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Legislative and regulatory framework for the bioenergy development in Ukraine

Georgii Geletukha,

Deputy Coordinator of the EBRD and GEF Project
"Support legislative and regulatory framework for
bioenergy value chains in Ukraine".

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Legislation drafted

1. **Draft Law "On Amendments to the Law of Ukraine "On Alternative Fuels" regarding the biomethane production development".**
 - “parliamentary” - registered in the Verkhovna Rada, № [5464](#) dated 05.05.2021 (*the first author is p.d. Zhupanin A.V.*). **The Draft Law envisages:**
 - ✓ the term of "biomethane";
 - ✓ the biomethane Register creation;
 - ✓ the procedure of biomethane GoOs formation and carrying out further operations with them.
 - “governmental” - under the procedure of approval by the responsible ministries.
 - ✓ + procedural provisions regarding the biomethane Register functioning.

2. Draft Resolution of the Cabinet of Ministers of Ukraine "On approval of the Procedure of the biomethane register functioning".

- Under the approval by SAEE, the Ministry of Energy of Ukraine and other stakeholders.

The procedure envisages:

- requirements for the biomethane Register functioning;
- the procedure of biomethane GoOs formation, their transfer, distribution and cancellation;
- the procedure for biomethane certificates of origin issuance;
- the procedure for including business entities in the list of independent auditors and requirements for the independent audit.

3. Draft Law on Amendments to Certain Legislative Acts of Ukraine to Promote the Development of Energy Plants Growing.

➤ Registered in the Verkhovna Rada, [No5227](#) dated 12.03.2021 (*p. d. Shinkarenko I. A.*).

Envisages:

- ✓ definition of the term "energy plants";
- ✓ increasing the term of the land lease agreement for growing energy crops up to 20 years;
- ✓ Lease of unproductive lands for growing energy plants - without land auctions.

4. Draft Law on Amendments to the Article 288 of the Tax Code of Ukraine regarding rent payments for land plots on which energy crops are grown.

➤ Registered in the Verkhovna Rada, [No5228](#) dated 12.03.2021

- ✓ Rent payments for unproductive and degraded land on which energy crops are grown are limited to 5% of normative monetary valuation.

- 5. Draft Law on Amendments to the Law of Ukraine "On Pesticides and Agrochemicals" regarding state registration of the digestate from biogas plants.**
- Registered in the Verkhovna Rada, [№5039](#) dated 05.02.2021 (*The first author is p.d. Yurchyshyn P. V.*).
 - The main goal is to cancel the state registration of the digestate from biogas plants as an agrochemical.
 - Implementation of the European experience.

6. Draft Law of Ukraine “On Amendments to the Tax Code of Ukraine regarding the establishment of a zero carbon dioxide emissions tax rate for installations carrying out such emissions from biofuel combustion”.

- Submitted to the Ministry of Energy, under the approval by the responsible ministries.
- It provides an exemption from CO₂ tax paying for installations that are included in the **register** of installations that use biofuels as the only type of fuel.
- **Maintenance of the Register of Installations is entrusted to the State Agency for Energy Efficiency and Energy Savings.**
- The procedure for Register maintaining shall be adopted by the Cabinet of Ministers of Ukraine.

- 7. Draft Law of Ukraine "On Amendments to Certain Laws of Ukraine on granting the right to RES Electricity Producers to sell electricity on the Electricity Market".**
- Submitted to the Ministry of Energy of Ukraine (letter dated 19.08.2020).
 - Provides for the conclusion of "contracts for difference".
 - RES electricity producers have the right to leave the balancing group of the guaranteed buyer and freely sell electricity on the market.



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8. Proposals to support agricultural producers and farmers in case they carry out activity in the field of bioenergy.

- Submitted to the Ministry of Economy, Ministry of Energy, SAE (letter dated 02.12.2020).
- **Expansion of existing programs of state support** by development of a new program of state support to biomass-to-energy producers in agro-industrial complex.
- Introduction of a system of state support in the form of reimbursement of expenses incurred **for the establishment of plantations of energy plants.**
- Changes to the **Updated list of domestic machinery and equipment for agro-industrial complex**, the cost of which is partially offset by budget funds and the inclusion of specialized domestic boilers for burning agrobiomass in it.

9. Draft Law of Ukraine "On Amendments to the Law of Ukraine "On Heat Supply" to improve the mechanism of formation and establishment of tariffs for thermal energy, including produced from alternative energy sources".

- Submitted to the Ministry of Energy, the Ministry of Regional Development, the SAE (letter dated 23.10.2020).
- **Provides the improvement of the procedure for calculating tariffs for thermal energy from RES:**
 - ✓ Sale of thermal energy from RES to heat supply organizations;
 - ✓ Extension of the procedure for setting the tariffs for thermal energy from RES to the category of "other consumers";
 - ✓ Providing for RES producers the opportunity to choose the procedure for forming tariffs for thermal energy from RES - according to the "0.9 principle" or according to the Procedures in force.

10. Draft Law of Ukraine "On Amendments to Certain Laws of Ukraine on Introduction of Competition in District Heating Systems".

- Submitted to the Ministry of Energy, the Ministry of Regional Development, the SAEE (letter dated November 5, 2020).
- **The Draft Law provides for:**
 - ✓ Establishment of competitive DH systems, the heat load of consumers of which exceeds 50 Gcal/h and the mandatory holding of annual tenders for the purchase of thermal energy in such systems.
 - ✓ Ensuring non-discriminatory access to heat networks.
 - ✓ Establishment of separate tariffs for production, transmission and distribution, prohibition of cross-subsidization.

11. Draft Law "On Amendments to Certain Legislative Acts of Ukraine regarding the mandatory use of Liquid Biofuels (Biocomponents) in the Field of Transport".

- Adopted at first reading, [№3356-д](#) dated 05.11.2020 (*the first author is p.d. Seminsky O.V.*). – proposals for revision were submitted (letter dated November 27, 2020).
- The Draft Law provides for the introduction of sustainability criteria for liquid biofuels.
- Mandatory share of liquid biofuel content (biocomponents) in the volumes of motor gasolines is introduced.

12. Draft Law of Ukraine "On Amendments to the Code of Ukraine on Administrative Offenses on Liability for Offenses in the Sphere of Electronic Trade with Solid Biofuels".

- Submitted to the Cabinet of Ministers of Ukraine.
- **The Draft Law envisages:**
 - ✓ Creation of the system for electronic trading with solid biofuels.
 - ✓ Quality assurance of solid biofuels.
 - ✓ Providing guarantees for the supply of solid biofuels.

Other proposals

1. Repeal paragraph 3 of the Final and Transitional Provisions of Law № 810-IX as restricting the rights of biomass / biogas producers compared to other RES producers, in particular the right to receive a “green” tariff after January 1, 2023 (letter dated 17.09.2020).
2. Provide a support quota for "other" RES at auctions up to 100 MW annually for 2021 and 2022 (letter dated 04.12.2020).
3. Provide a percentage of permissible deviations for biomass and biogas-to-electricity producers, equal as for entities using solar energy (5%) (letter dated 12.01.2021).



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Thank you!

Georgii Geletukha, Ph.D.

Chairman of the Board, NGO "REA"

tel./fax: 044 332 9140

e-mail: geletukha@rea.org.ua