

The Economic Dimension of the EU-Ukraine Cooperation: Can a Ukrainian Economic Miracle Happen?

ENERGY

Berlin,
June 8, 2018



Energy Reforms

Progress Assessment



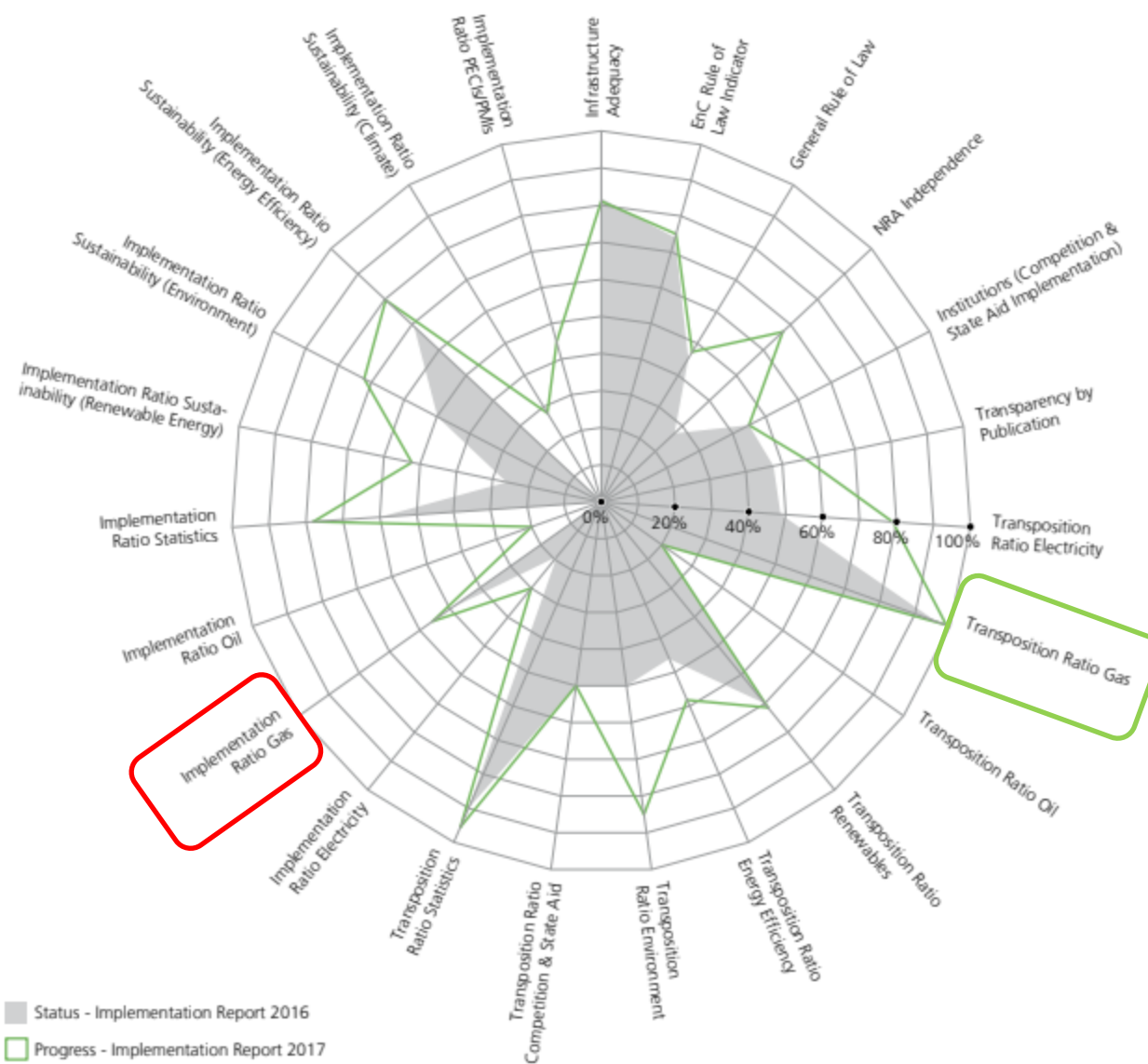
Key legislation transposed.
Implementation matters

Information disclosure is a trend.
Data quality and systematization
should be further maintained

Obstacles in the discovery of
information and the lack of
transparency in the early stages of
documents' development

Instead of finding solutions for
problems, the parties exchange
accusations and delay the
implementation process

Implementation Indicators Radar of Ukraine



Source: Compiled by the Energy Community Secretariat

Industrial segment fully competitive

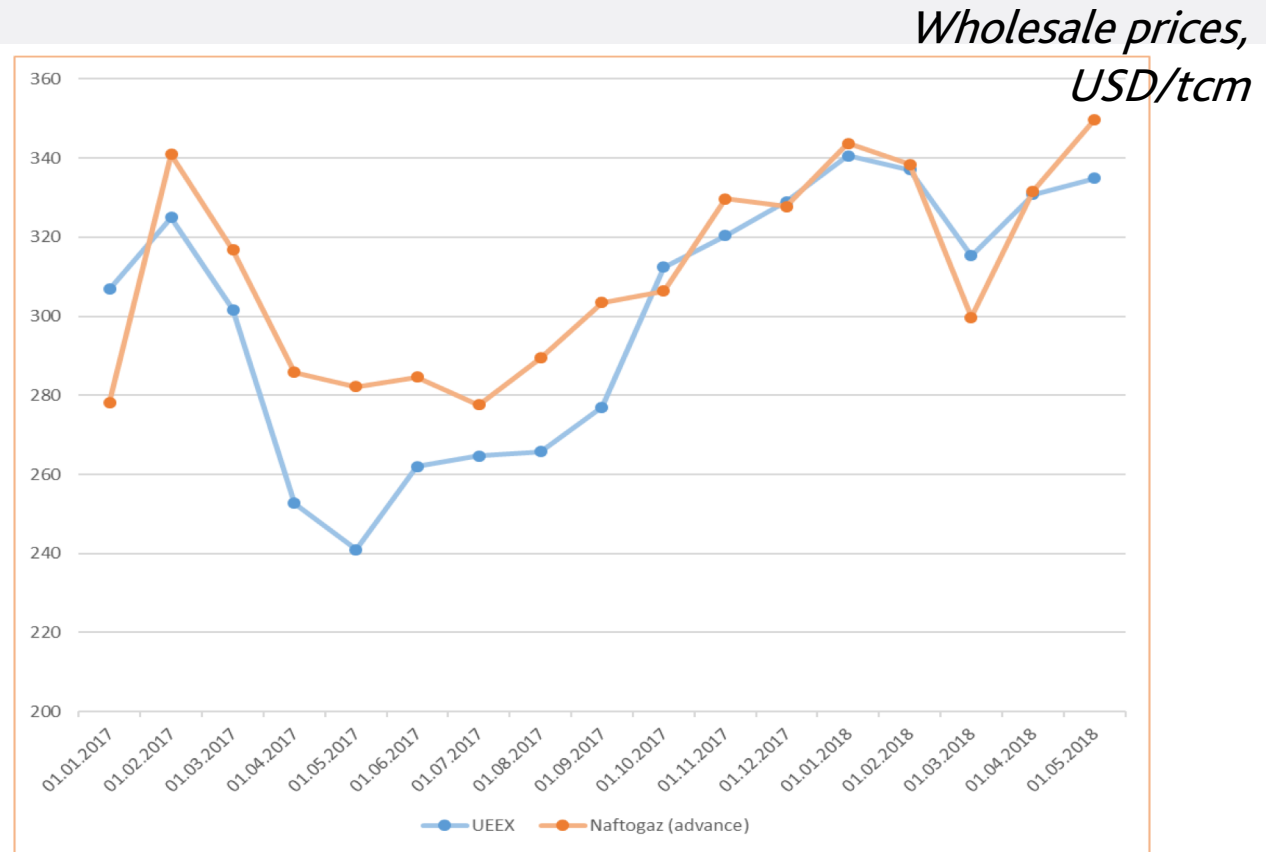
400+ licensed suppliers
50+ importers and traders

Spot market (UEEX)

130 companies, 800 deals
180 mcm traded since Jan'2017

Issues resolved in 2017

Individual vs collective metering
Use of state distribution assets
Energy units
Minimum quality standards
Customs storage for up to 3 years



Source: UEEX, Naftogaz, own calculations

UA GAS MARKET: LIQUIDITY

✓ Gas Law aligned with the 3 rd Energy Package	DONE	
✓ Creation of the entry/exit system and VTP	DONE	
✓ Introduction of GTS Code (CAM, CMP codes)	DONE	
✓ Daily balancing (BAL Code)	IN PROGRESS	May 1 test mode, August 1 full operation
✓ Improved interconnectivity		
✓ New interconnection points for gas flow to Ukraine (PL, SK, HU)	DONE	
✓ Implementation of INT Code at the existing points (PL, SK, HU, RO)	BLOCKED	Legacy contracts and abuse – solutions in the EC antitrust case
✓ Unbundling of the TSO	IN PROGRESS	
✓ Corp Gov Reform	IN PROGRESS	post-Stockholm amendments, competition for the partner TSO(s)

Source: Naftogaz

UA GAS MARKET: REFORM

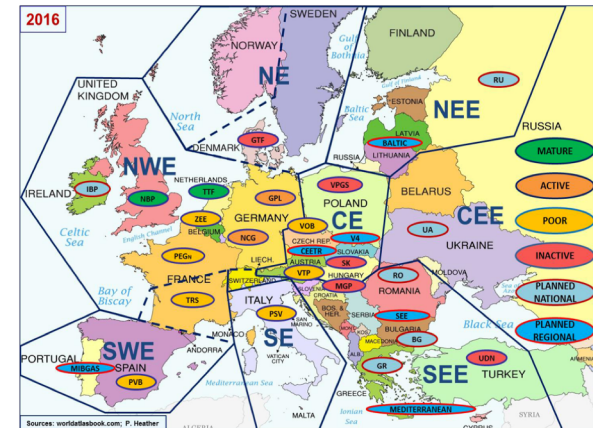
Consensus and cooperation: Inside and outside

(PSO, unbundling)

Time and Planning

(gas hub, transportation system)

Integration to the European Energy Market (common EU energy policy, level playing field, NS2)

[illegible]

CHALLENGES

- Attentive Implementation

- Realistic indicators of actual results

- Coordination meetings should not be a formality, but a practice for developing a single position

- Public Dialog. Awareness raising on key reforms

- Training

THANK YOU FOR QUESTIONS!

author@dixigroup.org

www.ua-energy.org/en

www.dixigroup.org/eng

