



Енергетичне Партнерство
Energy Partnership
Ukraine – Germany

Quarterly Monitoring Report: Legal developments in the areas of energy generation, district heating, energy efficiency and industrial emissions

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Енергетичне Партнерство
Energy Partnership
Ukraine – Germany

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List of Abbreviations and Acronyms

ACER – Agency for the Cooperation of Energy Regulators	Mtoe – million tons of oil equivalent
aFRR – automatic frequency restoration reserve	NDC – nationally determined contribution
AS – ancillary services	NECP – National Energy and Climate Plan
BATs – best available techniques	NEMO – Nominated Electricity Market Operator under the Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management
BCM – bilateral contracts market	NERP – National Emission Reduction Plan
bcm – billion cubic meters	NEURC – National Energy and Utility Regulatory Commission (Regulator)
BM – balancing market	NPP – nuclear power plant
CHP – combined heat and power	PASP – potential ancillary service providers
CMU – Cabinet of Ministers of Ukraine	PrJSC – private joint-stock company
DAM – day-ahead market	PSO – public service obligation
DSO – distribution system operator	REMIT - Regulation (EU) 1227/2011 on the Wholesale Energy Market Integrity and Transparency
ECRB – Energy Community Regulatory Board	RES – renewable energy sources
EIA – environmental impact assessment	SB – Supervisory Board
ETS – emission trading system	SE – state enterprise
FCR – frequency containment reserve	SEA – strategic environmental assessment
GDP – gross domestic product	SME – small and medium enterprises
GHG – greenhouse gas(es)	TCM – terms, conditions and methodologies
GO – guarantees of origin of electricity from RES	tcm - thousand cubic meters
HOA – homeowners' association	TPP – thermal power plant
IDM – intraday market	TSO – transmission system operator
IDP(s) – internally displaced person(s)	VAT – value-added tax
IPS – Integrated Power System of Ukraine	VVER – water-water energetic reactor
MP(s) – member(s) of parliament	
MRV – monitoring, reporting and verification	

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Executive Summary

- In the reporting period, key regulatory decisions in the energy sector were aimed at updating tariffs of natural monopolies in gas and electricity. Namely, the electricity transmission tariff was increased by 30% to 686.23 UAH/MWh, while gas transmission tariffs were increased by over four times - for domestic interconnection points and by 62-138% - for cross-border entry/exit points. The electricity TSO tariff was raised mainly to cover feed-in tariff payments under PSO, while the gas TSO tariff was revised due to termination of Russian gas transit and related decrease in transmission volumes.
- The Cabinet of Ministers focused on developing support programs to financially protect vulnerable citizens during the heating season. The prominent examples of such aid are the 'Winter eSupport' program (1,000 UAH assistance available to all Ukrainians residing in the country, including children) and 'Warm Winter' program (one-time 6,500 UAH payment for low-income families and IDPs with children).
- With the view to ensure coupling the Ukrainian wholesale electricity market with the EU single market, two draft laws have been registered in the Verkhovna Rada. These acts transpose the acquis of the Electricity Integration Package, which incorporates regulations and directives included in the Clean Energy package and the updated network codes.
- In the district heating sector, key new regulatory acts set out rules governing the functioning of distributed generation units (namely, cogeneration facilities) - inter alia, in terms of tariff setting.
- In recent months, Ukraine has made notable steps in improving energy efficiency. On November 1, the Cabinet of Ministers adopted a resolution simplifying the process for obtaining interest-free loans for solar and wind installations in private households. The changes expanded eligibility and extended deadlines, facilitating access to RES-based solutions. The 2025 State Budget includes UAH 1.75 billion for the State Fund for Decarbonization and Energy Efficient Transformation. The CMU also approved a resolution to create a national database of buildings energy performance, which will be essential in monitoring consumption and supporting the Long-Term Thermal Modernization Strategy.
- In line with the EU standards, Ukraine continues to make regulatory updates, including amendments to eco-design and energy labeling for household appliances. These updates are aimed at improving the energy efficiency of consumer products.
- Ukraine has taken significant steps to enhance environmental governance and align with the EU acquis on industrial emissions. The Cabinet of Ministers approved the draft law 'On Mining Waste Management,' introducing rules to mitigate the environmental impact of mining waste, which constitutes 70% of total waste generated. Additionally, amendments to Technological Standards on emissions from thermal power plants provide flexibility for operating gas-fired installations under martial law.
- The restoration of the monitoring, reporting, and verification (MRV) system marks a pivotal advancement. The Verkhovna Rada adopted legislation reinstates mandatory MRV requirements and introduces a Unified Register for emissions data. This system ensures transparency, supports the development of ETS, and aligns Ukrainian regulations with EU standards, fostering progress toward decarbonization.

1 Energy Generation

1.1 Adopted acts

1.1.1 Market regulation

On October 2, According to the Ministry of Economy, the Cabinet of Ministers [fulfilled](#) an important indicator under the Ukraine Facility. The [terms of reference](#) for designing the NEURC information system, which integrates market platforms to detect abuses and ensure transparency in energy markets, have been approved. This step is part of the reforms to integrate Ukraine's energy market into the EU single market.

On October 10, the Ministry of Economy announced the competitive selection of three positions of independent Supervisory Board (SB) of Ukrenergo members. The selection process envisaged an open and competitive format aimed at strengthening corporate governance following international standards. The Supervisory Board should consist of four independent members and three state representatives. **On November 27**, The Government [approved](#) four independent members of the SB of Ukrenergo: Patrick Graichen, who headed the Agora Energiewende think tank and worked at the German Federal Ministry for the Environment; Luigi de Francisci, a former top manager of the Italian company Terna; Jeppe Kofod, former Danish Foreign Minister; and Jan Montell, former Chairman of the Board of Directors of Nord Pool AS. **On December 10**, the Government by [its decision](#) approved the candidacies of Yuriy Boyko, Anatoliy Hulei and Oleksiy Nikitin as members of the SB of Ukrenergo as representatives of the state. The formation of the SB is essential for maintaining Ukrenergo's certification as an independent TSO and strengthening the trust of international partners, particularly in restructuring the debt under the green bonds.

On October 15, the NEURC [amended](#) the rules for considering consumer complaints concerning energy and utility companies. The amendments include new provisions to protect certain categories of consumers, clarify the procedure for leaving appeals without consideration, and introduce a unified form for filing applications and complaints. According to the rationale, these measures are aimed at improving consumer protection.

On October 15, the NEURC [amended](#) the methodology for determining the amount of fines imposed by the Regulator. In particular, the list of mitigating circumstances for violators has been clarified, which now includes voluntary compensation for damage (30%), mitigating actions taken before the abuse is detected (20%), and self-reporting of abuse (20%). It also stipulates that if the total amount of the fine is less than the minimum amount established by law, the NEURC should apply alternative sanctions (warnings or cautions). According to the Regulator's justification, these changes are intended to make market regulation more flexible and efficient and to consider various circumstances that may affect the reduction of the penalty.

On October 22, The Verkhovna Rada [registered](#) a draft resolution to establish a temporary investigative commission to look into the formation of prices and tariffs for energy and utilities, as well as the causes of debts in the energy markets. The commission is also to assess the effectiveness of measures to protect energy facilities and the use of funds for respective measures. The resolution was [signed](#) by the Chairman of the Verkhovna Rada **on October 29**.

On October 29, the NEURC adopted two resolutions to update the rules for calculating prices for universal services in electricity. One of them [changes](#) the methodology for setting prices for household and small non-household consumers, considering the volume of electricity under self-production contracts and eliminating trading zones. The second [adapts](#) Resolution No. 332 (on the electricity market operation during martial law) to these new rules to ensure consistency in market regulation. The purpose of both decisions is to stabilize prices and ensure market participants' stable financing during the war.

On November 5, the Regulator [amended](#) several resolutions concerning licensing energy activities during martial law. The new rules clarify the peculiarities of obtaining and revoking licenses for companies located in active combat zones or temporarily occupied territories. Also, during martial law, it is now allowed to suspend licenses of companies associated with Russia or other aggressive states.

On November 15, the Energy Market Department of the NEURC [proposed](#) keeping the electricity price caps at the current level despite the reduction in imports and the application of load shedding. The proposal was based on the monitoring of European markets and seasonal forecasts. On November 25, the respective decision was [taken](#) by the Regulator.

On November 26, the NEURC adopted [amendments](#) to the Retail Electricity Market Rules and the Procedure for selling electricity generated by active consumers. It is proposed to improve the mechanisms for concluding contracts for self-producers and private households receiving feed-in tariff, regulate the sale of surplus electricity, and clarify the rights and obligations of market participants.

On November 26, the Cabinet of Ministers [decided](#) not to apply load shedding schedules to companies importing more than 60% of their electricity consumption. Previously, electricity consumption restrictions had not been applied to companies that imported more than 80%. This decision supported electricity imports despite unchanged price caps.

On November 26, the NEURC approved [amendments](#) to the Electricity Market Rules. The obligation of producers to supply at least 10% of their electricity to the day-ahead market (DAM), excluding volumes sold under dispatch commands, has been clarified. Changes were made to the calculation of marginal prices for balancing electricity in balanced, deficit and surplus zones. Under the new act, DSOs are obliged to provide the TSO with data on the forced reduction of electricity withdrawal.

On November 26, the Regulator [adopted](#) a resolution to improve the rules for selling electricity under net billing and the feed-in tariff, [allowing](#) households to sell surplus electricity to universal service suppliers. Amendments were made to the Electricity Market Rules and Metering Code, in particular on the integration of energy storage facilities and their interaction with transmission and distribution system operators. The obligations of suppliers, procedures for selling electricity, and requirements for commercial metering have been clarified.

On December 4, the NEURC [approved](#) amendments to the requirements for integrity and transparency in the wholesale energy market in accordance with REMIT. The new provisions, inter alia:

- determined an indicative list of data required to be disclosed, including information on the

unavailability or change in the capacity of facilities;

- clearly defined the disclosure requirements for facilities depending on their capacity;
- set out the conditions and methods for notifying of exemption from publication of inside information;
- defined the criteria by which events or data may affect energy prices.

On December 4, the Regulator [approved](#) a resolution that temporarily, until March 1, 2025, changes the mechanism for determining prices in the balancing market (BM). In the absence of activation of balancing electricity bids, the price is to be determined at the level of the DAM price for the relevant period. If there is no bidding on the DAM, the weighted average DAM price for the previous 30 days should be applied. The changes are aimed at ensuring market stability during martial law.

On December 4, the NEURC [approved](#) amendments to the regulations governing the quality of customer service and the activity of system operators on the electricity market. Call centers are now required to collect customer feedback and record missed calls. Service quality standards, mandatory reporting, and compensation to consumers in case of non-compliance with the standards have been introduced for small distribution system operators. The reporting templates of DSOs have been updated, while suppliers without customers have been exempted from obligation to submit reports on the quality of their services.

On December 4, the NEURC approved [amendments](#) to the resolution on the formation and maintenance of a register of electricity facilities and electrical installations of consumers using alternative energy sources (including RES). The amendments provide for improvements to the procedure for collecting, exchanging and processing data between distribution and transmission system operators and other market participants, in particular through the DataHub platform. This should facilitate a more accurate accounting of generating facilities, including households with a feed-in tariff.

On December 6, the Ministry of Energy [updated](#) the rules for scheduling hourly power outages to ensure a fair and even distribution of available capacity. The

schedules will be drawn up twice a year, covering 75% of the maximum consumption, divided into 6 queues for even load. The duration of outages is limited to 6 hours, with a minimum of 2 hours of uninterrupted power supply between consecutive outages. Critical facilities will not be included in the schedules.

On December 10, the Regulator [updated](#) the rules for reporting on the energy market. The changes include an expansion of the list of contracts subject to reporting, including export-import deals and feed-in tariff contracts. The requirements for submitting data on non-standard contracts have been clarified and the use of several reporting platforms has been allowed.

On December 10, the NEURC [amended](#) the Procedure for Registration of Wholesale Energy Market Participants. The amendments allow electricity producers (with a capacity of up to 10 MW) and gas producers (with a capacity of up to 1880 cubic meters per hour or 20 MW) to register on the market on a voluntary basis if they sell wholesale energy products outside organized trading platforms. It also provides for the possibility of excluding such participants from the Register of Wholesale Energy Market Participants at their request.

On December 18, the NEURC [amended](#) the Instruction on Monitoring Oil and Gas Markets to add data on economic and trading operations of market participants, including information on executed and unexecuted orders for the purchase and sale of wholesale energy products. This was done to enable the Regulator to detect market abuses in compliance with the requirements of Regulation 1227/2011 on the Wholesale Energy Market Integrity and Transparency (REMIT).

On December 18, the Regulator [clarified](#) the Procedure for Registration of Wholesale Energy Market Participants: non-residents of Ukraine may register voluntarily (if they have an ACER or ECRB code) and if they only plan to book capacities of gas and electricity interconnectors without transferring capacity to others. Also, certain data during registration is now indicated as 'if available' instead of 'mandatory'.

On December 20, The Cabinet of Ministers [amended](#) the Regulation on the imposition of public service obligation (PSO) on electricity market participants that set preferential fixed prices for households. The amendments provide for the introduction of a separate preferential price of 2.64 UAH/kWh for household consumers living in apartment buildings that are not connected to the gas system and do not have district or

autonomous heating systems. The preferential price applies only during the heating season (January 1 – April 30) and if the monthly consumption of the respective consumer does not exceed 2,000 kWh.

On December 24, the Cabinet of Ministers [approved](#) quotas for the export of certain energy resources for 2025. Thus, a zero quota was set for the export of natural gas (as in 2024) and 400 thousand tons quota for the export of fuel oil (140 thousand tons less than in 2024). For coking coal, the export quota is set at 1.3 million tons (-230 thousand tons). At the same time, there is no export quota for steam coal, which was in 2024.

On December 30, the NEURC [approved](#) updated rules for the retail electricity market. The main change is the introduction of complaint centers instead of the former information and consultation centers. Also, the act envisages the possibility of remote complaint consideration, and the publication of the results of consideration on the licensees' websites with due personal data protection. This is supposed to simplify the procedure for filing and reviewing consumer complaints, including online. The new rules, which come into force on April 1, 2025, also repeal the old 2009 regulation.

On December 30, [the Ukrainian Energy Exchange \(UEEX\)](#) and [the Market Operator \(MO\)](#) stopped publishing detailed information on trading results on their website, citing the extension of martial law and the related order of the Minister of Energy (only registered market participants can continue to access information in trading platforms). As a result, detailed data on the functioning of day-ahead (DAM), intraday (IDM), bilateral contracts markets (BCM) is not publicly available.

1.1.2. Policies on restoration of generation capacities and rollout of distributed generation

On September 30, the Cabinet of Ministers [approved](#) a program that provides for compensating 15% of the cost of Ukrainian machinery and energy equipment purchased by companies for autonomous operation. The program is applicable to power equipment, wheeled vehicles, and special machinery manufactured with at least 40% localization. To participate in the program, one needs to submit an application and a package of documents to the Ministry of Economy. The goods received cannot be resold for three years. The eligible energy equipment includes industrial energy storage systems, solar panels, power plants, collectors, wind

and mini-hydroelectric power plants, wind power generator, gas turbine, gas engine and cogeneration units, transformers, switchgears, heat pumps, individual heat points, recuperators, and metering devices.

On October 19, the Cabinet of Ministers [approved](#) a list of goods and equipment for the restoration of energy infrastructure that are exempt from VAT and import duties. The exemption applies to products imported under agreements financed by the Ukraine Energy Support Fund and includes oil, generators, turbines, transformers, vehicles, and other critical goods.

On December 24, the government [approved](#) a resolution on the implementation of a pilot project to restore Ukrhydroenergo's hydroelectric power facilities destroyed or damaged due to the war. This decision makes it possible to carry out design and construction works simultaneously in order to speed up the restoration. In addition, the restoration of hydropower facilities can be carried out before the approval of project documentation on the basis of technical solutions and working drawings. Design and construction under the pilot project will be carried out without obtaining urban planning conditions and the results of the design documentation examination, without obtaining the right to carry out construction work and approval from the State Agency of Water Resources and the State Service of Geology and Mineral Resources.

On December 31, the Cabinet of Ministers approved [amendments](#) to the Regulation on the Ministry for Communities and Territories Development, which give the Ministry new powers in the field of protection of the rights of internally displaced people (IDP) and persons deported on ethnic grounds. With respect to the energy and utility sector, the new task of the Ministry of Development is to collect and analyze information on infrastructure restoration needs (including energy and utilities) in the temporarily occupied and adjacent territories. The Ministry is also now to coordinate the implementation of measures aimed at restoring and developing the energy sector, coal, gas and electricity industries in the temporarily occupied territory in the process of its reintegration.

1.1.3. Network development and connection

On October 9, the Regulator [amended](#) the Distribution System Code to improve the accessibility and functionality of the Customer's Personal Account service. The amendments are expected to make it easier for users to track the stages of processing their applications and receiving connection services, and distribution system operators (DSOs) will be required to inform about technical failures in the service on their websites. The amendments also provide for an update of the functional requirements for the service, which should improve the quality of connection services.

On October 22, the NEURC [approved](#) a resolution simplifying the connection of floating power plants (gas engines and gas turbines) to Ukraine's power grid during martial law. The resolution allows temporary connections without applying standard connection procedures to ensure energy security. The TSO should grant a connection permit after confirming the technical requirements and establishing electricity metering.

On October 22, the NEURC [issued](#) a resolution amending the Procedure for Setting Tariffs for Electricity Distribution. In particular, the restriction on the duration of the first regulatory period, previously set at 4 years, was canceled, allowing for more flexible tariff adaptation to current conditions.

On November 5, the NEURC [adopted a resolution](#) amending the Gas Distribution System Code. The amendments [are aimed](#) at simplifying the connection of biomethane and other alternative gases installations to gas distribution networks. In particular, a template of technical specifications for biomethane plants connection has been added as Annex to the Code. According to the Regulator's justification, this decision is intended to facilitate access to gas infrastructure for biomethane producers and thus promote the development of the biomethane industry and the integration of renewable gases into the gas transmission system.

On November 5, the NEURC [adopted](#) a resolution amending the Methodology for Calculating Tariffs for Natural Gas Distribution Services. The main [changes](#) relate to clarification of calculations of labor costs and the possibility of using coefficients in the absence of data on the average salary in the industry. The amendments also provide for mechanisms to redirect the savings resulting from the optimization of the staff of the gas DSO or the reduction of costs of procuring gas

to cover technological losses to increase the salaries of gas DSO employees and finance investment programs.

On November 13, the NEURC [amended](#) its resolution on economic coefficients of projected technological electricity losses in networks of voltage groups 1 (networks with a voltage of 27.5 kV or higher) and 2 (networks with a voltage below 27.5 kV). The amendments apply to distribution system operators from 2022 to 2025, the Resolution came into force on January 1, 2025.

On December 19, the Regulator [approved](#) Ukrenergo's tariffs for 2025. The tariff for electricity transmission increased by 30% to 686.23 UAH/MWh excluding VAT (for green electrometallurgy – to 359.55 UAH/MWh). The tariff for [dispatching](#) was reduced by 5% to 98.97 UAH/MWh (excluding VAT). The main part of the [increase](#) in the transmission tariff is related to the costs of public service obligations (49%) and covering technical losses in the network (22%). The new tariff rates do not affect the cost of electricity for household consumers.

On December 19, the Regulator [set](#) new electricity distribution tariffs based on the incentive regulation principle starting from January 1, 2025. For the voltage group 2, the maximum tariff increase was 66.2% (DTEK PES-Energovuhillya), and the minimum was 3% (Ukrzaliznytsia), with an average increase of 17.4%. The highest tariff was set for DTEK High Voltage Networks LLC (3,363.7 UAH/MWh excluding VAT), and the lowest for DTEK Kyiv Electricity Networks PrJSC (812.6 UAH/MWh excluding VAT).

On December 30, the Regulator [approved](#) gas transmission tariffs for GTS Operator of Ukraine LLC for 2025–2029. Tariffs for booking entry–exit points of interstate connections increased by 62–138% to 2.85–16.24 USD/tcm, depending on the specific point. The tariff for domestic entry points increased by 4.6 times to 464.37 UAH/tcm (excluding VAT), and by 4.04 times to 501.97 UAH/tcm (excluding VAT) for domestic exit points. Specialized business associations, including gas producers, have already [warned](#) of potential negative consequences of the increase, including the impact on the investment activities of public and private companies, which will lead to a decrease in production. Business representatives also point to a lack of transparency in the process of tariff adoption.

On December 30, the NEURC also [set](#) the basic parameters of incentive regulation for GTSOU for 2025–2029. In particular, the regulatory rate of return is set at

3% for both existing and new assets. In addition, the company has to reduce operating expenses and gas losses by 1% annually. These parameters will affect the tariff setting and investment activities of the gas TSO.

On December 30, the NEURC [approved](#) the volumes of normative technological losses of natural gas for gas distribution system operators for 2025, taking into account martial law and changes in economic activity due to the occupation and destruction of networks. The document also canceled the previous resolution of December 27, 2023, and came into force on January 1, 2025. The total volume of normative losses for 2025 is set at 1.277 bcm, which is 7% more than in 2024.

1.1.4. Other issues

On October 15, the Cabinet of Ministers [approved](#) the Procedure for providing additional support to households for the purchase of solid stove fuel during the heating season. Such support will be provided to vulnerable categories of citizens and financed by international partners and/or the state budget. The payment will be made once a year for the entire heating season, and the amount of additional support from international partners will be determined by the partners themselves, together with the Ministry of Social Policy and the Pension Fund, in accordance with a memorandum of understanding.

On November 22, the Government [approved](#) a plan to implement a one-time support program 'Winter eSupport'. The assistance in the amount of 1000 UAH is available to all Ukrainians residing in the country, including children. Citizens can spend money received on utility bills, medicines, donations to the Armed Forces, Ukrzaliznytsia tickets and some other services. The program will run from December 2024 to February 2025, and the 'Winter eSupport' funds will be available until the end of 2025. Citizens who do not need support from the state may not apply for it or use it to support the Armed Forces of Ukraine. According to [MPs](#), a total of 5 billion UAH were spent on the program in 2024 and 10 billion UAH will be spent in 2025.

On November 26, the Ministry of Social Policy [launched](#) a new program called 'Warm Winter' as part of the 'Winter eSupport' package for Ukrainian families. This assistance, approved by the government, is aimed at supporting low-income families and internally displaced people (IDPs) with children. The payment amounts to 6,500 UAH for each child under 18. It is also available to IDPs with group I disabilities. The payment doesn't affect other types of state support.

1.2 Acts under consideration

1.2.1. Market regulation

On October 2, draft law No. 12087, aimed at integrating Ukraine's electricity market with the European single market, was [submitted](#) to the Verkhovna Rada. The act provides for the transposition of EU legislation, including provisions on the binding nature of decisions of the EU Agency for the Cooperation of Energy Regulators (ACER) for Ukrainian Regulator and market participants. It also regulates market coupling, cross-border balancing, consumer protection, and prevention of cross-subsidization (see Chapter 1.3. for more details)..

On October 18, an alternative draft law No. 12087-1 [was submitted](#) to the Parliament, which aims to ensure Ukraine's and the EU's electricity markets integration. The authors point out that the main draft law No. 12087 contains a complex scheme for market integration and excludes some important provisions on tenders for the construction of generation facilities. They argue that the alternative draft law aims to simplify the process of implementing EU *acquis* and preserve state control by offering additional mechanisms for market participants.

On October 22, [a draft law](#) was submitted to the Verkhovna Rada that would allow internally displaced people (IDPs) living in the premises of non-household electricity consumers to pay for electricity at the tariffs set for households. The difference between household and commercial tariffs will be covered by the state budget, which will reduce the financial burden on IDPs and owners of such premises.

On November 15, the Regulator [published](#) a draft resolution amending Resolutions No. 282 and No. 450 of 2019 aimed at optimizing and improving the reporting of electricity market participants. The main changes include reducing the number of reporting forms for electricity producers, updating the reporting forms for the transmission system operator and the guaranteed buyer, and bringing them in line with current legislation.

On November 18, a draft law No. 12220 was [submitted](#) to the Verkhovna Rada, proposing to extend the moratorium on enforcement proceedings, arrests, and bankruptcy of state-owned enterprises in the coal industry until January 1, 2026. This is justified by the need to ensure a stable coal supply for coal-fired plants

in the autumn and winter without additional expenses from the state budget.

On December 9, the Cabinet of Ministers submitted to the Verkhovna Rada Draft Law No. 12299, which [provides for](#) improvement of legislation in the field of prevention of abuse in the wholesale energy market. The draft law aims to harmonize the legal provisions of the Laws 'On the National Energy and Utilities Regulatory Commission' and 'On the Electricity Market', as well as the provisions of the Code of Administrative Offenses. In particular, it is proposed to clarify definitions, empower the NEURC to draw up protocols on administrative offenses, and establish liability for abuse in the electricity market.

On December 19, The Regulator [published](#) draft amendments to the Distribution Systems Code, which provide for clarification of the procedure for applying and scheduling electricity consumption outages in accordance with the updated instructions of the Ministry of Energy as well as the introduction of new voltage levels (230/400 V) in accordance with DSTU EN 50160:2022, which comes into force on March 1, 2025.

On December 23, the NEURC [published](#) draft amendments to the methodology for determining the amount of fines imposed on energy and utility companies. In particular, the draft act provides for clarification of the algorithm for calculating a fine for refusing to conduct an inspection, introduces the criterion of 'licensee's experience' (how long the company has been operating in the market), and amends approaches to determining the 'size of the licensee'. The updated rules also provide for adjustments to the fine calculation depending on the scale of the violation, its duration, the presence of mitigating or aggravating circumstances, and the damage caused.

1.2.2. Policies on restoration of generation capacities and rollout of distributed generation

N/A

1.2.3. Network development and connection

On October 9, the Regulator [published a draft act](#) amending the Procedure for Monitoring Compliance by Licensees in the Energy and Utilities Sectors with Respective Legislation. The Procedure is to be [supplemented](#) with a new Annex 31, which sets out the Methodology for Determining and Calculating the Amount of Additional Revenue Received or Not Received from Natural Gas Distribution Activities. The Methodology is to be applied by the NEURC representatives during scheduled and unscheduled inspections of gas DSOs. If, based on the results of the application of the Methodology, the operator is found to have additional income, it can be used for the purposes of implementing the investment program or can be excluded from the distribution tariff during the next tariff revision. If, on the contrary, the operator is found to have lost revenue, the distribution tariff may be increased during the next tariff revision to take into account such lost revenue.

On December 6, the NEURC [published](#) draft amendments to the Methodology for Charging for Connection to the Transmission and Distribution Systems. The main proposals include the introduction of an automated system for monitoring connection services, exchange of information between operators and the Regulator, reporting and obtaining data on the status of service provision online. The Regulator also published draft amendments to the transmission and distribution system codes. The new provisions [introduce](#) a system for monitoring the provision of grid connection services, automatic generation of application identifiers, technical specifications, and notifications for transparency of the process. The procedures for connecting generating facilities, in particular, wind turbines, and the requirements for real-time data exchange between transmission and distribution system operators will also be clarified.

On December 31, the NEURC [published](#) a draft resolution, under which a separate reporting form will be introduced, in which gas DSOs will provide information on revenues and expenses for gas distribution services, including expenses incurred as a result of military operations and reimbursement from other sources. In this way, the Regulator plans to ensure more thorough control over the use of funds and comprehensive monitoring of repairs of damaged infrastructure, which will allow to correctly determine the required amount of compensation for DSOs.

1.2.4. Other issues

On November 14, a draft law amending the Law on Critical Infrastructure was [submitted](#) to the Verkhovna Rada. According to the authors, this act implements Directive (EU) 2022/2557 on the resilience of critical entities. As follows from the [explanatory note](#) to the act, its adoption will allow changing the approach from protecting individual critical infrastructure assets to ensuring better risk assessment, more thorough definition and coherence of the roles and responsibilities of operators as service providers. The act also provides for the obligation to conduct a nationwide risk assessment, as well as the obligation of each operator to conduct a similar assessment for its facilities. In addition, a register or list of service providers (legal entities) classified as critical infrastructure will be created to replace the existing critical infrastructure register, which is a list of critical infrastructure facilities owned by service providers.

On December 11, the Ministry of Energy published a [draft](#) action plan for the implementation of the Energy Strategy until 2050, which includes the integration of the register of guarantees of origin with the European one by 2027, incentive taxation for hydrocarbon production until 2032, extension of the life of nuclear power plants with a possible increase in capacity, conversion of CHP plants to natural gas with further transition to biomethane and hydrogen by 2050, and international cooperation in the extractive sector by 2026. Proposals to the action plan are accepted for 30 days.

1.3 Deep dive: Draft Laws on integration of Ukraine's electricity market with the EU single market

On October 2, Draft Law No. 12087 was [submitted](#) to the Verkhovna Rada. The main objective of the act is to create a legislative framework for the full market integration of Ukraine as a Contracting Party to the Energy Community into the single European electricity market. This is envisaged through the transposition and implementation of the Energy Community's legislative package called [Electricity Integration Package](#).

The Draft Law provides for the implementation of the provisions of the Energy Community acquis by amending certain laws of Ukraine, primarily the Law of Ukraine 'On the Electricity Market'. The act provides for:

1. Regulatory and legal support for **regional market integration and cooperation at the regional level, including:**

- defining of the role of the EU Agency for the Cooperation of Energy Regulators (ACER) in the Ukrainian electricity market, in particular, **enshrining the binding nature of ACER decisions** for the NEURC and market participants, in particular, on the functioning of interstate power transmission lines between Ukraine and EU Member States;
- enshrining the need for the Regulator and market participants **to take into account ACER's conclusions and recommendations**, and the possibility of appealing ACER's decisions;
- ensuring the implementation of ACER and Energy Community Regulatory Board (ECRB) decisions by the NEURC;
- entrusting the NEURC with functions related to the functioning of the region of operation of energy systems and **monitoring the activities of regional coordination centres**;
- introduction of the concept of pan-European, regional and national **terms, conditions and methodologies (TCM) into Ukrainian legislation**, which, in accordance with the Energy Community legislation, are applied and/or developed by transmission system operators and/or nominated market operators (NEMOs) and approved by ACER, ECRB or the Regulator.

2. Basic legal, organisational and technical conditions for the **coupling of day-ahead and intraday markets**, functions, rights and obligations of the NEMO as an entity ensuring market coupling, as well as **requirements for the appointment of the NEMO**.

3. The legislative possibility of **interstate balancing, cross-border exchange and/or sharing of capacity reserves for frequency regulation**, as well as related additional functions, rights and obligations of the TSO.

4. Introduction of a mechanism for planning **preparedness for the risks to the security of electricity supply**, determining the central executive body

responsible for the tasks related to the prevention and overcoming of crises in the electricity sector.

5. Possibility to **introduce capacity mechanisms to be used to eliminate resource adequacy concerns** identified during the resource adequacy assessment.

6. Strengthening consumer protection measures, in particular by **introducing the concept of energy poverty**, changing the approach to protecting vulnerable consumers (through assistance in implementing energy efficiency measures, ensuring greater consumer access to renewable energy sources, as well as other measures within the framework of general social policy), **defining the conditions for state intervention in price setting for electricity**, establishing minimum requirements for billing information.

7. Strengthening the role of consumers, in particular by expanding opportunities for consumers to use demand response resources (independently, through an aggregator or by providing flexibility services), regulating the possibility of concluding a contract with a dynamic pricing, and introducing the concepts of citizen and renewable energy communities.

According to developers of the draft law, its adoption will help to approximate Ukrainian legislation to EU acts, develop the electricity market, increase energy security, and **create preconditions for ensuring that electricity exports from Ukraine are exempt from the Carbon Border Adjustment Mechanism (CBAM)**.

On October 18, an alternative draft law No. 12087-1 [was submitted](#) to the Verkhovna Rada. The scope of regulation of this act is the same as in case of draft law No. 12087, yet, according to authors, it corrects a number of flaws of the original draft.

- The original draft law replaces the functions of the market operator with the functions of a nominated market operator, which will lead to the need to make numerous changes to more than thirty regulatory acts governing the relations between market participants and the market operator. The alternative draft law, in turn, provides that the market operator and the TSO will continue to perform the functions and powers provided for by the existing legislation, while ensuring additional mechanisms enabling market participants to trade in coupled market segments.

- The original draft excludes from the Law of Ukraine 'On the Electricity Market' provisions on tender procedures for the construction of generating capacities and the implementation of demand-side management measures. Preserving such procedures is important to the processes of restoring and construction of new generating capacities following Russian attacks. Thus, the alternative draft law maintains such provisions.
- The original draft contains a collision with the provisions of the laws 'On International Treaties of Ukraine' and 'On Foreign Economic Activity' in terms of granting the right to the NEURC to enter into international agreements that will change the conditions of access of foreign legal entities to the electricity market of Ukraine. The alternative draft law adapts respecting provisions to the effective Ukrainian legislation.

It should be noted, that in accordance with the [decision](#) of the Energy Community Ministerial Council, the Electricity Integration Package should have been implemented by Contracting Parties by **December 31, 2023**. Having this in mind, the Advisory Committee of EnC issued [an opinion](#), which indicates that Ukraine **failed to adopt and apply the laws** provided by the decision of the Ministerial Council. Also, the [conclusions](#) of the 22nd meeting of the Ministerial Council urged all Contracting Parties, including Ukraine, to finalize complete transposition of the Electricity Integration Package in the **first quarter of 2025**.

2 District Heating

2.1 Adopted acts

On October 9, the NEURC [amended](#) the methodology for setting tariffs for heat production for licensees using cogeneration units with a capacity of up to 4.3 Gcal/hour. The Resolution defines special rules for calculating tariffs based on the costs of fuel, gas transmission services and purchased energy. It also establishes a mechanism for adjusting tariffs and calculating average tariffs in Ukraine for households and public entities.

On October 22, the NEURC [amended](#) licensing conditions for entities engaged in heat production and transportation, which oblige respective licensees to approve safety data sheets for critical infrastructure facilities in accordance with the requirements of the Procedure for Development and Approval of Safety Data Sheets for Critical Infrastructure Facilities, approved by [the Cabinet of Ministers of Ukraine](#). Also under new provisions licensees which produce heat should not be controlled by residents of states that carry out armed aggression against Ukraine and/or whose actions create conditions for the use of military force against Ukraine.

On December 4, the Regulator also [amended](#) the rules for calculating heating tariffs for thermal power plants (TPPs), CHPs, and cogeneration plants. The new rules clarify how to calculate respective costs, taking into account the technical condition of the equipment and the analysis of historical data. The requirements for submitting calculations and updating the tariff structure have also been changed, potentially making the process more transparent and reasonable.

On December 10, the NEURC [adopted](#) amendments to the Procedure for Keeping Records of Licensed Activities in the Field of Heat Supply. The new provisions are aimed at improving the methodology for accounting for income, expenses, assets and liabilities of business entities in the field of heat supply. The amendments came into force on January 1, 2025. The act will allow analysing the entire cycle of economic activity in the heat supply sector, namely production (including production at CHPs, TPPs, NPPs and cogeneration units), transportation and supply of heat energy and provision of relevant services in terms of licensed activities.

On December 10, the Cabinet of Ministers [adopted](#) the criteria for determining heat supply and heat generating organisations entitled to deferred debt repayment under debt restructuring agreements concluded in accordance with the Law of Ukraine 'On Measures Aimed at Settlement of Debts of Heat Supply and Heat Generating Organisations'. Under respective resolution, heat enterprises are entitled to deferred debt repayment if:

- they are destroyed, as a result of hostilities, which does not allow to carry out the main activity in the territory of the relevant region or community;
- they are located in the areas of active military operations, which prevents them from carrying out their main activities in the respective region or territorial community.

2.2 Acts under consideration

On December 2, the Verkhovna Rada [prepared](#) for the second reading the draft law 'On Amendments to Certain Laws of Ukraine on the Implementation of European Legislation Related to the Integration of Energy Markets, Improvement of Security of Supply and Competitiveness in the Energy Sector'. The act, inter alia, contains provisions obliging companies which operate heat networks to publish and update all necessary information on conditions for connection to heat networks, as well as information about the elements of its heat supply system. Such data should be disclosed in the form of geographic information system, which should also be integrated with the Official geoportal of the national geospatial data infrastructure, Urban planning cadastre and the Unified state electronic system in the field of construction.

2.3. Deep dive: Heat supply crisis in Kryvyi Rih

The heating season in Kryvyi Rih officially [started](#) on October 21. Over the next two weeks following that date heat supply companies of the city were to carry out routine works to fully prepare the network for injection of heat transfer fluid.

Municipal-owned 'Kryvorizheplomerezha' and JSC 'Kryvyi Rih CHP', which is owned by Naftogaz, are two enterprises, which are responsible for heat supply in the city. The assets of the latter company turned out to be not prepared for the start of the heating season. According to the JSC 'Kryvyi Rih CHP', the main reason for lack of preparedness were [as follows](#):

- Shelling of the city's critical infrastructure led to hydraulic shocks, which are devastating for damaged networks.
- In March 2024, the accounts of the 'Kryvyi Rih CHP' were arrested due to the company's multimillion debts that had accumulated since 1998. The arrest of the accounts prevented the company from starting repair work on time.
- Due to mobilisation, the company lacks qualified personnel, and the contractors involved in the repair campaign also experience a staff shortage.
- In the summer of 2023, the Russians destroyed the Kakhovka hydroelectric power plant, which deprived the heating networks of water for a long time. Corrosion damaged the already worn-out pipes.

Consequently, almost 110 000 citizens were [left without heating](#), including 943 residential buildings, 11 healthcare facilities, 43 educational institutions and a social protection centre.

For several weeks there was no appropriate response to the situation neither from central and local authorities nor from responsible enterprise. The mayor of Kryvyi Rih [explained](#) the lack of timely actions by misleading messages from JSC 'Kryvyi Rih CHP' management, which on daily meetings reported about full preparedness to the heating season.

As a result, the first actions to address the crisis were undertaken only in late November. On November 21, the Ministry of Communities and Territories Development (hereinafter - Ministry) held the first urgent meeting with local authorities, JSC 'Kryvyi Rih CHP' and

Naftogaz. The Ministry instructed responsible parties to prepare an emergency plan to restore heat supply to all customers as soon as possible.

On November 23, the Ministry [appealed](#) to the Security Service of Ukraine and the Ministry of Internal Affairs with the view to investigating the disruption of the heating season in Kryvyi Rih. Criminal proceedings were initiated. Also, the Ministry established the Task Force for Emergency Response. Its main goal was to constantly monitor all areas where the emergency response was taking place with respective reporting twice a day. The Task Force also decided that Ukrenergo should not apply electricity outage schedules in the part of the city without heating.

The State Emergency Service and local authorities [deployed](#) 281 'Points of Invincibility' (public places with heat, water and electricity supply, mobile communication and internet). To ensure prompt maintenance of the infrastructure, 70 repair teams were [deployed](#) in Kryvyi Rih, including 19 additional teams from other regions of Ukraine.

According to the emergency plan all repairs work was to be [completed](#) by 8 December. However, due to the deterioration of the networks, the deadline was extended, as a lot of resources were spent on the recurrent repairs of leaks that occurred after the consumers were reconnected.

The Ministry [reassured](#) that residents of buildings without heating would not have to pay for respective services in accordance with [Procedure for recalculation of the cost of utilities for the period of their non-provision, incomplete provision or inadequate quality](#).

[As of December 27](#), 71 residential buildings were still without heat supply.

3 Energy Efficiency

3.1 Adopted acts

3.1.1 General policy matters

On November 1, the CMU [adopted](#) the Resolution ‘On Amendments to the Procedure for Providing Financial State Support to Individuals Installing Generating Units Generating Electricity from Alternative Energy Sources in Their Own Households’, which simplified the conditions for obtaining interest-free loans for the installation of solar and wind generating units by private households. The eligible recipients has been expanded by new conditions: in particular, the maximum area of a real estate facility has been increased from 250 to 300 m², the deadline for submitting copies of documents confirming the acquisition and commissioning of a hybrid power supply system has been extended from 90 to 180 days, and the possibility of installing equipment independently or with the involvement of specialized organizations has been provided.

On November 8, the CMU [approved the draft](#) Law ‘On the State Budget of Ukraine for 2025’ for the second reading. On November 19, the Law was [adopted](#) by the Verkhovna Rada. The planned expenditures include the State Fund for Decarbonization and Energy Efficient Transformation in the amount of UAH 1.75 billion.

On November 15, the CMU [adopted](#) a decree approving the State Target Economic Program for Energy Modernization of State- or Municipally-Owned Water Supply and Wastewater Treatment Companies for the period up to 2030.

3.1.2. Energy performance of buildings

On November 1, the CMU [approved](#) a resolution on certain issues of ensuring the functioning of the national database of energy and performance characteristics of buildings, which, in particular, approved the procedure for maintaining the national database of energy and performance characteristics of buildings (see details below).

On November 4, the Ministry of Communities and Territories Development [developed](#) requirements for nearly-zero energy buildings (NZEB) in Ukraine. As

noted, it defined several indicators and parameters that will be used to check the compliance of a building with the NZEB standard, but the document itself was not publicly available.

3.1.3. Energy labeling, ecodesign, standards and certifications

On October 15, the CMU [approved](#) a resolution [amending](#) and invalidating certain resolutions on eco-design and energy labeling. The resolution comes into force 12 months after its publication, and accordingly, some acts will become invalid on October 18, 2025, in particular:

- Technical [Regulation on](#) energy labeling of household electric refrigerators and household washing machines;
- Technical [Regulation on](#) energy labeling of electric lamps and luminaires;
- Technical [Regulation on](#) energy labeling of household dishwashers;
- Technical [Regulation on](#) energy labeling of TV sets.

In turn, several acts will come into force on October 18, 2025:

- Technical [Regulation on](#) ecodesign requirements for household washing machines and household tumble dryers (adopted in August 2023);
- Technical [Regulation on](#) ecodesign requirements for light sources and separate ballasts (adopted in September 2023);
- Technical [Regulation on](#) ecodesign requirements for refrigerators (adopted in December 2023);
- Technical [Regulation on](#) ecodesign requirements for household dishwashers (adopted in January 2024).

3.1.4. Other issues

On October 3, the Ministry of Economy [signed](#) a memorandum of cooperation with the Entrepreneurship Development Fund, the Energy Efficiency Fund and Sense Bank to launch the Energy Source educational project, which aims to provide businesses, communities and condominiums with the knowledge to effectively raise funds for energy efficiency solutions.

On October 8, the CMU significantly [simplified](#) the licensing system and created conditions for the development of distributed electricity generation. In particular, the procedure for obtaining permits for the installation of small solar and wind power units has been simplified, which will help attract investment and develop renewable energy sources.

On October 15, the CMU [approved the](#) Procedure for selecting projects in the areas of alternative fuels, energy efficiency and energy saving to be financed under the Danida Business Finance program in Ukraine.

On December 31, the Order 'On Approval of the List of Regional Energy Sustainability Passports' No. 496/1502 was signed, by which the Ministry of Communities and Territories Development of Ukraine together with the Ministry of Energy [approved](#) 'energy independence passports' for each region of Ukraine. Such a passport is a comprehensive assessment of the potential for distributed generation development in each region. The document allows regional administrations to develop detailed action plans, including those for the development of distributed generation, taking into account the specifics of each territory.

3.2. Acts under consideration

3.2.1. General policy matters

On December 19, the Verkhovna Rada of Ukraine [supported](#) in the first reading the draft law No. 12245 aimed at reforming the distribution of capital expenditures within the state budget. This step envisages the creation of a general public investment fund to be distributed by the Strategic Investment Council. All specialized expenditures, including the State Fund for Decarbonization and Energy Efficient Transformation and other subventions, shall now be combined in a single 'fund of funds.' A separate allocation procedure, however, shall be set by a law amending the Budget Code.

3.2.2. Energy performance of buildings

N/A

3.2.3. Energy labeling, ecodesign, standards and certifications

On November 11, the State Agency on Energy Efficiency and Energy Saving [published](#) a draft resolution of the CMU 'On Amendments to the Resolution of the CMU of Ukraine of September 26, 2023 No. 1030'. The CMU Resolution No. 1030 stipulates that, until the end of martial law and a year after it (but no longer than until January 1, 2025), the Tier 2 requirements for transformer ecodesign do not apply to devices with a capacity of up to 125 MVA and those ordered before September 13, 2019. Such transformers are also not subject to state market surveillance. Due to numerous appeals, the draft has been developed to extend the resolution without specifying an end date.

On November 13, the State Agency on Energy Efficiency and Energy Saving [published a](#) draft resolution of the CMU 'On Approval of the Technical Regulation on Ecodesign Requirements for Refrigerators with Direct Sales Function'. Given the adoption of the Commission Regulation (EU) 2019/2024 laying down ecodesign requirements for refrigerating appliances with a direct sales function, it became necessary to adapt Ukraine's regulatory framework. The draft has been developed to implement these requirements.

3.2.4. Other issues

N/A

3.3. Deep dive: the National Database of Energy and Performance Characteristics of Buildings

On November 1, 2024, the Cabinet of Ministers of Ukraine [approved](#) the Procedure for Maintaining a National Database of Energy and Performance Characteristics of Buildings. This document establishes the rules for creating, filling and using the database, which will become a key tool for monitoring energy consumption and implementing energy efficiency measures.

The purpose of the database is to collect, process and store information on the technical and energy performance of buildings. This will help implement the

Long-Term Thermal Modernization Strategy until 2050, monitor the achievement of energy savings targets, and provide public authorities and communities with data on energy consumption.

The database will include information on buildings of public authorities, enterprises under their management, executive authorities of village, town and city councils, local state administrations, buildings belonging to the municipally-owned property of village, town and city territorial communities, and apartment buildings. It will include data on the area, volume of buildings, energy class, energy consumption, share of renewable energy, and other key characteristics.

The database inventory list will be automatically generated from data on buildings for which energy saving requirements have been established in accordance with the Law 'On Energy Efficiency of Buildings'. The information to be included in the inventory list includes:

- name of the authority that owns the building;
- address of the building;
- information on the status of a cultural heritage monument (if any);
- total and heated area of the building;
- building volume and heated volume;
- energy indicators (energy efficiency class, energy consumption, share of renewable energy sources, specific greenhouse gas emissions).

The state-owned enterprise 'Diia', managed by the Ministry of Digital Transformation, has been appointed as the technical administrator of the database. The State Agency on Energy Efficiency and Energy Saving of Ukraine is responsible for monitoring and verifying the accuracy of the information entered into the database.

In addition, the State Agency on Energy Efficiency and Energy Saving is required to:

- by April 30, 2025, inform the Energy Community Secretariat on the progress in fulfilling Ukraine's international obligations to improve the energy efficiency of public authorities;
- annually, by April 10, prepare a report on the results of filling in the national database of energy and performance characteristics of buildings.

4 Industrial emissions

4.1 Adopted acts

4.1.1 General policy matters

On October 30, the Law of Ukraine [No. 3991-IX](#) “On the Basic Principles of State Climate Policy”, adopted by the Verkhovna Rada on October 8, 2024, came into force. The law is classified as a European integration law and generally complies with the Association Agreement and the law of the European Union.

On November 1, the CMU [approved](#) the draft law ‘On Mining Waste Management’, which aims to harmonize Ukrainian legislation with the Directive 2006/21/EC on the management of waste from extractive industries. According to the Ministry of Environmental Protection and Natural Resources, the document introduces new rules to reduce the negative impact of mining waste, which accounts for about 70% of all waste generated in Ukraine. The draft law establishes the responsibilities of market participants, rules for operation, closure and post-operational measures for waste facilities, requirements for man-made deposits and abandoned facilities, and introduces a risk management system to prevent accidents.

4.1.2 Emission limits and standards, MRV requirements

On October 1, the Ministry of Environmental Protection and Natural Resources [approved](#) an order amending the Technological Standards for permissible emissions of pollutants from thermal power plants with a rated thermal capacity exceeding 50 MW. The adopted amendments will allow operators of installations used for the production of electricity and heat from natural gas to construct and operate such facilities without applying the Technological Standards.

In fact, this is the same draft that was [published](#) in May 2024. However, in the new version, the derogations are more precisely prescribed, as they are proposed to be applied to gas piston and gas turbine units, block-modular boiler houses, gasoline/diesel and gas generators used for the production of electricity and

thermal energy from natural gas until December 31, 2026, and during the period of martial law application.

4.1.3. Other issues

N/A

4.2. Acts under consideration

4.2.1. General policy matters

On November 20, the Ministry of Environmental Protection and Natural Resources [published](#) a draft order of the Cabinet of Ministers of Ukraine “On Approval of the Action Plan for the Creation of a National Greenhouse Gas Emissions Trading System.” The document was developed to create organizational and legal foundations for the implementation of state policy in the field of climate change regarding the implementation of a greenhouse gas emissions trading system.

On November 21, the Verkhovna Rada [approved](#) in the first reading the draft Law on Amendments to Certain Legislative Acts of Ukraine on the Restoration of Monitoring, Reporting and Verification of Greenhouse Gas Emissions (reg. No. 12131) (see details below).

On December 10, the Ministry of Environmental Protection and Natural Resources [approved](#) the Ministry's Action Plan for the preparation of draft regulatory acts for 2025, which includes:

- Draft Order ‘On Amendments to the Methodology for Calculating the Amount of Compensation for Damages Caused to the State as a Result of Excessive Emissions of Pollutants into the Atmospheric Air’ (December 2025);
- Draft Resolution of the CMU ‘On the Implementation of a Pilot Project on the Simplified Procedure for Issuing, Revoking, and Reissuing Permits for Air Pollutant Emissions from Stationary Sources in Electronic Form’ (December 2025);

- Draft Resolution of the CMU ‘On Approval of the Procedure for Maintaining the Unified State Register of Integrated Environmental Permits’ to implement the requirements of the Law of Ukraine ‘On Integrated Industrial Pollution Prevention and Control’ (May 2025);
- Draft Order ‘On Approval of the Form and Requirements for the Content of the Basic Report, Assessment of Land and Groundwater Pollution, List of Hazardous Substances and Methodology for Assessing Land and Groundwater Pollution’ to implement the requirements of the Law of Ukraine ‘On Integrated Industrial Pollution Prevention and Control’ (May 2025);
- Draft Order ‘On Approval of the Form of the Report of the Plant Operator on Compliance with the Conditions of the Integrated Environmental Permit and Requirements to its Content’ to implement the requirements of the Law of Ukraine ‘On Integrated Industrial Pollution Prevention and Control’ (May 2025).

4.2.2. Emission limits and standards, MRV requirements

On October 28, the Ministry of Environmental Protection and Natural Resources [has published a](#) draft order approving standard forms of documents in the field of monitoring, reporting and verification of greenhouse gas emissions and requirements for their completion.

4.2.3. Other issues

N/A

4.3. Deep dive: resumption of monitoring, reporting and verification of greenhouse gas emissions

On October 16, the Verkhovna Rada registered a draft law [No. 12131](#) on amendments to certain legislative acts of Ukraine to restore monitoring, reporting and verification of greenhouse gas emissions. On November 21, the draft law was [approved](#) in the first reading.

As stated in the explanatory note, the draft law is aimed at Ukraine's integration into the EU and fulfillment of its obligations under the Ukraine Facility. The system of

monitoring, reporting and verification of greenhouse gas emissions (MRV), which was in place from 2021, is key to ensuring transparency and establishing an emissions trading system (ETS). During the martial law period, business entities submitted reporting documents under the MRV system on a voluntary basis. In fact, the mandatory reporting was suspended by the Law ‘On Protection of the Interests of Reporting and Other Documents Submitters during the Period of Martial Law or State of War’.

According to the Verkhovna Rada Committee on Environmental Policy and Nature Management, this created obstacles to accurate and reliable accounting of GHG from enterprises subject to the requirements of the Law ‘On the Principles of Monitoring, Reporting and Verification of Greenhouse Gas Emissions,’ which does not meet the expectations of EU partners regarding further steps to decarbonize Ukraine's economy.

The purpose is therefore to restore the mandatory MRV system for facilities that fall within the scope of the current legislation, except for those that are not controlled, destroyed or located in the temporarily occupied territory, or have officially announced the suspension of production activities, and to bring the Law ‘On the Principles of Monitoring, Reporting and Verification of Greenhouse Gas Emissions’ in line with the Law ‘On Public Electronic Registers’.

The draft law contains provisions that ensure the approximation of Ukrainian legislation to the EU acquis, namely the implementation of the provisions of Directive 2003/87/EC in the part relating to the MRV system, as well as the general principles of the Commission Regulation (EU) No. 600/2012 on the verification of GHG reports and tonne-kilometer reports and the accreditation of verifiers and the Commission Regulation (EU) No. 601/2012 on monitoring and reporting of GHG emissions.

The authors of the draft law believe its adoption will promote the interests of the government and business, as it:

- restores the mandatory MRV system aligned with international and European standards, which will ensure the accuracy of emissions calculations;
- guarantees the receipt of reliable data on GHG emissions from the facilities covered;

- will create conditions for the application of market mechanisms that will incentivize emission reductions;
- help fulfill Ukraine's commitments under the Ukraine Facility and prepare the basis for the ETS introduction.

The document clarifies the term 'verifier'. According to the definition provided, it is a legal entity that conducts verification and can be accredited by both the national authority of Ukraine and the national authority of EU member states. The condition for accredited European bodies is proof of knowledge of Ukrainian legislation in the field of MRV. This expansion facilitates Ukraine's integration into the European regulatory system.

The Unified Register of MRV is being introduced. This is a public electronic register that includes the creation, collection, accumulation, storage, processing and display of information on installations and their activities. The register enables automated registration of installations, making changes to records and deregistration. It also allows for electronic interaction between all participants in the process.

Importantly, the register is designed to be expanded and improved in the future, making it a flexible tool for data management. In addition, the introduction of an electronic cabinet for operators greatly simplifies the procedures for registering installations and submitting reports.

The draft law establishes clear deadlines for operators to apply for registration of installations, make changes or cancel entries in the register. Special conditions are set for installations located in the temporarily occupied

territories or in war zones. After the end of martial law or hostilities, operators have 90 days to fulfill their MRV obligations.

Particular attention is paid to situations where the installation was damaged as a result of war aggression. In such cases, operators are obliged to amend monitoring plans and other documents within 90 days after the facility resumes operation.

Once the law is enacted and enters into force, the government must ensure the development of the necessary regulations within six months. Also, the Cabinet of Ministers and other executive authorities must bring their regulations in line with the new rules.

In general, the draft law is aimed at strengthening control over GHG emissions, transparency and automation of procedures, as well as transposition of EU norms. At the same time, its implementation requires significant efforts by the government, business and other stakeholders to introduce new mechanisms and ensure their effective operation.

As for the next steps, the Verkhovna Rada Committee on Environmental Policy and Nature Management was tasked with finalizing the text and submitting it to the Verkhovna Rada for consideration in the second reading. On January 6, 2025, a comparative table for the second reading was published. The draft law was [adopted](#) in the second reading on January 8, 2025.

