COORDINATED DECARBONISATION EFFORTS IN THE ENERGY COMMUNITY

2nd Coordination Meeting of the Energy Community Coal-based Electricity Generation Companies

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BY 2030 RENEWABLE ELECTRICITY GENERATION IN UKRAINE WILL INCREASE 2.5 TIMES

<table>
<thead>
<tr>
<th>Energy Source</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPPs</td>
<td>53%</td>
<td>57%</td>
</tr>
<tr>
<td>RES</td>
<td>26%</td>
<td>12%</td>
</tr>
<tr>
<td>HPPs and PSPPs</td>
<td>8%</td>
<td>19%</td>
</tr>
<tr>
<td>CHPPs</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>TPPs</td>
<td>8%</td>
<td>5%</td>
</tr>
</tbody>
</table>

135 bln kWh in 2020

149 bln kWh in 2030
MILESTONE EVENTS IN UKRAINE’S ENERGY SECTOR
DETERMINE THE DEVELOPMENT TREND FOR ENERGY COMPANIES

2019
New electricity market model

2020
Gas market liberalisation

2021
Transition from FiT to auctions in RES
RAB regulation
New CO₂ emission targets

2023
Full liberalisation of the electricity market
Synchronisation with European energy markets
Emissions trading system: implementation of ETS and/or CBAM

2029
National emissions reduction plan: compliance with environmental standards for SOₓ and dust emissions

2034
National emissions reduction plan: compliance with environmental standards for NOₓ emissions
**ESG STRATEGY. ENVIRONMENTAL**

- **DECARBONISATION**
  - Carbon neutrality by 2040
  - Share of electricity produced by renewable sources in the Group's output reaches 33% in 2030

- **REDUCTION OF AIR EMISSIONS**
  - Air emissions in line with European requirements

- **BIODIVERSITY PROTECTION**
  - 1 million trees planted by 2030
DTEK’s Contribution to Decarbonisation

Global Decarbonisation Trends in Ukraine
- In 2016 Ukraine signed the Paris Agreement on Climate Change
- Under the EU Association Agreement, Ukraine is committed to implement a national greenhouse gas emissions trading scheme

Modernisation of Traditional Generation
- DTEK’s TPP greenhouse gas emissions in CO₂ equivalent have decreased by 44% since 2012 (2012 – 51,413 ths tonnes, 2020 – 28,635 ths tonnes) as a result of decrease in coal-based energy generation, as well as modernisation of 16 power generation units

Development of Renewables
- In 2018 Ukraine approved the Low Carbon strategy which envisages significant GHG emissions reduction by lowering power generation from traditional energy sources by 2050

Reduction of Greenhouse Gas Emissions by DTEK’s TPPs, CO₂-eq, ths tonnes

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**ETS implementation in Ukraine** (based on available information)

### Timeline of launching ETS in accordance with the Association Agreement
- **2014**: Association Agreement
  - Annex XXX contains the obligation to implement ETS in Ukraine

### Adopted secondary legislation for GHG emissions monitoring in accordance with European rules
- **2019**: Law on MRV
  - In December 2019, the Parliament adopted the Law of Ukraine “On the principles of monitoring, reporting and verification of greenhouse gas emission”

### Development of a draft law on the implementation of the GHG emissions trading scheme
- **2020**: Start of GHG emissions monitoring by enterprises which later will be included in the ETS
- **2021**: Development of secondary legislation* necessary for the launch of the ETS

### ETS launched
- **2024**: ETS launched

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Other carbon pricing related issues which are currently in a pipeline:
- Revision of the National Determined Contribution under the Paris Agreement (NDC2)
- National integrated plan for energy and climate until 2030
- Introduction of an additional CO2 tax in Ukraine

In 2021, Ukraine and the EU scheduled to begin negotiations on potential CBAM (to discuss conditions to prevent its application to Ukrainian export).
Thank you for your attention!