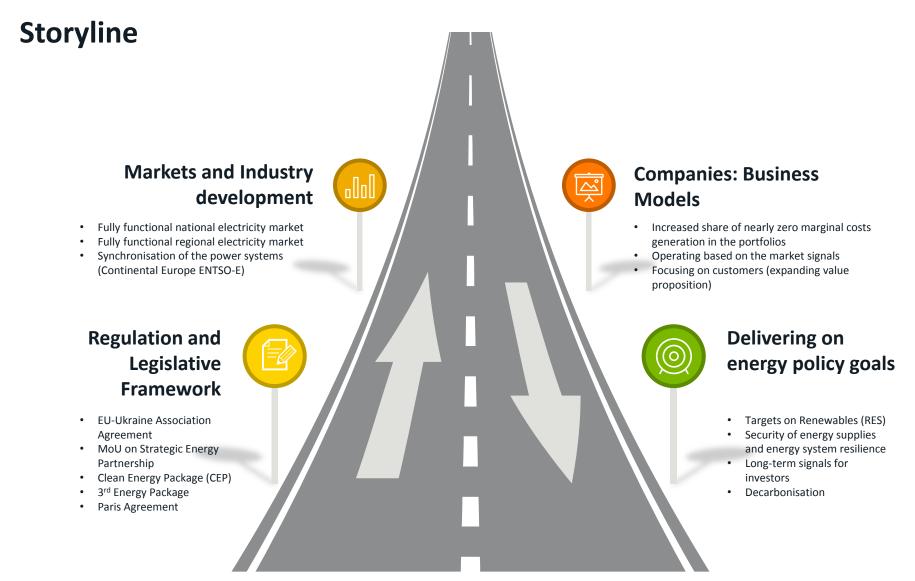
The energy systems in Ukraine and the EU in 2025: looking back from the future on Energy Business Transformation

Anna Zvolikevych, DTEK Brussels Representative

DNIPRO, 12 APRIL 2018









Timeline: key regulatory initiatives

EU

CEP is implemented on the Member States level. Some coal fired and nuclear capacities are taken out of the system

EU

More clarity for investors on how new market design works

EU

DG Competition revises the guidelines on the state aid (RES)

EU

Trialogues on RES Directive,
Governance Directive,
Electricity markets design are
finalised



2021-2022

2019-2020

2018-2019

Ukraine

of power system with
Continental Europe
(ENTSO-E)

Ukraine

Finalising transition
period for wholesale and
retail markets. At least
5GW of installed RES
capacities in the system

Ukraine

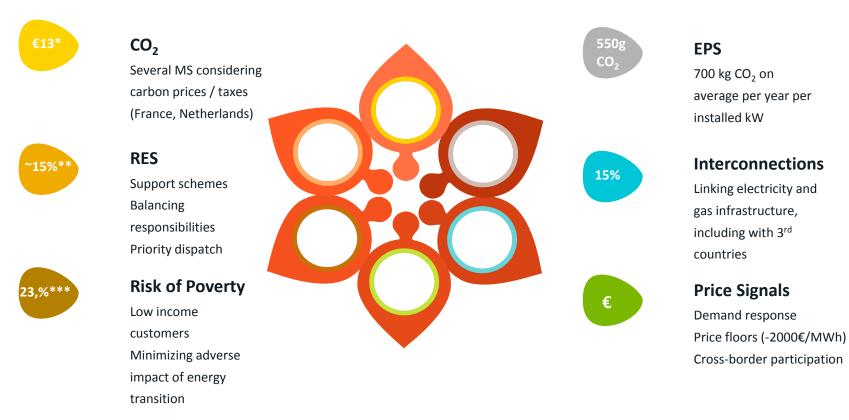
Gradual shift to market signals for wholesale electricity prices

Ukraine

All secondary legislation under new wholesale and retail electricity markets is approved



Energy Union and CEP: energy utilities prospective



^{*} European carbon prices level as on 10 April 2018

^{**} opening of RES-support for cross-border capacities (currently under discussions at RED trialogue negotiations

^{***} Eurostat data for the EU, 2016, % of total population of people at risk of poverty and social exclusion



ENTSO-E Mid-term Adequacy Forecast (2018-2025)

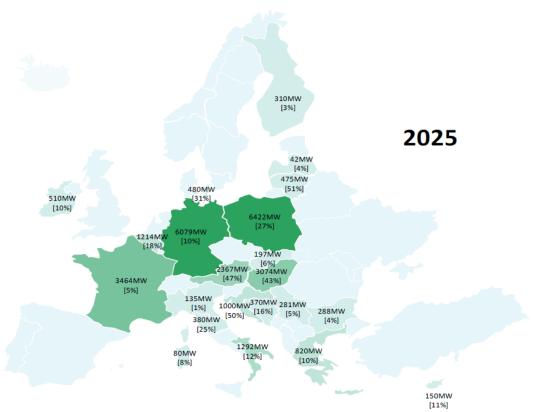


Figure 31: Generation Capacity at risk of being mothballed, absolute [MW] and relative [% of the 2025 total thermal generation capacity]

Interconnections and available capacities are becoming more and more important

Poland has higher anticipated rates of loss of load expectations (LOLE)

Synchronous connections will play bigger role

Source: ENTSO-E, MAF, 2017



How European energy companies see themselves 2025?



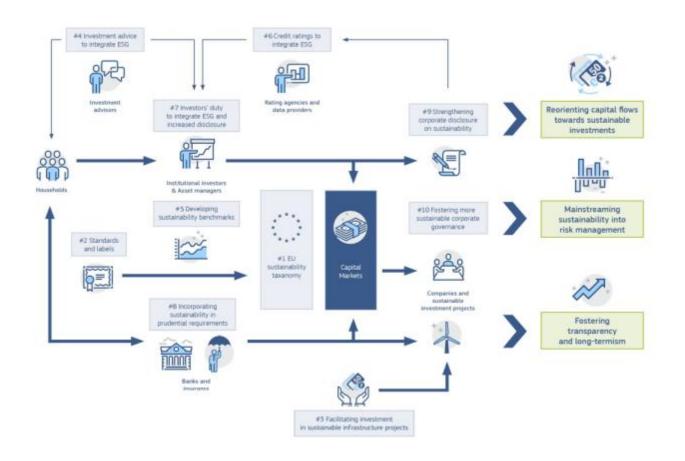
Key words:

- data platforms
- digital services
- smart solutions
- energy cooperatives and communities
- zero carbon emissions
- supportive regulatory policy

Source: Energy 4.0 conference by Pöyry, eurelectric, Energy UK (London, 09 Nov 2017)



EU upcoming legislative proposal on Sustainable Finance



EU has initiated fundamental shift in how financial system and capital markets would operate by highlighting ESGs

Energy sector will be first one to get affected

Source: European Commission. Action Plan on Financing Sustainable Growth. COM(2018) 97 final. 08 March 2018



How the European energy utilities are rated on climate goals?



<u>Source</u>: InfluenceMap. The A-List of Climate Policy Engagement. Special Report. April 2018



Back to the future: ensuring success

Regulatory policy



 Predictable, transparent, inclusive

Thermal Power



 Anticipating possible external pressure of carbon floors / taxes

EU-Ukraine



 Active stakeholders involvement into main initiatives, i.e. MoU.



\bigcirc

Financing

 Clear instruments both market based and authorized support to enable energy transition



Sustainability

 Increasingly important for enabling business growth and competitiveness



Technology

 Support and engagement within CRiTP, RFCS



Thank you!