The EU4Energy Governance Project

The EU4Energy Governance Project is a technical assistance project funded by the European Union, under the EU4Energy Initiative. It targets policymakers working in the energy sector of Eastern Partner countries and helps them strengthen their legislative and regulatory frameworks as well as identify investment opportunities in key energy infrastructure projects.

Within this project, the Energy Community Secretariat is delivering technical assistance to three Eastern Partner countries: Georgia, Moldova and Ukraine that are members of the Energy Community. Regional activities of the project also involve Armenia, Azerbaijan and Belarus.

A well-functioning energy sector needs clear rules and regulations that ensure both competition and legal certainty. With such rules and regulations in place, consumers, businesses and industry can expect the following benefits:

- Lower energy bills
- Improved reliability and safety of energy supply
- Improved quality of service
- Reduced environmental damage
- Reduced energy poverty

EU4Energy Initiative

The EU4Energy Initiative covers all EU support to improve energy supply, security and connectivity, as well as to promote energy efficiency and the use of renewables in the Eastern Partner countries: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine. It does this by financing projects and programmes that help to reform energy markets and to reduce national energy dependence and consumption. Over the longer term, this makes energy supply more reliable, transparent and affordable, thus reducing energy poverty and energy bills for both citizens and the private sector.

Working together

In order to secure the commitment and ownership of the Eastern Partner countries, EU4Energy works in close collaboration with authorities of the countries to identify priority areas for support. By setting up dedicated working groups of all involved institutions for each sector of work, the EU4Energy Governance team ensures that appropriate follow-up is taken for all new legislation developed. At the same time, training and exchange of experience and best practice is provided to the working group members to facilitate the implementation of new legislation.

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#EU4Energy
#EnergyReforms4Citizens

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Electricity Market

With the support of the EU4Energy Governance project, the following secondary legislation was drafted by Ukrainian authorities: wholesale electricity market rules, two key methodologies necessary for the implementation of the new Electricity Market Law (methodology for cross-border capacity calculation and methodology for calculating tariffs for ancillary services), and procedures related to the activity of the guaranteed buyer.

**BENEFITS FOR CITIZENS**

The methodologies for the calculation of cross-border capacity, and tariffs for ancillary services will ensure a stable supply of electricity at prices correlated with regional markets.

Market rules will ensure a transparent trading environment and a well-functioning electricity market.

Gas Market

The focus was in preparing indicators for gas quality monitoring, and a methodology for gas distribution tariffs. The new indicators for monitoring the quality of gas supply and distribution services were prepared together with an overview of European best practices. A tariff methodology was developed that is cost reflective and allows system operators to maximize efficiency.

**BENEFITS FOR CITIZENS**

Network codes ensure a well-functioning gas market enabling consumers to benefit from competitive prices.

A competitive gas market will attract investments and secure a stable gas supply for consumers.

Energy Efficiency

Support was provided in developing the national energy efficiency targets for 2020 and 2030 and the draft Governmental Decree for the adoption of the targets. The National Energy Efficiency Action Plan (NEEAP) until 2030 and the Roadmap for its implementation are being prepared. Assistance was also provided in transposing the Energy Performance of Buildings Directive.

**BENEFITS FOR CITIZENS**

The NEEAP outlines concrete actions that will support citizens’ efforts in investing in energy efficient measures in their homes. Energy efficient buildings will help citizens save money on their energy bills while helping to reduce greenhouse gas emissions.

Infrastructure

Support was provided in the transposition of Regulation EU 347/2013 that will facilitate investments in energy infrastructure.

**BENEFITS FOR CITIZENS**

Investments in new energy infrastructure enable the energy market to function efficiently and competitively.

Energy-related environment

New technical standards emissions were developed for plants incinerating or co-incinerating waste which will help regulate emissions of plants disposing, or using waste as fuel.

**BENEFITS FOR CITIZENS**

Reduced emissions will safeguard the health and well-being of citizens.

Consensus Building on Energy Sector Reforms

Through the High-Level Policy Talks, the need for specific reforms is addressed at the highest levels to ensure a clear understanding of each new piece of legislation proposed and accelerate the pace of adoption. The High-Level Policy Talks events also steer the discussion with stakeholders and provide answers to stakeholders’ critical questions on energy reforms.

Two High-Level Policy Talks events focusing on the Ukraine-Moldova electricity market integration were organised on 20 July 2018 in Lviv, Ukraine and on 14 June 2019 in Odessa, Ukraine. The first event addressed the process of reforming the wholesale electricity markets, access to transmission capacities of cross-border interconnections, and synchronization with ENTSO-E countries. The second event focused on the remaining challenges faced in the market integration between the two countries and the next steps forward.

**UKRAINE**

**KEY FACTS & FIGURES ON PROJECT IMPLEMENTATION**

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*May 2017 – May 2018

**June 2018 – April 2019

**LEGAL ACTS/STUDIES WORKING GROUPS AND MEETINGS ORGANISED OFFICIALS TRAINED**