



**NATIONAL AGENCY OF UKRAINE ON ENSURING OF EFFICIENT
USE OF ENERGY RESOURCES MANAGEMENT**

**Legal base
and mechanisms of financial support
for EE**

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Deputy Chairman



National legislation in energy efficiency sphere

Sphere of energy efficiency in Ukraine has more than 200 legislative acts:

- 10 Laws of Ukraine;
- 15 Decrees of the President of Ukraine;
- 120 Resolutions of the Government;
- Other by-laws.

Currently energy efficiency sphere has 50 national standards of "Energy saving" group

Basic laws which regulate relations in energy efficiency area are:

- About energy saving
- About electrical power
- About alternative kinds of fuel
- About alternative energy sources
- About combined production of heat and electrical energy (cogeneration) and usage of waste water potential
- About gas (methanol) of coal deposits
- Tax code

Basic legal acts on energy efficiency and renewable energy stimulation

Laws of Ukraine:

1. Tax code
2. On changes to some laws of Ukraine on "green" tariff implementation
3. On changes to Law of Ukraine "On electricity" on alternative types of fuel use stimulation

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.

2. Exempt from taxes 50%, obtained from implementation of energy efficient measures and energy efficient projects implementation of enterprises, which are included to State list of enterprises, entities and organization, which implement design, implementation and use of energy efficient measures and projects.

To this list can be included legal entities, which are included to branch programs on energy efficiency, approved as energy efficient according to order, designed by Agency, and obtained conclusion of such executive body on conformity of energy efficient measures and projects with energy efficiency criteria.

All forms of the Tax code are in force during 5 years from the moment of 1st profit receipt after production energy efficiency increase.

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.

Legal base improvement and national standards in the sphere of energy efficiency system creation

Laws of Ukraine adoption

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| ➤ On effective use of fuel and energy resources (on energy efficiency) | – regulation of relations considering use of all kinds of fuel and energy resources, by implementation of necessary mechanisms of motivation, stimulation, responsibility, informational, scientific and financial ensuring, adopted to acquis communautaire. |
| ➤ On changes to some laws of Ukraine on renewable sources of energy | – adoption of order of guarantees approval for energy, produced from renewable sources of energy adopted to acquis communautaire. |
| ➤ On changes to the Law of Ukraine "On combined production of heat and electric energy (co-generation) and use of waste potential" | – adoption of order of guarantees approval for energy, produced from co-generation, mechanisms of co-generation improvement, administrative procedures simplifications. |

During 2011-2015 period it is planned to develop more then **600 national standards** on determination of technological processes energy intensity.



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**THANK YOU FOR YOUR
ATTENTION!**

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