

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

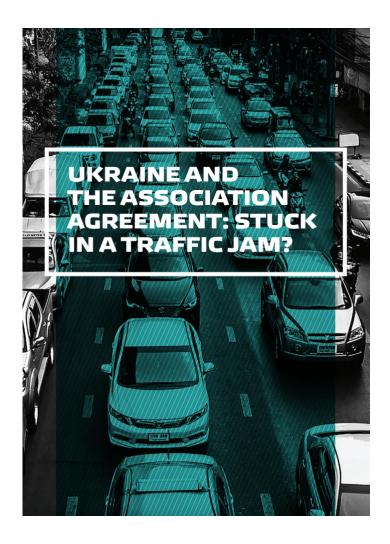
ENERGY

Berlin, June 8, 2018



Energy Reforms

Progress Assessment





Key legislation transposed. Implementation matters

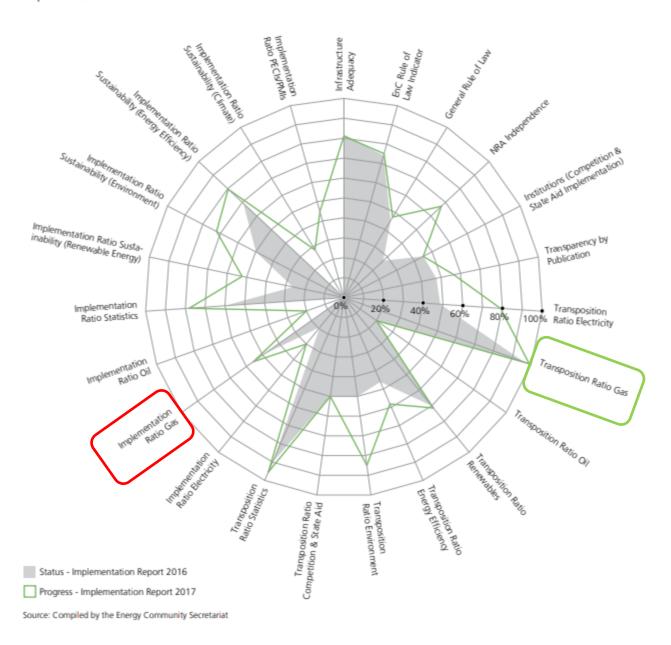
Information disclosure is a trend.

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





Wholesale prices,

Industrial segment fully competitive

400+ licensed suppliers50+ importers and traders

Spot market (UEEX)

130 companies, 800 deals180 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 3rd Energy Package

√ Creation of the entry/exit system and VTP

√ Introduction of GTS Code (CAM, CMP codes)

√ Daily balancing (BAL Code)

✓ Improved interconnectivity

 ✓ New interconnection points for gas flow to Ukraine (PL, SK, HU)

✓ Implementation of INT Code at the existing points (PL, SK, HU, RO)

√ Unbundling of the TSO

√ Corp Gov Reform

DONE

DONE

DONE

IN PROGRESS

May 1 test mode, August 1

full operation

DONE

BLOCKED

IN PROGRESS

IN PROGRESS

Legacy contracts and abuse – solutions in the

EC antitrust case

post-Stockholm amendments, competition for the partner TSO(s)

Source: Naftogaz

UA GAS MARKET: REFORM



Consensus and cooperation: Inside and outside

(PSO, unbundling)

Приклад рахунку на оплату за спожитий газ

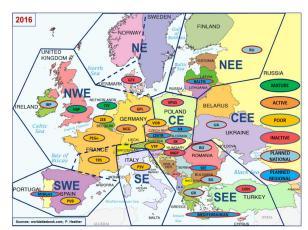
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Time and Planning

(gas hub, transportation system)



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



CHALLENGES

Recommendations



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!

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