

Weekly Alert

**Russian War Against
Ukraine: Energy Dimension**

This analytical product is made possible by the support of the American People through the United States Agency for International Development (USAID) within the framework of the Energy Sector Transparency project implemented by NGO DiXi Group. The contents are the sole responsibility of DiXi Group and do not necessarily reflect the views of USAID or the United States Government.

Russian War Against Ukraine: Energy Dimension
DiXi Group weekly review

(July 29 – August 4)

#StopRussianAggression
#StandWithUkraine**Summary**

- The deficit of electricity will be over 7% in 2024, about 8% in 2025 and about 5% in 2026 - the National Bank inflation report.
- Russia is intensifying the information campaign to intimidate Ukrainians with a "disaster" in the heating season - Center for Countering Disinformation.
- The water levels in the Zaporizhzhia NPP cooling pond continues to decrease - IAEA.
- An experiment was introduced to simplify the receipt of benefits for housing and utilities by war veterans.
- Banks approved loans for the restoration of energy capacities for 3.6 bn UAH - Ministry of Economy.
- Residents of the areas close to frontline are allowed to harvest firewood for own needs for free during the martial law.
- The government appointed Yurii Vlasenko and Ruslan Slobodian as members of the NEURC, the former was later elected as the new Chair of the Regulator.
- The NEURC settled the issue of costs for engineering protection of the transmission system facilities.

- USAID purchased 18 autotransformers for Ukraine. Belgium provided 9 mln EUR to the UNDP program for the green recovery of Ukraine's energy sector.

IMPACT OF THE WAR

Attacks

Hostile attacks and, consequently, interruptions of electricity and gas supply took place in:

Donetsk region. During the week, at least 60,700 consumers were disconnected from electricity supply. The enemy shelled coal mining enterprises twice, damaging [equipment](#) and forcing workers to the surface. A high-voltage [overhead line](#) and a [substation](#) were shut down due to hostilities. A high-pressure gas distribution [pipeline](#) was also damaged, leaving nearly 200 customers without gas supply. As of [August 4](#), 80,600 consumers in 145 settlements were without electricity.

Kharkiv region. The number of consumers without electricity increased from 38,300 as of [July 29](#) to 44,200 on [August 4](#). In addition, due to the [hostilities](#) a low-pressure gas pipeline was damaged in one of the settlements, 100 customers were left without gas.

Sumy region. On [July 30](#), as a result of shelling from the Russian territory, 3,100 consumers in 20 settlements were cut off from electricity; another 72 consumers in 3 settlements were disconnected on [August 3](#). As of [August 4](#), 3,500 consumers remained without electricity.

Chernihiv region. On [July 30](#), a shelling left 2,465 consumers without electricity. Another 189 customers were disconnected on [August 3](#). As of [August 4](#), 1,200 customers in 22 settlements remained without electricity.

Kherson region. More than 2,000 consumers and substations were cut off from electricity supply due to daily shelling of Kherson and surrounding settlements. On [August 2](#), Russian troops hit an energy infrastructure facility in Kherson, leaving part of the city without power. As of [August 4](#), 2,866 consumers in Kherson and more than 26,000 consumers in other 48 settlements of the region were without electricity.

Dnipropetrovsk region. On [July 29](#), as a result of hostile shelling of the territory of an energy company, administrative buildings and several service vehicles were damaged, with no casualties. Between July 30 and August 3, UAV attacks and artillery shelling damaged equipment at substations, and resulted in disconnection of 7,500 consumers.

Zaporizhzhia region. On [July 30](#), a UAV attack led to partial outages at a substation and local industrial facilities. As of [August 4](#), 3,700 metering points in 51 settlements remained without electricity.

According to the latest [inflation report](#) of the National Bank of Ukraine (NBU), in the second quarter of 2024, the risk of further losses in the energy infrastructure materialized, forcing the NBU to revise its estimates of the electricity shortage over the forecast horizon. Russia's targeted shelling of Ukraine's energy infrastructure, both generation and transmission system capacities, caused a significant increase in losses in the power grids and longer power outages, with dispatchable generation (thermal power plants and hydroelectric power plants) being particularly affected. A significant deficit emerged in the second quarter and deepened in the beginning of the third quarter due to hot weather and further damage. In addition, the NBU, as part of its inflation report, [estimated](#) the annual cost of electricity imports at 1 bn USD. These imports will help reduce the deficit of domestic capacity, but will cost more than domestically generated electricity.

According to the NBU, restoring lost capacities and/or building new ones requires significant time and funding. As a result, the forecast for electricity deficit has been revised for 2024-2026: more than 7% in 2024 (previous estimates: 5%), about 8% in 2025 (previous estimates: 4%), and about 5% in 2026 (no deficit was expected under previous estimates). At the same time, businesses and

households are better adapted to the electricity shortage than in 2022-2023, and part of the needs were covered by imports. In the second half of 2024, economic activity will continue to slow down due to a higher electricity deficit, which will restrain GDP growth over the entire forecast horizon.

Information attacks

The Center for Countering Disinformation of the National Security and Defense Council has warned of an [intensification](#) of the Russian information campaign to intimidate Ukrainians with a "catastrophe" during the heating season. One of the main narratives of the enemy is a "black winter" for Ukrainians. It is predicted that Russia will increasingly spread narratives about the "inability" of the Ukrainian authorities to provide the households with electricity and heat in the autumn-winter period of 2024-2025, emphasizing the impossibility of restoring the destroyed generation capacities not only in the near future, but never at all.

Other key destructive [narratives](#) of the Russians are:

- electricity from Ukrainian NPPs is exported to other countries;
- there is a "conspiracy" between business and the government to supply electricity to entrepreneurs, not the households;
- the Ukrainian government does not care about citizens, so nothing is being done to protect electricity generation capacities;
- Russia will "quickly resolve all issues with electricity".

These narratives are part of Russia's information war against Ukraine and are spread through a network of Telegram and YouTube channels, including those that claim to be Ukrainian but promote messages favorable to Russia.

Nuclear and Radiation Safety

[According to](#) the IAEA, the water level in the cooling pond at the occupied Zaporizhzhia NPP continues to decline. Despite the fact that all reactors remain in a state of "cold shutdown," the availability of this water is important for nuclear safety, especially in hot summer weather. After the Russians destroyed the dam of the Kakhovka hydroelectric power plant last year, the occupiers drilled 11 wells at the ZNPP site to provide approximately 250 cubic meters per hour of water to the sprinkler pools. These pools supply enough water to cool all six reactors in the "cold shutdown" state.

At the same time, [according to](#) Energoatom, the situation remains stable and under control. At present, the water level in the ZNPP cooling pond is 14.82 m, and the water level in the "hot" channel of Zaporizhzhya TPP, from which the ZNPP pond is replenished if necessary, is 16.37 m. In the cold channel of ZTPP, the water level reaches 10.59 meters.

The IAEA team [continues](#) to hear military activity at varying distances from the plant.

Countermeasures

A pilot project has been [launched](#) in Ukraine to simplify the application for housing and utility benefits for war veterans. Under this project, veterans can submit a single simplified application for registration and provision of benefits through the electronic services portal of the Pension Fund of Ukraine. This opportunity is available to combatants, people with disabilities caused by war, and war veterans. Veterans' family members can submit applications for benefits.

According to the Ministry of Economy, citing the results of a survey of 20 banks, since the start of the energy recovery loan programs, banks have [approved](#) applications worth 3.6 billion UAH. The total amount of applications submitted by businesses since the beginning of June is about 39.1

billion UAH. These are loans under both government support programs and banks' own programs. Government support programs include:

- an expanded program "Affordable Loans 5-7-9%" for businesses to purchase and install gas-fired power generation plants, solar power plants, wind power plants and storage systems (up to 150 million UAH , for up to 10 years),
- preferential lending for energy infrastructure restoration projects provided by 19 largest Ukrainian banks (up to EUR 25 million, for up to 5-7 years)
- preferential lending at 0% for households to install solar panels with energy storage systems and wind turbines (up to 480 thousand UAH , for up to 10 years);
- an expanded program "Affordable Loans 5-7-9%" for condominiums and housing cooperatives for the purchase of energy storage facilities and equipment for electricity generation from alternative energy sources (up to UAH 5 million at 7% per annum, for up to 5 years).

According to preliminary information, financing has been launched in 19 regions. Most of the funds were allocated for the construction of SPPs (total capacity of 17 MW) and gas engine cogeneration units (13 MW).

President of Ukraine Volodymyr Zelenskyy took part in a meeting of members of the Congress of Local and Regional Authorities from Rivne region, where he [supported](#) a proposal to extend the interest-free loan program to enable installation of alternative energy sources facilities to cover the needs of social infrastructure.

On July 30, the government [approved](#) a decision that allows residents of frontline areas to harvest fuel wood free of charge during martial law. The decision will apply to the logging residues that remain after felling. Harvesting will be possible provided that the respective forest areas are safe. Local governments are to inform the public about the possibilities of independent logging.

DTEK Energy CEO Ildar Saleev [said](#) that since the beginning of the full-scale invasion, the company's specialists have "raised the TPP from scratch" 41 times after massive shelling, which means restoring the plant's operation after a complete emergency disconnection from the grid. [According](#) to him, all the company's resources are focused on repairs and restoration of TPPs. In the first half of the year DTEK spent almost 1.5 billion UAH of its own funds for the TPPs' restoration purposes.

MARKETS PULSE

Electricity Sector

Power system operation

According to [Ukrenergo](#) and the [Ministry of Energy](#), during the week, there were almost no scheduled outages of electricity in Ukraine. This became possible due to the reduction in abnormal heat and, consequently, a decrease in electricity consumption, the completion of repairs at two NPP units in July, and imports.

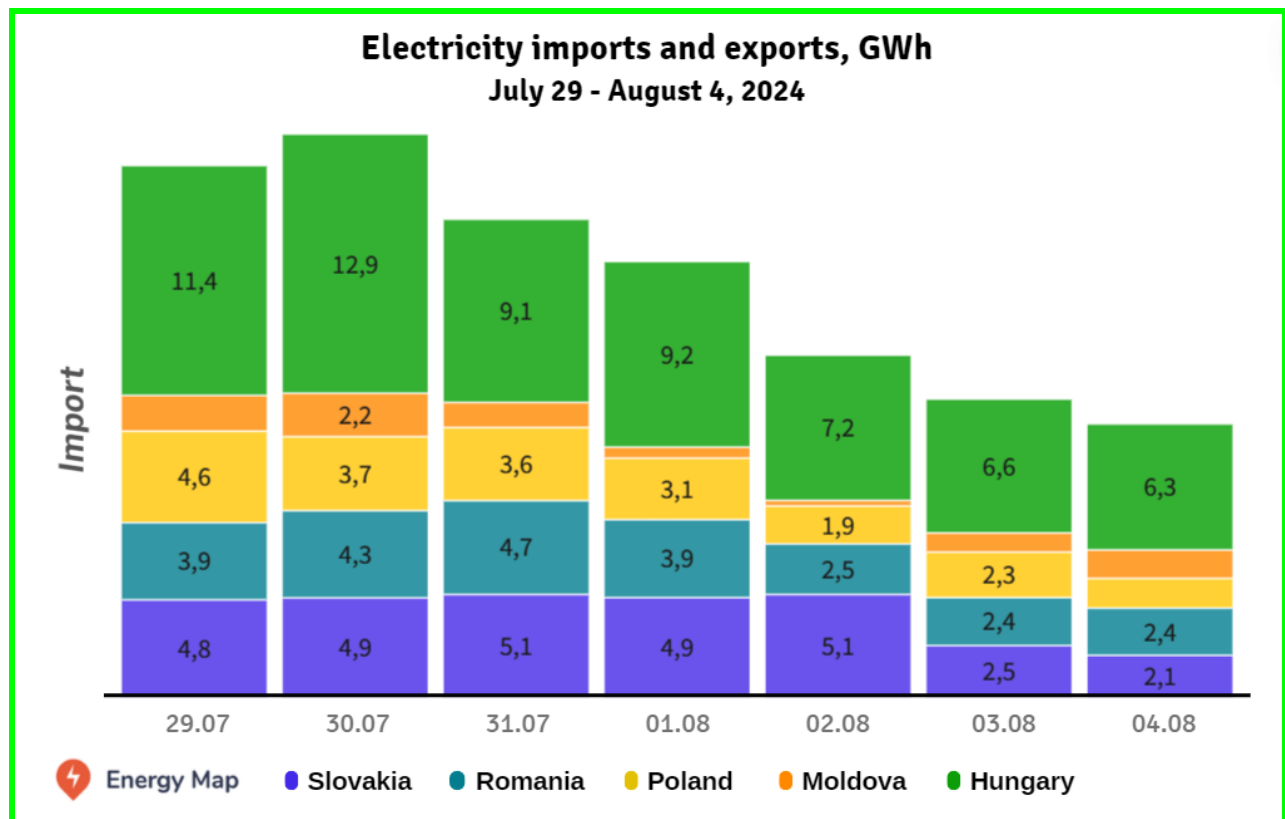
Deputy Minister of Energy Svitlana Hrynychuk [said](#) that the restoration and scheduled repairs of energy facilities are currently underway to prepare for the autumn-winter period. In parallel, crucial work is ongoing to protect these facilities, including through air defense systems and physical protection measures.

Planned consumption restrictions in the form of hourly scheduled outages were in effect for residential and industrial consumers only on July 29 between 18:00 and 23:00, which is 3% of the week. Electricity supply was not restricted for critical infrastructure enterprises, as well as enterprises that import 80% of electricity for their needs.

No new information on emergency support was provided. At the same time, [according](#) to the Polish TSO, on July 31 and August 1, electricity was supplied from Ukraine to Poland at certain hours, and on August 3-4, electricity was supplied from Poland to Ukraine.

According to the [ENTSO-E](#), no commercial electricity exports were performed during the week, and imports decreased to 145.3 GWh. At the beginning of the week, imports increased, but began to gradually decline on Wednesday; supplies from abroad took place at all hours except for the period 10:00-15:00 on August 3, when imports were at zero.

	Country	Supply days	Supply volume, GWh	Week-on-week dynamics	Capacity range, MW
I M P O R T S	Moldova	all	8.4	cannot be estimated due to absence of data for July 27	1-219
	Poland		20.6	-25%	2-255
	Romania		24.0	-17%	24-510
	Slovakia		29.5	cannot be estimated due to absence of data for July 27	30-255
	Hungary		62.7	-16%	62-680



Source: [Energy Map](#)

Cross-border capacity allocation based on the results of daily auctions

	Direction	Number of bidders/winners of the auction	Clearing price, EUR/MWh	Total revenue, thousand EUR	Ukrenergo's revenue, thousand UAH
IMPORTS	Moldova	5-8	0.03-140.42	37.2	826.6
	Poland	3-5 / 3-4	0.06-92.8	305.8	6,802.6
	Romania	9-11	0.29-149.36	451.4	10,026.2
	Slovakia	12-15 / 8-11	6.46-405	1,714.2	38,098.8
	Hungary	4-6 / 4-5	0.2-250	2,209.5	49,096.7

Market performance

Bilateral contracts market (BCM): Trading intensity at the Ukrainian Energy Exchange (UEEX) remains high. On July 29 - August 4, UEEX held 20 one-side auctions for trading electricity (6 in commercial and 14 in specialized sections). Auctions were initiated by Energoatom Trading, DTEK Zakhidenergo, DTEK Dniproenergo, Euro-Reconstruction, Guaranteed Buyer, Ukrhydroenergo, Aquaresource-1, universal service suppliers, distribution system operators, etc. In total, 2,926 GWh were traded at UEEX (5 times more week-on-week). The monthly Base BCM index for August amounted to 5,049.9 UAH/MWh (-5.7% compared to July). Trading results for the week:

Company	Sales volume, GWh	Product	Price, UAH/MWh	Delivery period
Energoatom Trading	1,629.4	base load	5,037.91	August
Ukrhydroenergo	5.9	base load	4,983.57	August
	10.1	base load	5,051.5	August
	18.5	base load	5,105.45	August
Guaranteed Buyer	42.4	block positions	1,947.3 - 3,484.4	August 1-15
Donbasenergo	186	base load	4,755.8	August
Euro-Reconstruction	52.1	base load	4,957.1	August
DTEK Dniproenergo	334.8	block positions	3,844.4 - 5,428.3	August
DTEK Zakhidenergo	455.1	block positions	4,278.0 - 5,166.6	August

In the commercial sections, companies traded electricity by individual load profiles.

Day-ahead market (DAM): According to the [Energy Map](#) service, on July 29 - August 4, DAM prices demonstrated higher than usual [volatility](#): the deviation of hourly prices from price caps ranged from 0 to 92.9%, with an average deviation of 22.8%. The number of cases with significant

price deviations (over 50%) from the price caps was observed in 20.8% 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 price caps level decreased to 23.8% of the settlement periods (compared to 54.2% in the previous week). Thus, price caps remained a decisive factor in restraining the growth of wholesale prices and determining the market conditions (this situation was typical mainly for evening and morning consumption peaks and for the night hours).

As a result of the increased surplus of generating capacity in the power system, the average hourly electricity price for the week (Base DAM index) decreased to 5,323.8 UAH/MWh (-12%), while the weighted average daily price [ranged](#) from 4,746.3 to 6,449.8 UAH/MWh. At the same time, the ratio between the Base DAM indices in the markets of Eastern European countries (Poland, Romania, Slovakia) and Ukraine has become less volatile and [varied](#) in a narrower range of 0.38-1.10. Moreover, on most days of the week (except for Romania on August 1), prices in European markets were lower than in Ukrainian markets.

The total electricity sales on the DAM of Ukraine decreased to 435.9 GWh (-1.36%). The daily trading volume varied in the range of 58.5-65.7 GWh. The market was in surplus during the week. The ratio between the total daily volumes of sell and purchase bids ranged from 1.16 to 1.43. This trend was caused by two factors: the total weekly supply increased to 544.4 GWh (+9%), while demand decreased to 438.9 GWh (-3.4%). As a result, the number of deficit settlement periods significantly decreased to 3% (compared to 27.4% in the previous week). Suppliers [prevailed](#) in the purchase composition (89-92.5%), the share of network operators was 7.4-10.9%, and producers accounted for the rest (~0.1%).

Policy and regulation

The Cabinet of Ministers of Ukraine has appointed [Yurii Vlasenko](#) and [Ruslan Slobodian](#) as members of the NEURC for a six-year term. Iurii Vlasenko previously served as First Deputy Minister of Energy, and Ruslan Slobodian was the head of the State Inspectorate for Energy Supervision. On July 30, both were dismissed from their respective posts by the government. Thus, the number of NEURC members increased to six out of the required seven.

On August 2, Yurii Vlasenko was elected as the new [head](#) of the NEURC. His candidacy was supported by the members of the Regulator by secret ballot during a closed meeting.

The NEURC integrated into its regulatory framework the costs of engineering protection of the electricity transmission system by [amending](#) the temporary procedure for restoring networks damaged by hostilities. The amendments extend the procedure to the works related to the first level of engineering protection of transmission system facilities. Thus, the relevant works now can be financed at the expense of Ukrenergo's investment and repair programs. At the same time, Ukrenergo, at the NEURC's request, will have to provide generalized information on the installation of the first level of engineering protection of critical facilities/elements of the transmission system.

The Verkhovna Rada of Ukraine [has registered](#) a revised draft law that proposes to change the algorithm for distributing funds from a current account with a special regime of use. The main provisions include:

- introduction of the term "unauthorized electricity withdrawal";
- the right of the supplier of last resort (SoLR) and distribution system operators to disconnect consumers' electrical installations for unauthorized electricity withdrawal;
- introducing an obligation for protected consumers and consumers with critical infrastructure facilities to open special accounts for transferring funds for services in the electricity market;
- the right not to resume electricity supply to a consumer in case of debt under a contract with a SoLR or a debt restructuring agreement.

The NEURC published [draft](#) amendments to the Rules of the Retail Electricity Market aimed at:

- improving consideration of complains, including the possibility of using technical means to this end and ensuring mandatory participation of the applicant in compliant consideration process;
- ensuring transparency of the results of complaint consideration through their publication on the licensees' website, having due regard to the protection of personal data;
- establishing centers for the protection of electricity consumers by the distribution system operators and electricity suppliers backed by corresponding company regulations.

The NEURC has also [drafted](#) amendments to the Electricity Market Rules and regulations governing the activities of the guaranteed buyer and the purchase of electricity from RES. In particular, the new provisions clarify the obligations of RES producers to enter into contracts for the provision of load reduction services and improve the mechanism for calculating the marginal price of balancing electricity in the case of constraints in the power system. The draft act also clarifies the terms of the feed-in premium mechanism and improves the procedure for calculating the volume and cost of electricity purchased by a guaranteed buyer. The draft law amends the standard agreement on participation in the balancing group of the guaranteed buyer to allow for the offset of counterclaims of the same type. It also provides for a mechanism of advance payments for electricity sellers participating in the feed-in premium scheme.

The NEURC has developed [draft](#) amendments to the Procedure for Cross-border Capacity Allocation. The new provisions bring the Procedure in line with the Harmonization Allocation Rules approved by the EU Agency for the Cooperation of Energy Regulators (ACER). The Act will, among other things, unify the auction platform's algorithms for different interconnection points.

On July 29, the then-acting head of the NEURC, Valerii Tarasiuk, [announced](#) that the regulator plans to change the structure of electricity distribution tariffs from 2026, introducing separate tariffs for consumers of three voltage classes (high, medium, and low) instead of two. According to him, this innovation is in line with European legislation and should be implemented by the end of 2025. This decision was made in opposition to a proposal to unify distribution tariff for consumers of all voltage classes, which, according to Tarasiuk, was inappropriate and contrary to EU legislation.

In addition, the NEURC [proposes](#) to reallocate costs from Ukrenergo's dispatching tariff. The reallocation will be made by reducing the costs of purchasing ancillary services and increasing the costs of solving system constraints by 6.99 billion UAH. Ukrenergo requested the changes as it has no funding to pay to balancing service providers in the periods of system constraints.

Other

The USAID Energy Security Project (ESP) [has begun](#) work on a "green book" on renewable energy policy. This activity will help Ukraine develop respective national policy and lay the foundation for future sustainable growth in the sector. This initiative is aimed at increasing the use of renewable energy sources at both national and local levels, making the country more attractive for international and private investment, and ensuring energy sustainability and long-term energy security.

The Kaniv pumped storage power plant (PSPP) can be moved underground to protect it from possible attacks. This was [announced](#) by Ihor Syrota, General Director of Ukrhydroenergo. He noted that the changes to the relevant project are aimed at increasing the resilience of the infrastructure. The original PSPP project began in 1986 but was stopped in 1991. The updated project plan provides for the construction of a plant with a capacity of up to 1,000 MW.

Gas

Gas system operation

On July 28-August 3, the volume of gas transit through the territory of Ukraine ranged from 42.1 mcm to 42.8 mcm per day, i.e., 38.6-39.3% of the capacity contracted by Gazprom (109 mcm per day). In the reporting week, the average daily transit was 42.4 mcm (-1.2 mcm WoW).

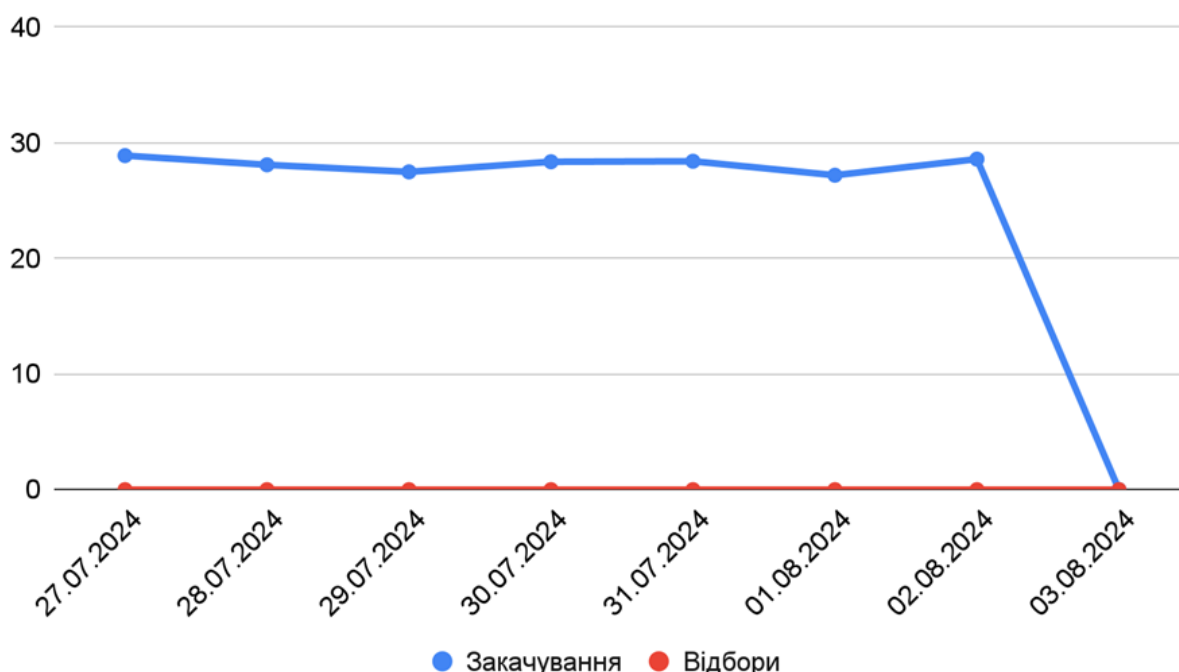
At the same time, in the reporting week, physical imports of gas from Hungary amounted to 44.2 mcm (-20.7% WoW). Probably, these flows or part of them pass through Ukraine in transit and are further transported to Moldova, Slovakia, or Poland. Also, part of these flows could be subsequently injected into Ukrainian underground storage. Commercial flows into the Ukrainian system from Hungary were at 44.1 mcm (almost corresponds to physical volumes). In particular, 11.3 mcm arrived in the "customs warehouse" mode and 44.1 mcm in the short-haul mode (service of the TSO, which provides a discount in the transmission tariff between designated interstate points of entry and exit).

Commercial exports through the VIP Ukraine-Poland amounted to 13.6 mcm (-52.9% WoW). Also, it is likely that part of the volumes exiting the Ukrainian system to Moldova and Slovakia is the transmission of gas, which was either previously stored by foreign companies in Ukrainian storage facilities or imported from Hungary. In total, on July 28-August 3 no natural gas was transported to the exit from the Ukrainian GTS in the "customs warehouse" mode (without changes WoW). Also, in the reporting week, 32.6 mcm of gas exited Ukrainian GTS in the "short-haul" mode (-32.7% WoW).

Underground storage facilities

According to the [AGSI platform](#), as of August 3, 6.22 bcm of gas was accumulated in the Ukrainian storage facilities. It corresponds to 20.6 % of the total working capacity, i.e., without 4.662 bcm of "long-term storage" buffer gas. Injections in storage in the reporting week amounted to 168.1 mcm (-14.2% WoW); the average daily injection amounted to 24 mcm.

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 July 29 - August 2, four companies (three buyers and one seller) submitted bids for purchasing gas at the Ukrainian Energy Exchange (UEEX). In the reporting

period, UEEEX received bids for 306.8 mcm of gas (-27.4% WoW) with a total starting cost of 4 billion UAH (-26.7%). The weighted average starting price of bids was 13.06 UAH/cm (+1%).

In the reporting week, within the new trading section "Purchasing: import, customs warehouse", bids for the purchase of 81.6 GWh of gas were submitted with a total cost of 2.3 million EUR. The weighted average starting price was 27.7 EUR/MWh (+2.9% WoW). Gas Transmission System Operator of Ukraine LLC (GTSOU) was the sole initiator of the auctions.

In the reporting week, 18.2 mcm of gas was purchased (7.7 times less WoW) at a weighted average price of 13.21 UAH/cm (without VAT) (+1.2% WoW). 77.9% of the resource was sold by Ukrnafta JSC, 20.9% - was bought by Gas Transmission System Operator of Ukraine LLC and 1.2% was bought by AK Kyivvodokanal. In addition, 100% of gas was sold with transfer in August 2024. 58.8% of gas was sold with delivery at a virtual trading point (transfer to GTS) and 41.2% - in underground storages. There were no successful gas trades within the new section "Purchasing: import, customs warehouse".

Policy and regulation

The NEURC [published](#) draft amendments to the Procedure for Registration of Wholesale Energy Market Participants. The new provisions extend the Procedure to persons carrying out operations with wholesale energy products without establishing a legal entity under a joint operations agreement or a simple partnership agreement.

Other

On July 31, Naftogaz of Ukraine [appointed](#) Roman Maliutin as the CEO of Ukrtransgaz JSC for a period of three years. Prior to that, Maliutin temporarily was the acting CEO of the company from January 2023, replacing Serhiy Pereloma.

Gas Transmission System Operator of Ukraine (GTSOU) [purchased](#) three gas turbine power plants with a total capacity of 18 MW from the company "Motor-Sich". The total cost amounts to 536 mln UAH. The price of each power plant with a nominal capacity of 6 MW is 176 million UAH. The total cost includes equipment for installation, spare parts for 4,000 hours of operation, as well as supervised installation and commissioning tests, which will be carried out in the Kharkiv region for 2.98 million UAH for each installation. The auctions were held without competition – the Motor-Sich was the only participant.

According to the latest inflation [report](#), the National Bank of Ukraine (NBU) predicts a gradual increase in gas tariffs starting in 2025. In 2024, tariffs for utilities will remain unchanged, but the difficult situation in the energy sector and the state budget will lead to their gradual adjustment in the following years. The NBU warns that a significant increase in tariffs may cause additional inflationary pressure and the need to increase subsidies for the households. At the same time, delaying such decisions may worsen the financial condition of state-owned energy companies and increase the risks of instability in the gas market.

Ukrgezvydobuvannya JSC [launched](#) a new gas well with a daily production of 274 tcm. This increased daily gas production at the field by 17%. The well was drilled in four months, its depth is more than 1,300 m. In total, in the first half of 2024, the company drilled 50 wells, of which 41 have already been commissioned.

Oil and Motor Fuels

According to the industry media, wholesale diesel fuel prices [decreased for](#) the second consecutive week, despite the increase in imports. From July 29 to August 2, the average wholesale price of diesel fuel reduced by 0.42 UAH/l to 44.62 UAH/l. The main reasons were the situation on the external markets and the strengthening of the hryvnia. In addition, demand for diesel has slightly decreased due to an improved situation with electricity supply in the country.

According to the media, the prices of [petroleum](#) in the networks of the middle and lower price range increased in July, in particular, due to fluctuations in the exchange rate and a slight shortage of the product. The demand for fuel increased due to the increase in traffic by road and the use of generators. Average retail prices of A-95 gasoline increased by 0.17 UAH/l to 56.76 UAH/l, A-95+ gasoline - by 0.1 UAH/l to 60.23 UAH/l. In July the price of diesel fuel rose by 0.27 UAH/l to 52.89 UAH/l. On the diesel market, there is a noticeable increase in the volume of supplies from Romania, Greece and Lithuania. Prices continue to fluctuate influenced by external markets and exchange rate changes.

The European Commission is investigating the situation with the supply of oil to Hungary and Slovakia after the termination of transit of Lukoil oil through Ukraine. [According to](#) the European Commission spokesperson, Balazs Ujvari, currently there are no signs that Ukraine's sanctions against Lukoil have affected the supply of oil to both countries. The European Commission has asked Hungary and Slovakia to share additional and detailed information on the matter. As of now the Commission does not see the need for urgent consultations, instead it points to the availability of alternatives, which include, in particular, increased imports from Croatia, which has sufficient spare capacities to cover the needs of both countries.

International Cooperation

According to the US Ambassador Extraordinary and Plenipotentiary to Ukraine Bridget Brink, the US Agency for International Development (USAID) [has purchased](#) 18 autotransformers for Ukraine. These measures will help preserve Ukraine's power grid despite Russia's attacks and provide electricity to 38 million Ukrainians.

The Government [has approved](#) the draft law "On Ratification of the Grant Agreement between the Government of Ukraine and the Government of the French Republic to Promote the Restoration and Support of Critical Infrastructure and Priority Sectors of the Ukrainian Economy" and the corresponding draft decree. The adoption of these documents is necessary to attract 200 million EUR in grant funds for the reconstruction and restoration of critical infrastructure, as well as for projects in priority sectors of the economy. The funds from the French government will be used primarily for the reconstruction and restoration of critical infrastructure in sectors such as energy, healthcare, infrastructure, agriculture, water supply and drainage, waste management, demining, housing, and digital technologies.

Minister of Finance of Ukraine Sergii Marchenko and World Bank Country Director for Eastern Europe Bob Saum [signed](#) an agreement under which the state budget of Ukraine will soon receive a grant of 3.9 billion USD from the United States.

The United Nations Development Program (UNDP) [has announced](#) a partnership with the Belgian government under the [UNDP's Green Energy Recovery Programme for Ukraine](#). The parties signed a financial agreement worth 9 million EUR. The activities proposed under the partnership will focus on those cities in Ukraine where the need for efficient energy solutions is most urgent, including Kyiv, Kharkiv, and Odesa. The parties also aim to increase access to essential services such as heating, electricity and clean water by deploying backup generation systems and improving local energy infrastructure.

Deputy Ministers of Energy of Ukraine Svitlana Hrynychuk and Roman Andarak [held](#) a regular working meeting with a delegation of the Japan International Cooperation Agency (JICA). The parties discussed the current problems and needs of Ukraine's energy sector amid constant Russian attacks and preparations for the heating season. The participants also focused on long-term cooperation plans, including technical solutions for the development of renewable and low-carbon energy and the rollout of smart grids in the process of restoring energy infrastructure damaged by the Russian aggressor.

The report was prepared on the basis of carefully checked and analyzed reports from more than 100 official sources: ministries, state agencies, network operators and energy companies. The information was collected from official websites and social media pages, and in some cases, media reports. For subscription, comments and other questions, please write to author@dixigroup.org

SUPPORT UKRAINIAN ENERGY SECTOR

As a result of intensified Russian missile attacks on the energy infrastructure, Ukraine urgently needs energy equipment and funds for emergency restoration.

Please contact the team of the Ukraine Energy Support Fund of the Energy Community Secretariat at UkraineSupportFund@energy-community.org to get support for details on how you can financially assist the Ukrainian energy infrastructure. Please contact the Ukraine Support Task Force of the Energy Community Secretariat at UkraineEmergencySupport@energy-community.org for assistance with the donation process, including the possibility of arranging transportation.



SUPPORT UKRAINIAN ARMY

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