than 2,000 customers was disrupted. On [March 7](#), after artillery shelling, a 35 kV line in Zaporizhzhia district was disconnected, leaving substations and overhead lines without power supply and damaging wires. On [March 9](#), the enemy attacked a 330 kV substation with a UAV, but no equipment or personnel were injured. On [March 10](#), after another attack on a Ukrenergo substation, equipment was damaged.

Mykolaiv region. On [March 10](#), a UAV attack damaged a power line and left 2 settlements without electricity. In the city of Mykolaiv, consumers were disconnected due to damaged cable lines.

Sumy region. On [March 4](#), an air strike caused a blast wave resulting in disconnection of equipment at a gas distribution network in Shostka district, leaving 80 customers without gas supply. Also, 240 customers in 4 settlements were cut off from [electricity supply](#). On [March 7](#), a UAV fragment damaged a low-pressure gas inlet pipeline in the city of Sumy, disconnecting 200 consumers from gas supply. On [March 8](#), an underground low-pressure gas pipeline in Sumy district was damaged, leaving 24 customers without gas. On [March 10](#), 331 consumers in one of the settlements were disconnected.

Chernihiv region. On [March 5](#), an overhead line and 370 household consumers in 6 settlements were disconnected; on [March 8](#), a power line and almost 100 consumers were disconnected.

Khmelnyskyi region. On [March 6](#), a fire broke out at a substation of the local DSO due to a UAV attack, resulting in the disconnection of overhead power lines and the loss of power supply to more than 14,000 consumers in 30 settlements.

Nuclear and Radiation Safety

IAEA [experts](#) stationed at the site of the occupied Zaporizhzhia NPP have continued to hear explosions and other signs of military activity near the facility. There are reports of the possible use of heavy weapons near the plant. ZNPP remains dependent on the only operating 750 kV power line, and the restoration of the 330 kV line will take at least another week.

The IAEA Board of Governors by a majority of voters [supported](#) a draft resolution on nuclear safety, security and safeguards in Ukraine developed by Ukraine. The document, in particular, calls on Russia to urgently withdraw all unauthorized personnel, including military personnel, from ZNPP and to immediately return the plant to full control of the competent authorities of Ukraine in accordance with the existing license issued by the State Nuclear Regulatory Inspectorate of Ukraine. This is necessary to ensure its safe and reliable operation.

[Fresh](#) Westinghouse nuclear fuel for two Khmelnytskyi NPP units with VVER-1000 reactors has been loaded onto the plant site. From now on, all Ukrainian nuclear power plants will use American fuel assemblies.

Countermeasures

Thanks to the cooperation of the Ministry of Digital Transformation and the Ministry of Health with donors, medical institutions in 20 regions of Ukraine and Kyiv [received](#) 300 energy storage systems to provide hospitals with backup power. It is noted that energy storage systems hold a charge for 12-14 hours, have high autonomy, and provide stable power supply during outages. In total, this year Ukraine will receive 2,000 energy storage systems as part of the Power for Health project from the American charity Direct Relief, including devices for critical infrastructure facilities.

On March 5, during a government meeting, the Prime Minister of Ukraine Denys Shmyhal [announced](#) the allocation of additional 9.3 billion UAH for 13 regions for the rapid recovery program, including the restoration of critical infrastructure.

On March 8, the Cabinet of Ministers [approved](#) the text of the Memorandum of Understanding between Ukraine and the European Union on Transitional Financing under the Ukraine Facility program, as well as the corresponding loan agreement. The signing of the Memorandum will allow Ukraine to attract 4.5 billion EUR in March 2024 to maintain macrofinancial stability. Ukraine will be able to receive the next 1.5 billion EUR in April 2024.

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, Hungary, and Moldova. Due to favorable weather conditions and, accordingly, active generation of electricity by SPPs during daytime hours, the IPS of Ukraine experienced a surplus on certain days. To balance the power system, emergency support was provided (on March 4, from 13:00 to 16:00, in the form of urgent sale of surplus electricity to Poland in the total amount of 0.246 GWh) and curtailment of RES generation (on March 9, in the amount of 1.298 GWh, on March 10, 2.226 GWh).

In addition, several NPP units were switched to operation at [reduced](#) capacity; Energoatom started the regular maintenance campaign on March 8, five days ahead of schedule. This will help to prepare nuclear power units for the autumn-winter period of 2024/2025 faster, optimize repair and maintenance schedules, including fuel reloading.

On March 5, the Minister of Energy Herman Galushchenko [said](#) that the power system is in surplus, so Ukraine is interested in increasing electricity exports to the EU. Galushchenko also thanked ENTSO-E for the decision to increase export capacity to 550 MW and expressed hope that the cross-border capacity would continue to grow.

In addition, on March 9, the Deputy Minister of Energy Svitlana Hrynychuk [noted](#) that Ukraine is increasing electricity exports: in February, 64 GWh were sold to neighboring countries, and in 6 days of March - 57 GWh. According to Hrynychuk, this became possible due to a large-scale maintenance campaign at energy facilities, during which 3 GW of generating capacity was added to the power system.

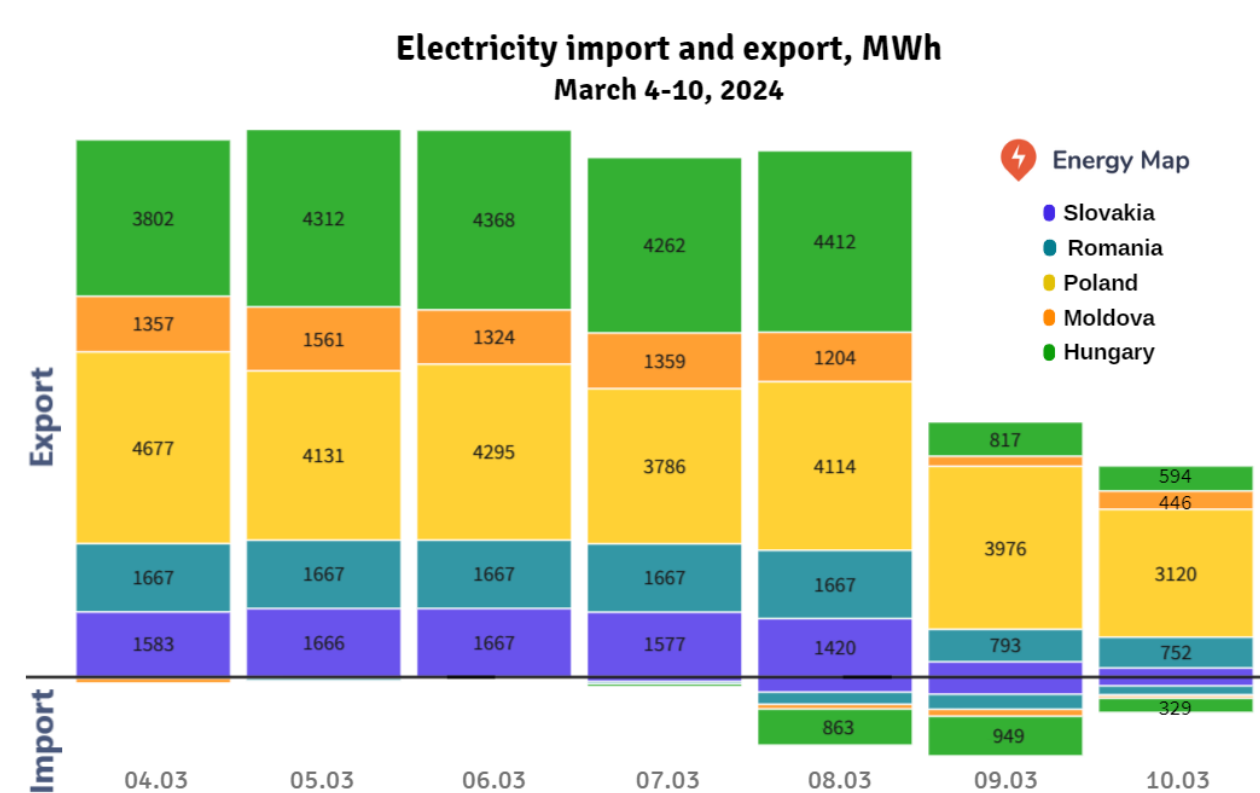
On March 4, due to **technological disruptions**, 1,600 consumers in the Zaporizhzhia region and 1,500 in the Chernihiv region were disconnected. On March 6, a 330 kV substation in the Odesa region was disconnected without causing power outages. On March 7, almost 600 consumers in 7 settlements of the Zaporizhzhia region, 442 consumers in 5 settlements of the Sumy region and more than 200 consumers in the Kirovohrad region lost power supply. On March 8, more than 3,000 consumers in the Odesa region were offline due to a fire at a transformer of a substation; 2,229 consumers in the Dnipropetrovsk region, 632 in the Sumy region, and 188 in the Kirovohrad region were also disconnected. On March 9, equipment at Odesa CHP was disconnected, which led to a short-term power outage for residential consumers in Odesa and local infrastructure. In the Lviv region, equipment at a 330 kV substation was disconnected due to damage. In the Dnipropetrovsk region, a 330 kV overhead line was disconnected during operational switching. In the Kharkiv and Kirovohrad regions, 330 kV high-voltage lines experienced short-term disconnection due to damage in the networks. On March 10, 4,100 consumers in the Zaporizhzhia region, 1,800 in the Kirovohrad region, and 49 in the Sumy region were left without electricity supply.

According to the [NEURC](#) and [ENTSO-E](#), during the week, commercial exports and imports of electricity were performed with 5 countries: Moldova, Romania, Poland, Slovakia, and Hungary.

Exports increased by 74% to 76.5 GWh; imports decreased by 39% to 4.9 GWh. Thus, weekly export volumes exceeded import volumes by almost 16 times. Since March 4, [joint capacity auctions](#) between Ukraine and Slovakia have been launched on the JAO platform.

Commercial exports to Poland [amounted](#) to 28.1 GWh (+111%), with capacity ranging from 130 to 212 MW. Deliveries to Hungary amounted to 22.6 GWh (+182%), with a capacity range from 30 to 220 MW. Deliveries to Romania amounted to 9.9 GWh (-4%), with a capacity range from 29 to 82 MW. Deliveries to Slovakia amounted to 8.5 GWh (+111%), with a capacity range of 20-82 MW at certain hours. A total of 7.5 GWh (-10%) was supplied to Moldova, with a capacity range of 5-130 MW.

Commercial imports from Hungary were performed on March 7-10 and amounted to 2.2 GWh (+11%), with capacity ranging from 8 to 228 MW. Imports from Slovakia amounted to 1.2 GWh (-52%), with capacity ranging from 1 to 91 MW. Electricity supplies from Romania amounted to 1 GWh (-57%), with capacity ranging from 7 to 91 MW. Imports from Moldova were performed on March 4, 6, 8-10 and amounted to 0.5 GWh (-47%), with a capacity ranging from 4 to 62 MW. Deliveries from Poland were performed only on March 10, from 16:00 to 20:00, on a flat schedule of 5 MW, with a total volume of 20 MWh (-94%).



Source: [Energy Map](#)

Export capacity in the Ukraine-Poland direction was booked by 1-2 companies, the marginal price was set on all days (except of March 5 and 10) and ranged from 0.6 to 2 EUR/MWh, and the total revenue amounted to 4,400 EUR, while Ukrenergo's revenue was about 90,000 UAH. 2-4 companies competed for the Ukraine-Hungary capacity, which was distributed between 1-2 companies, the marginal price was set at 0.05 to 14.37 EUR/MWh; total revenue - 72,500 EUR, the revenue of the Ukrainian TSO - about 1.5 million UAH. The Ukraine-Romania capacity was booked by 2 companies: Ukrhydroenergo and DTEK Zakhidenergo. The marginal price ranged from 0.43 to 6 EUR/MWh, and the total revenue amounted to 30,800 EUR, Ukrenergo's revenue - about 640,000 UAH. 2-4 companies were competing for the Ukraine-Slovakia capacity, which was distributed among 2-3 of them. The marginal price was set on all days except of March 5 and 9 at 0.05-9.41 EUR/MWh, with total revenue of 14,700 EUR, and the Ukrainian TSO's revenue of about 309,000 UAH. Export capacity in the Ukraine-Moldova direction was booked by 2 to 5 companies, including Ukrhydroenergo, Synapse Electric, CPG Energy, and others. The marginal price was set at 0.01-5.02 EUR/MWh, and total revenue amounted to 7,400 EUR, Ukrenergo's revenue - about 153,000 UAH.

On March 5-10, 2-3 companies [competed](#) for import capacity in the Hungary-Ukraine direction, and it was distributed between 2 companies. The marginal price was set on certain days at 0.01 to 10.39 EUR/MWh; the total revenue was 3,400 EUR, and Ukrenergo's revenue amounted to about 70,000 UAH. 6-10 companies competed for the Slovakia-Ukraine capacity, which was distributed among 2-10 companies. The marginal price was set at 0.01-5.01 EUR/MWh; the total revenue amounted to 2,800 EUR, and Ukrenergo's revenue amounted to about 59,000 UAH. Access to the Romania-Ukraine capacity was booked by 5-8 companies, the most active ones being CPG Energy, Synapse Electric, Energy Exchange Solutions, and others. The marginal price was set on all days (except of March 7) and ranged from 0.1 to 19 EUR/MWh; the total revenue amounted to 5,400 EUR, and the Ukrainian TSO's revenue amounted to about 113,000 UAH. Access to the Moldova-Ukraine capacity was booked by 3-6 companies, the largest volumes were distributed among Synapse Electric, CPG Energy, and Energo Resource Ri Group. The marginal price was set on March 9-10 and ranged from 0.01 to 10 UAH/MWh, the total revenue amounted to 700 EUR, while Ukrenergo's revenue amounted to about 14,000 UAH. In the Poland-Ukraine direction, capacity was distributed on March 4-6 and 10 among 1-2 companies, with no marginal price set.

Market performance

Bilateral contracts market (BCM): After the previous week's intensification, trading dynamics on the Ukrainian Energy Exchange (UEEX) decreased. On March 4-10, UEEX [held](#) 25 auctions for trading electricity (7 in commercial and 18 in specialized sections). Companies of DTEK group, Ukrhydroenergo, Energoatom-Trading, Donbasenergo, Centrenergo, Guaranteed Buyer, Euro-Reconstruction, Cherkaske Khimvolokno, Kremenchuk CHP, universal service suppliers, distribution system operators, etc. were among those which initiated trades. In total, 1,995 GWh were sold at UEEX with delivery in March (37% less week-on-week). The monthly Base BCM index for March remained at 2,409 UAH/MWh.

In particular, DTEK Kurakhivska TPP, DTEK Dniproenergo and DTEK Zakhidenergo sold 1,273.1 GWh of block positions at prices ranging from 1,465 to 2,242.33 UAH/MWh. Ukrhydroenergo sold 151.6 GWh of base load at prices 2,102-2,207.76 UAH/MWh and 8.6 GWh of block positions (24-07) at prices 1,634.17-1,693.75 UAH/MWh. Energoatom-Trading sold 150.9 GWh of base load at a weighted average price of 2,155.92 UAH/MWh. Donbasenergo sold 125.8 GWh at a weighted average price of 2,126.4 UAH/MWh. Centrenergo sold 109.2 GWh of base load at a weighted average price of 2,150.85 UAH/MWh. Guaranteed Buyer sold 50.4 MWh of block positions at prices ranging from 1,130.07 to 1,622.73 UAH/MWh. In addition, in the specialized section, Euro-Reconstruction sold 31.6 MWh of base load at a weighted average price of 2,120 UAH/MWh. In the commercial sections, companies purchased/sold electricity under individual load profiles.

Day-ahead market (DAM): According to the [Energy Map](#) service, on March 4-10, DAM prices generally demonstrated [volatility](#): the deviation of hourly prices from price caps ranged from 30% to 89.7%, with an average of 53.2%. The number of cases with significant price deviations (over 50%) from the upper price caps slightly decreased and was observed in 53.6% of the settlement periods (hours of the week). At the same time, no hours were recorded when prices were close (with a deviation under 1%) or at the level of price caps.

The average hourly electricity price (Base DAM index) continued its downward trend and slightly decreased to 2,418.4 UAH/MWh (-1.1%), while the weighted average daily price [ranged](#) from 2,135.6 to 2,775.4 UAH/MWh. At the same time, the ratio between the Base DAM indices in the markets of Eastern European countries (Poland, Hungary, Romania, Slovakia) and Ukraine decreased and [ranged](#) from 0.77 to 1.5.

The total volume of electricity sales on the DAM of Ukraine increased moderately and [amounted](#) to 462 GWh (+3% week-on-week). The daily trading volume varied 62.2-70.3 GWh. The DAM remained in surplus: the ratio between the total daily volume of sale and purchase bids ranged from 1.44 to 1.96. At the same time, total supply decreased by 9.2% to 759.7 GWh, while demand increased by 3.5% to 465.2 GWh. No deficit hours were observed during the week. Suppliers

[prevailed](#) in the purchase structure (87.9-91.3%), the share of system operators was 8.7-12.0%, and producers accounted for the rest (0.09-0.12%).

Policy and regulation

On March 5, the Regulator [published](#) a draft resolution "On Amendments to Certain Resolutions of the NEURC", which includes amendments to the Procedure for the Purchase of Electricity Generated from Alternative Sources by Guaranteed Buyer, approval of the Model Agreement for the Provision of Services to Ensure an Increase in the Share of Electricity Generation from Alternative Sources for Guaranteed Buyer and Universal Service Suppliers, and other changes.

On March 8, the NEURC [amended](#) the Methodology for Determining Significant Price Fluctuations and Setting Price Caps on the DAM, IDM and Balancing Market (BM). In particular, information on significant price changes in these market segments may now be provided to the Regulator only by the Market Operator or the settlements administrator (TSO), whereas previously this information was provided by both entities. The notification of significant price changes may also contain information only on the DAM, IDM and/or BM segments, whereas previously it had to include all segments.

The NEURC also provided [clarifications](#) on changes to the Rules of Retail Electricity Market concerning active consumers (prosumers). The clarifications relate to the conclusion of contracts, confirmation of the status of an active consumer, calculation of the cost of purchased electricity from such a consumer, settlement procedure, metering, the need to obtain licenses, and other issues raised by electricity market participants.

The Ministry of Energy has addressed the NEURC with a request to determine the marginal price for procuring the service for the development of generating capacity. The request was made in accordance with Article 29 of the Electricity Market Law and the Procedure for Holding Tenders for the Construction of Generating Capacity and Implementation of Demand Management Measures. According to the LAZARD [report](#), capital expenditures for Gas Peaking technology amount to 700-1150 USD per 1 kW of capacity. On March 8, the Regulator [published](#) the average value of this range (925 USD/kW) as a proposal for the marginal price and invited stakeholders to provide comments or proposals with appropriate justification of the technical characteristics of generating capacities.

Gas

Gas system operation

On March 3-9, the volume of gas transit through the territory of Ukraine amounted to 41.9-43 mcm per day, i.e. 38-39% of the capacity contracted by Gazprom (109 mcm per day). In the reporting week the average daily transit was 42.3 mcm (almost corresponds to the indicator of the previous week).

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 March 3-9 was 7.5 mcm (-50% WoW), which were transported through the Drozdowicze/Hermanowice interconnection point with Poland.

At the same time, in March, active physical imports from Hungary began: in the reporting week, it amounted to 40 mcm (+50% WoW). Probably, these imports are partially or entirely transited through Ukraine and transported to Moldova. In particular, this is [reported by](#) specialized media.

Commercial exports through the VIP Ukraine-Poland were performed at 6.8 mcm (close to physical volumes). It is also likely that part of the volumes exiting the Ukrainian system to Moldova is the

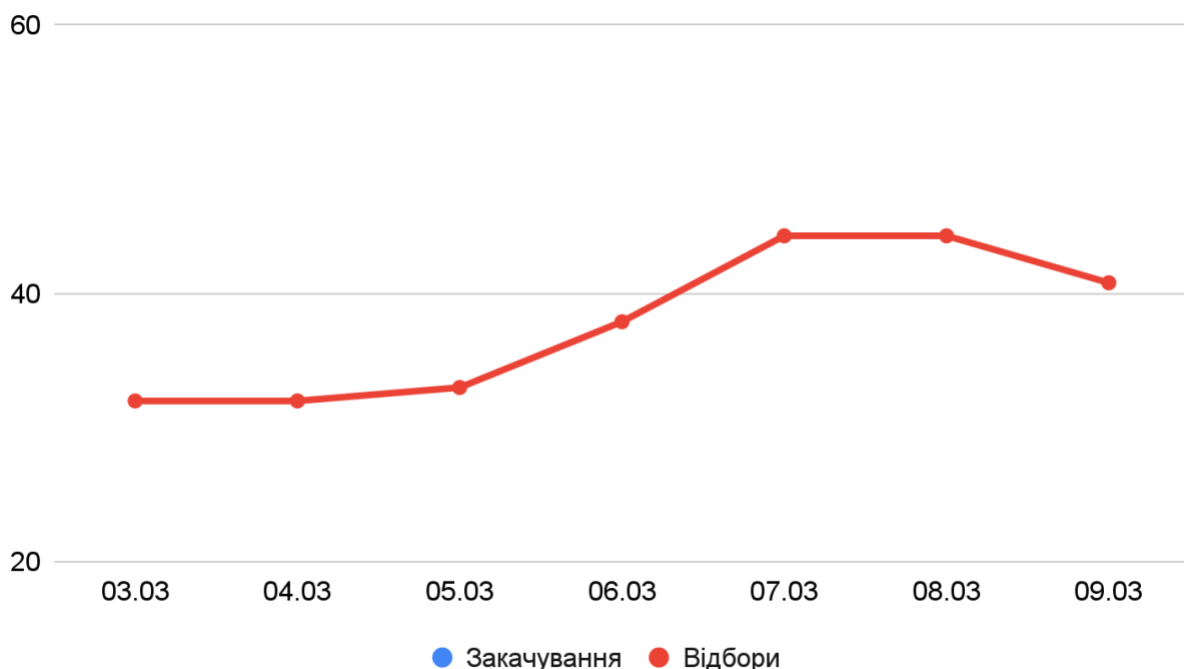
transmission of gas stored by foreign companies in Ukrainian storages. This assumption is due to the fact that the volumes of gas transported from the system in the "customs warehouse" mode exceeded the indicators of commercial exports to Poland and amounted to 23.5 mcm (-55% WoW).

Commercial flows into the Ukrainian system from Hungary corresponded to the physical indicators (40 mcm). In particular, 9.9 mcm arrived in the "customs warehouse" mode and 15.6 mcm in the short-haul mode (service of the TSO, which provides a discount in the transmission tariff for transit over short distances).

Underground storage facilities

According to the [AGSI platform](#), as of March 9, 4.03 bcm of gas was accumulated in the Ukrainian storage facilities (-0.86% as compared to March 2). It corresponds to 13.32% of the total working capacity, i.e. without 4.662 bcm of "long-term storage" buffer gas. Withdrawals from storage in the reporting week amounted to 264 mcm; the average daily withdrawal amounted to 37.7 mcm (-3%).

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 March 4-8, three companies (two buyers and two sellers, the company Craft Energy LLC submitted bids both as a buyer and as a seller) submitted bids for purchasing gas at the Ukrainian Energy Exchange (UEEX). In the reporting period, UEEX received bids for 213.7 mcm of gas (+14% WoW) with a total starting cost of 2.39 billion UAH (+13%). The weighted average starting price of bids was 11.20 UAH/cm (excluding VAT, -0.8%).

In the monitoring period, 20.5 mcm (-60% WoW) at a weighted average price of 11.20 UAH/cm (without VAT) (-0.3%) were purchased. 55% of the resource was sold by Ukrnafta PJSC, 44% was purchased by GTSOU and 1% by GSC Naftogaz Trading LLC.

71% of gas was sold with transfer at a virtual trading point, 29% - with transfer in storages. 56% was sold with delivery in March 2024, 44% - in April 2024.

Policy and regulation

The Cabinet of Ministers [adopted](#) amendments to the resolution "On the suspension of measures of state supervision (control) and state market surveillance in conditions of martial law", which provide that the State Service for Food Safety and Consumer Protection can conduct unscheduled inspections of companies' compliance with the requirements of the legislation on the formation, establishment and application of state-regulated prices as well as protection of consumer rights and metrological supervision in the field of housing and utilities. Also, the changes restore the implementation of state market surveillance measures regarding low-voltage electrical equipment in terms of its compliance with the requirements of the relevant Technical Regulation.

The NEURC published the [draft](#) of the Gas Transmission System Development Plan for 2024-2033. The total volume of planned investments for 10 years is 43.76 billion UAH, of which 812.9 million UAH are planned to be allocated for the first year (less than 2% of the total plan for 10 years).

The Regulator also plans to amend the Methodology for determining the volume of technological losses of natural gas during the distribution of natural gas, according to which, when determining the amount of losses, the distribution system equipment, transferred to DSOs on the basis of the relevant contract (and not necessarily transferred to them on the balance sheet) should also be taken into account.

Other

Ukrgezvydobuvannya [launched](#) another well with a daily production rate of 400 tcm. It is the fourth well put into operation in the current year.

The Prosecutor General's Office [reported](#) on the detention by law enforcement officers of two former officials of the gas distribution system operator Kharkivgaz who were passing on information about gas networks in the Kharkiv region to the enemy to launch missile attacks. The detainees collaborated with the enemy: during the occupation of the city of Vovchansk, one of them headed the occupants' enterprise "Gas Service", and the other took the position of "chief engineer". The suspects established the activities of a quasi-enterprise and handed over maps of gas networks of the Kharkiv region to representatives of the Russian Federation. This data helped the aggressor to adjust the attacks in order to inflict the greatest damage. The occupiers also "took into account" this cartographic information when arranging engineering barriers and minefields to deter counteroffensive operations of the Ukrainian Armed Forces.

Oil and Motor Fuels

The shareholders of PJSC Ukrnafta [appointed](#) a new composition of the supervisory board, which included 3 independent members (Timothy Dodson, Ireneusz Fafara, and Duncan Nightingale) and 2 representatives of the shareholder (Ludmila Daragan, and Roza Tapanova).

The specialized media [reported on](#) the reduction of petroleum and diesel imports in Ukraine. In February 2024, the average daily imports of diesel fuel decreased by 3%, to 15,100 tons. The situation with the supply of petroleum is similar: last month, the average daily imports decreased by 20% to 2,400 tons, and in March it significantly reduced to 1,160 tons. Among the reasons for the decline are a decrease in demand within Ukraine and a difficult situation on the Ukrainian-Polish border, which led to a decrease in imports from Poland and the Baltic countries. [According to](#) the State Border Service, as of March 7, there are 2,300 trucks in line at 6 border crossings between Ukraine and Poland. The longest line is observed at the "Krakovets" and "Yahodyn" crossings.

The Ministry of Finance, in response to a media request, [announced](#) plans to bring the excise tax on fuel in line with EU minimum standards. Thus, the minimum excise duty rates according to Directive 2003/96/EU are: for petroleum - 359 EUR per 1000 liters; for diesel fuel - 330 EUR for 1000 liters; for liquefied gas - 125 EUR for 1000 liters. Also, the Ministry proposes to introduce monthly advance payments of income tax by enterprises engaged in retail trade in fuel. It is expected that by the end of the first quarter of 2024, the relevant draft laws will be submitted to the Cabinet of Ministers for consideration, and subsequently they will be considered by the Verkhovna Rada.

International Cooperation

The U.S. Department of State and the German Marshall Fund of the United States (GMF) have [announced](#) the creation of the Ukraine Cities Partnership for Sustainable Urban Recovery (UCP), a new public-private partnership designed to help Ukrainians redesign and rebuild sustainable, inclusive, and resilient cities. The U.S. Department of State notes that it will work with GMF to engage stakeholders, technical experts, and financial partners in the UCP efforts, involving business and the private sector, non-governmental organizations, and foundations. The initiative, which is intended to last for three years, is expected to be announced at the Ukraine Recovery Conference in Berlin in June.

The Minister of Energy of Ukraine Herman Halushchenko [participated](#) online in a meeting of the EU Council on Transport, Telecommunications and Energy. The meeting was attended by representatives of the EU member states and European Commissioner for Energy Kadri Simson. Given the importance of ensuring nuclear and radiation safety, Herman Halushchenko called on his colleagues to strengthen sanctions against the aggressor country, in particular in the field of nuclear energy.

The Ministry of Energy of Ukraine [held](#) a meeting with the Finnish delegation headed by Minister of Climate and Environment Kai Mikkilä and attended by Ambassador Extraordinary and Plenipotentiary of Finland to Ukraine Jaakko Lehtovirt, Deputy Ministers of Energy Svitlana Hrynychuk and Yaroslav Demchenkov, as well as representatives of Finnish and Ukrainian energy companies. The head of the Ministry of Climate and Environment of Finland noted that his country will continue to support Ukraine and is interested not only in developing but also in deepening cooperation in the energy sector. In particular, the Finnish government plans to develop a program of guarantees for businesses that will invest in the Ukrainian energy sector. The parties paid special attention to cooperation in the nuclear industry, and emphasized the need to coordinate cooperation and strengthen international efforts to remove Russia from nuclear fuel markets. The parties also discussed deepening cooperation to strengthen the resilience of the Ukrainian energy system in the areas of renewable energy development, grid modernization and restoration, as well as decentralization and development of distributed generation.

For subscriptions, comments and other questions, please email to:
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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).