

Energy regulatory partnership program between the U.S. National Association of Regulatory Utility Commissioners and the National Commission for Energy State Regulation of Ukraine

The Sixth Visit in the Framework of the Partnership Program

# Development of the sphere of alternative energy in Ukraine

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#### Legally set levels of the "green" tariff

Meeting the requirements of the Law of Ukraine On Electricity, NERC set fixed minimal sizes of the "green" tariff:

#### Kop//kW-hour

For electricity generated from wind						
The size of installed capacity up to 600 kW	The size of installed capacity from 600 kW to 2000 kW	The size of installed capacity more than 2000 kW				
70,2 (8,8)	81,8 (10,2)	122,8 (15,4)				
For electricity generated from biomass (cent/kW-hour)						
134,5 (16,8)						
For electricity generated from solar energy						
By ground-based facilities	By facilities installed on roofs with capacity more than 100 kW	By facilities installed on roofs with capacity up to 100 kW				
505,1 (63,2)	484,1 (60,6)	463,0 (57,9)				
For electricity generated by small hydro power plants						
84,2 (10,5)						



## **Current indicators of development** of the sphere of alternative energy

As of 05.10.2012 the following got the "green" tariff:

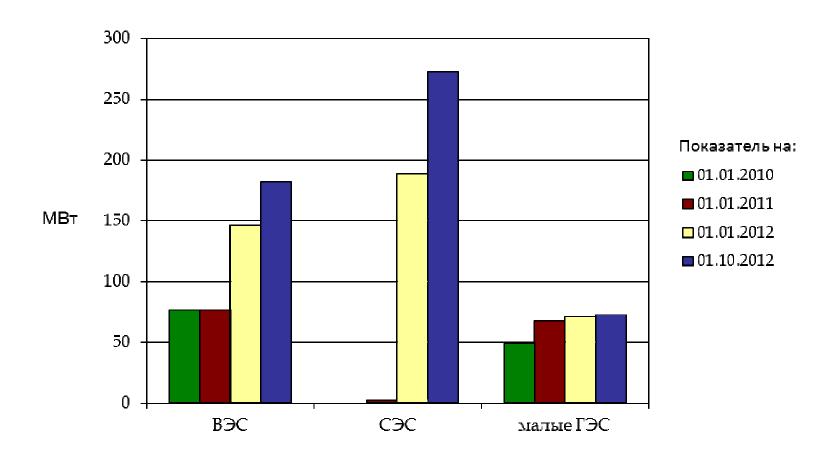
	Type of the source of alternative energy			Total	
	SPP	WPP	HPP	Biomass	Total
Number of economic entities – generators of electricity	25	9	34	2	70
Number of electric facilities	29	13	90	2	134

In addition, the following facilities are included in the registry of alternative energy facilities maintained by NERC:

- 7 facilities using biogas;
- 2 facilities that use waste energy from technological processes;
- 1 facility that uses colliery gas methane.



### Dynamics of growth of installed capacity of alternative energy facilities in 2009-2012.



In the process of being constructed as of 01.10.2012: - 2050 MW WPP; - 462 MW SPP.



#### Changes of the regulatory base in the sphere of alternative energy

• NERC approved the Procedure for determining the unit weight of raw materials, materials, fixed assets, works and services of Ukrainian origin in the cost of construction of energy facilities that generated electricity using alternative sources of energy.

That procedure envisions attraction of expert organizations for determining the local component.

• The Parliament of Ukraine is examining the draft law On making changes in the Law of Ukraine on electricity (in the part of promotion of generation of electricity from alternative energy sources.

In particular, this draft law envisions the following:

- Reduction of the "green" tariff rates for solar power plants (from 16 % to 27%);
- Granting of the "green" tariff to facilities that use biogas;
- Differentiation of rates of the "green" tariff for small HPPs depending on their installed capacity (for facilities up to 200 kW, from 200 kW up to 1 MW, more than 1 MW);
- Granting of the "green" tariff to household generating units;
- Change of the principle of determining the local component.



### Problematic issues related to regulation of the sphere of alternative energy

- Integration of alternative energy facilities into the energy grid. Balancing of intermittent generating facilities (solar and wind power plants);
- Managing the connection queue of alternative energy facilities. Compensation of connection costs;
- Formation of correct signals for investments in the sphere of alternative energy;
- Certification and confirmation of origin of electricity generated from alternative sources of energy.



### Thank you for attention

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