National Agency of Ukraine on Ensuring of Efficient Use of Energy Resources Management

PERSPECTIVES OF ALTERNATIVE AND RENEWABLE ENERGY IN UKRAINE

Speaker:
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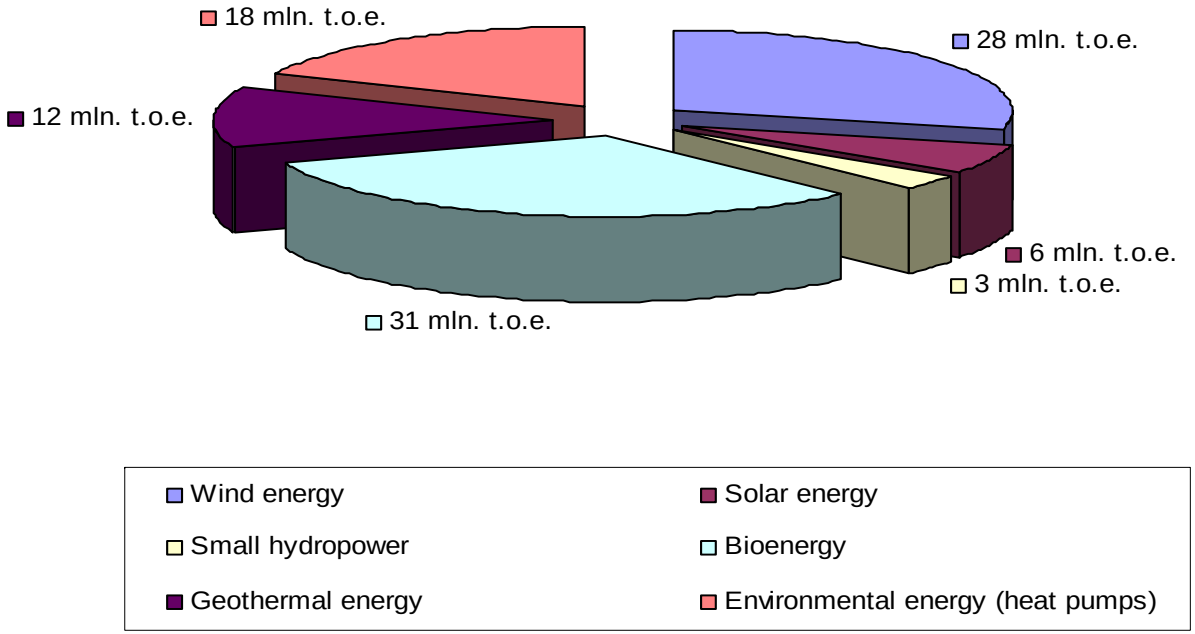
Technically achievable level of RSE in Ukraine by 2010



Totally 98 mln. t.o.e

Volumes of traditional types of fuel, which can be substituted by production of energy from RES and ATF

№	RSE types	Annual technically-achievable potential mln. toe/year
1.	Wind energy	28,0
2.	Solar energy, including:	6,0
2.1.	*– electricity*	*2,0*
2.2.	*– heat*	*4,0*
3.	Small hydroenergy	3,0
4.	Bioenergy, including:	31,0
4.1.	*– electricity*	*10,3*
4.2.	*– heat*	*20,7*
5.	Geothermal heat energy	12,0
6.	Environmental energy	18,0
Total volumes of traditional FES substitution		**98,0**

Under the command of Government of Ukraine, NAER prepared changes to Decree of Cabinet of Ministers of Ukraine from 01.03.2010 #243 “On adoption of State target economic program on energy efficiency 2010-2015”.

Goals of changes:

Creation of specific conditions for increase of renewable sources of energy (RSE) and alternative types of fuels (ATF) share not less than 10% in energy balance by 2015. Also, they aimed at dynamic development of priority sphere of energy policy – production of RSE and ATF.

Realization of the changes to the program will give an opportunity to

- Rise the level of energy independence of Ukraine;
- Increase the share of energy produced of RSE and ATF in fuel-energy balance of Ukraine up to 10% till 2015;
- Optimize the structure of fuel-energy balance, particularly, to ensure the decrease of traditional energy sources usage in the amount of 23 mln. toe (from total consumption of FES 227 mln. toe) in 2015;
- Improve the mechanism of state administration and regulation in the field of RES and ATF;
- Insure much wider attraction of the objects of intellectual property to the process of RES and ATF development;
- Rise the level of national economy's competitiveness;
- Improve the ecological situation in the country decreasing amounts of harmful emissions to the atmosphere, which are created by organic fuel burning;
- Rise a level of energy production standards (RES and ATF) to the requirements of European Union and Energy Charter.

Ways and methods of Program implementation

- Implementation of modern technologies for RSE and ATF production;
- Energy balance structure optimization by increase of RSE and ATF share;
- Further creation of legislative conditions for development of RSE and ATF production;
- Adaptation of national legislative base in the sphere of RSE and ATF production up to legislative base of EU;
- Creation of appropriate scientific, technological and production infrastructure in the sphere of RSE and ATF;
- Creation of state monitoring and control system of RSE and ATF production development process, increase of statistical information accuracy level on RSE and ATF production development indicators in Ukraine;
- Improvement of financial mechanisms of actions aimed at RSE and ATA production development, which need state support;
- Creation of friendly conditions for investment attraction in the sphere of RSE and ATF production in Ukraine;
- International cooperation intensification in the sphere of RSE and ATF production and decrease level of environmental pollution;
- Implementation of actions aimed at increase of public awareness in the field of RSE and ATF production perspectives in Ukraine, enclosure of appropriate subjects to curriculum for schools and universities of all levels.

Main Legislative Acts on Alternative and Renewable Energy Stimulation

Laws of Ukraine:

- On changes of some laws of Ukraine on “green” tariff implementation;
- On changes to Law of Ukraine “On electricity” on alternative types of fuel use stimulation;
- On gas (methane) from coal-mines;
- On changes to some laws of Ukraine on assistance to biofuels’ production and usage.

Laws of Ukraine “On changes to some laws of Ukraine on “green” tariff implementation” and “On changes to Law of Ukraine “On electricity” on alternative types of fuel use stimulation”

- **Laws foresees:**
- “Green” tariff is approved by National electricity regulatory commission of Ukraine for electric energy, produced by legal entities on objects, which use alternative sources of energy (except blast-furnace and coke oven gases, and for small hydropower plants only).

- **“Green” tariff size for legal entities, who produce electric energy from alternative sources energy, is installed on the level of retail tariff for 2nd class consumers as on January 2009, multiplied on coefficient of “green” tariff:**
- 1,2 - for electric power, produced from wind power by objects of electric power, under 600kWt of total installed power;
- 1,4 - for electric power, produced from wind power stations, 600-2000kWt of total installed power;
- 2,1 - for electric power, produced from wind power stations, more than 2 000kWt of total installed power;
- 2,3 - for electric power, produced from biomass;
- 4,8 - for electric power, produced from solar radiation energy by the ground electric objects;
- 4,6 - for electric power, produced from solar radiation energy by the ground electric objects, which are mounted on the roofs of buildings, structures and facilities, more than 100kWt of installed power;
- 4,4 - for electric power, produced from solar radiation energy by the ground electric objects, which are mounted on the roofs of buildings, structures and facilities, under 100kWt of installed power, and also for objects, installed on elevations of buildings, structures and facilities, in spite of installed power;
- 0,8 - for electric power, produced by small hydropower stations.

Tax code foresees special features of profit taxation, obtained with energy efficient technologies implementation:

1. Exempt from taxes 80% of profit, obtained from selling on customs territory of Ukraine of self-production goods according to the List, approved by Cabinet of Ministers of Ukraine:

- equipment, fed by renewable types of fuel ;
- materials, raw materials, equipment and machinery, which will be used for electricity production from renewable sources of energy;
- energy conservation equipment and materials, machinery, which operation provides economy and rational use of fuel and energy resources;
- measuring and control and cost management of fuel energy resources ;
- equipment for alternative types of fuel production.

According to Tax code, operations on import on customs territory of Ukraine are exempted from taxes:

- equipment, fed by alternative and renewable sources of energy, energy conservation equipment and materials, measuring and control and cost management of fuel energy resources, equipment for alternative types of fuel production or energy production from renewable sources of energy;

- **materials, equipment and constituent parts which are used for production of:**
  - equipment, which works on renewable energy sources ;
  - materials, equipment, components and parts used for production of equipment, fed by alternative and renewable sources of energy ;
  - energy conservation equipment and materials, measuring and control equipment ;
  - measuring and control and cost management of fuel energy resources.

Tax code foresees for renewable and alternative sources of energy implementation next privileges:

1. Tax for land (inside and outside settlements), which was given for generation facilities, which use alternative sources of energy, is equal to 25% of installed tax.
2. Electricity produced from renewable energy sources is out of target allowance payment to the current tariff for electricity and heat.
3. Temporary, till the 1st of January, 2020, exempted from taxes:
   - biofuel producers profit, obtained from biofuel selling;
   - legal entities profit, obtained from simultaneous production of electric and heat energy and/or heat energy production with use of biological types of fuel;
   - equipment producers profit, listed in the Article 7, Law of Ukraine "On alternative types of fuel" for production and reconstruction of technical and transport facilities with the aim of use of biofuels, obtained from selling of such facilities, equipment and machinery, which was produced on the territory of Ukraine.
4. Temporary, till the 1st of January, 2020, profit is exempted from tax for legal entities, which obtained it from exploration and use of coal gas methane, ruled under the Law of Ukraine "On coal gas (methane)".
5. For 10 years period, starting from 1st of January, 2011, profit is exempted from taxes for legal entities, which obtained from renewable sources of energy production.

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Thank you for your attention!