

BRIEF ON KEY BUSINESS ISSUES

08.07.2024
Kyiv - London

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Significant progress has been achieved since Ukraine launched a new electricity market in 2019

Ukraine launched a new electricity market in 2019. Since then, and despite several challenges, the country has made significant progress in market price formation, transparent electricity sales through the Ukrainian Energy Exchange and Single Electricity Market Operator and the development of market players (e.g., suppliers and trading companies).

To achieve full synchronisation through market coupling, it will require deepening market liberalization, eliminating the public service obligation (PSO), adjusting household tariffs and lifting the ban on gas exports.

DTEK believes such accomplishments will fuel economic growth and favor earlier war recovery.

Same day approval of Ukraine's National Energy and Climate Plan and launch of EU membership negotiations

Ukraine's Cabinet of Ministers approved the National Energy and Climate Plan (NECP) for the period up to 2030 to align the country with EU energy policy, on the day it started negotiations to join the 27-member bloc.

NECP is one of the conditions for Ukraine's accession to the EU as well as to the European Energy Community. The implementation of the Plan is estimated to require over USD 41.5 bln investments. The NECP has five dimensions: decarbonization (reduction of greenhouse gas emissions, development of renewable energy sources); energy efficiency; energy security; internal energy market; and research, innovation and competitiveness.

Among the key NECP targets are:

- reducing greenhouse gas emissions by 65% compared to 1990 levels;
- securing at least 27% of energy from renewables as a share of the gross final consumption;
- strengthening energy diversification – no more than 30% from one supplier.

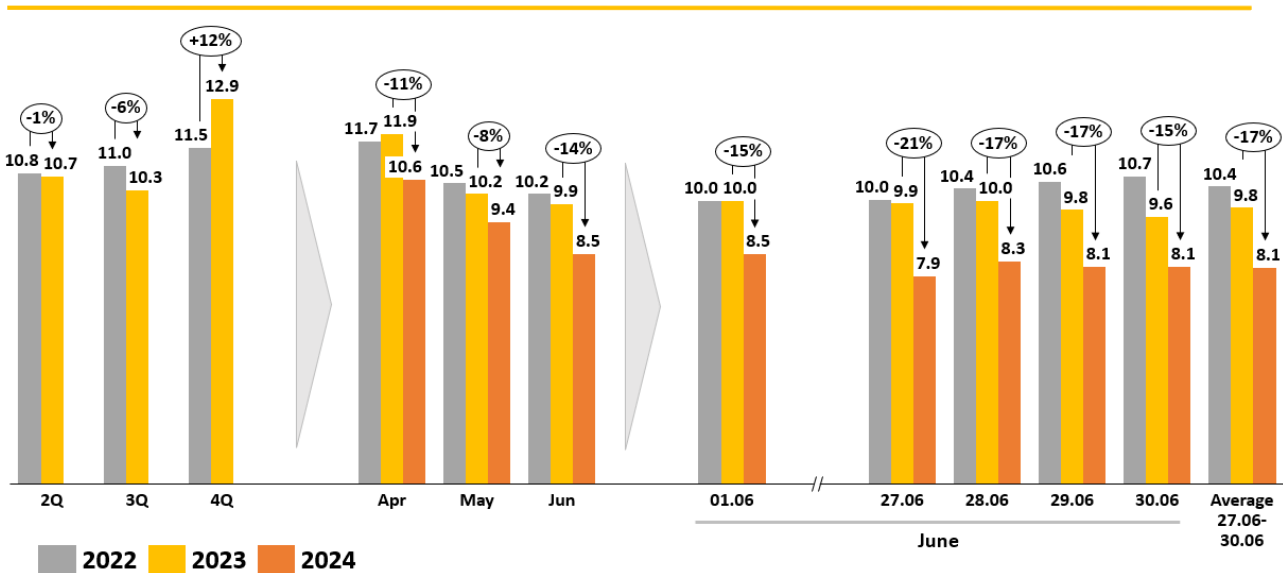
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Energy market update

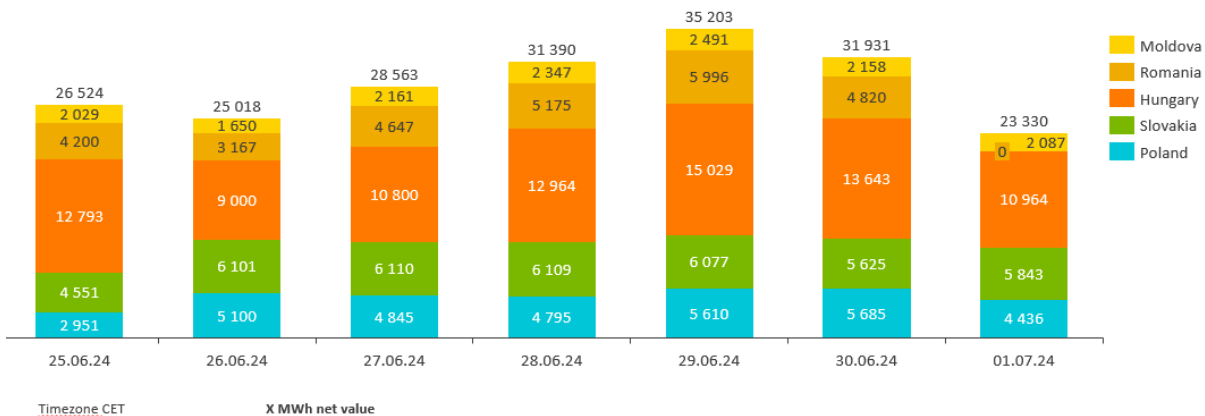
The power system of Ukraine continues operating synchronously with ENTSO-E. On June 27th – June 30th, average daily electricity consumption amounted to 225 mln kWh, which is 5% lower than during June 2023, average daily load is 17% lower than during June 2023. Average hourly load per day amounted to 8.1 GW.

Average hourly load per period, GW



During the last week, Ukraine was a net importer of electricity from EU countries after series of missile strikes on energy infrastructure. Electricity imports to Ukraine have remained high since the beginning of June.

Daily electricity import (+) / export (-) volumes in Ukraine, MWh



Timezone CET

X MWh net value

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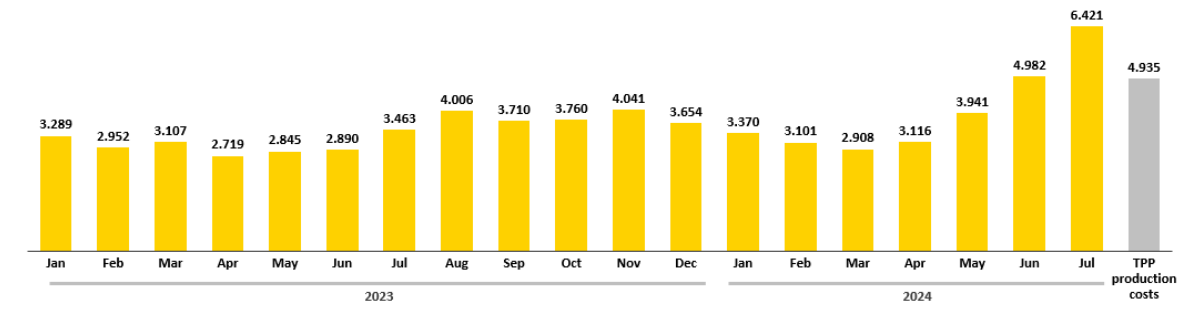
Day-ahead market

Electricity prices increased to 4,982 UAH/MWh in June as missile strikes on energy infrastructure pushed the system into deficit. As of July 1, baseload DAM prices increased to 6,421 UAH/MWh.

Starting June 1st 2024, new price caps on electricity market have been applied:

- from 00:00 to 07:00 and from 11:00 to 17:00 – UAH 5,600 /MWh
- from 07:00 to 11:00, from 23:00 to 24:00 - UAH 6,900/MWh
- from 17:00 to 23:00 - UAH 9,000/MWh
- minimum marginal price – UAH 10.00/MWh.

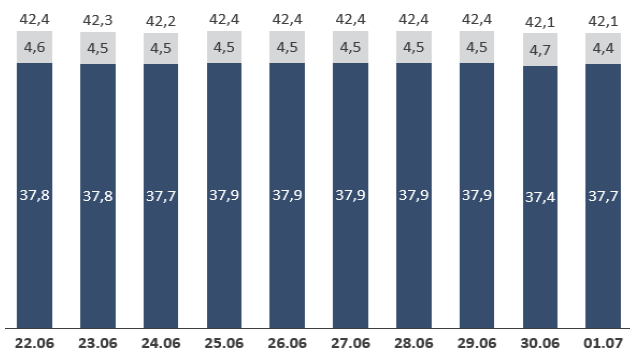
DAM Baseload price in Ukraine, UAH/MWh



Oil & Gas

- Gas transit from russia after weekend remains at usual lower level of 42.1 mln m³ on July 1st. Daily nominations to Slovakia are 37.7 mln m³. Nominations to Moldova (Transnistria) – 4.4 mln m³.
- Gazprom continues to transit gas via only one route, Sudzha, while Sokhranivka entry point remains occupied by the russian military.

Gas transit via Ukraine, mln m³



Daily nominations: 01.07.2024

