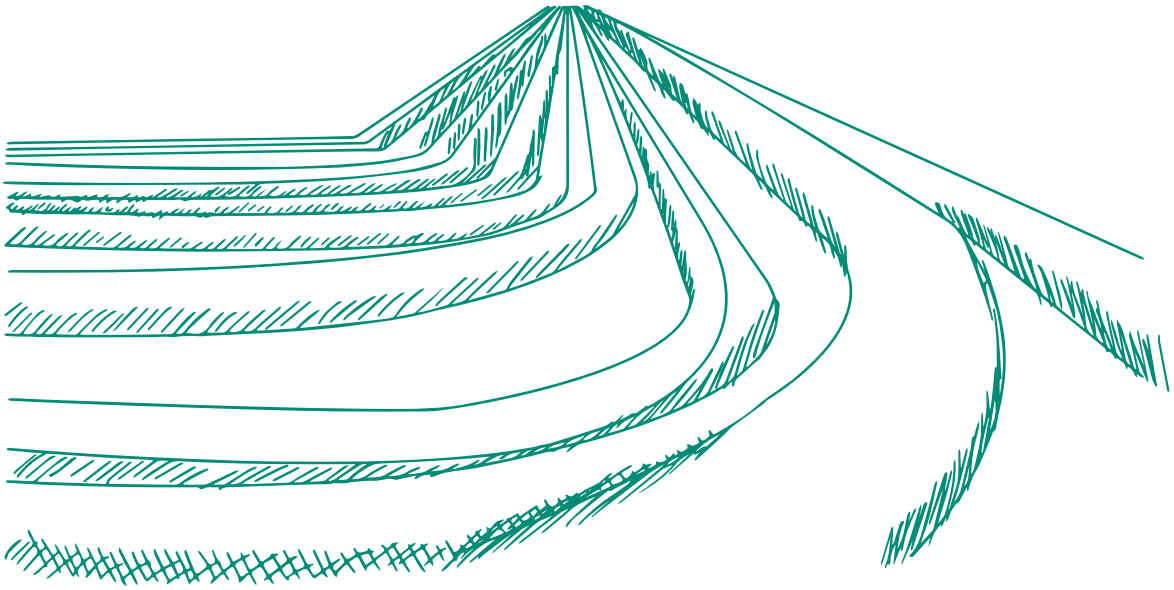
UKRAINE

Annual Implementation Report



1 November 2025

Energy Community Secretariat

Implementation overview

CLUSTER	IMPLEMENTATION STATUS	RECOMMENDATIONS
Markets and integration	56%	Ukraine should adopt the law and secondary legislation necessary for EIP transposition and implement these, prioritising removal of market barriers, and adopt amendments to tax legislation relevant for the ITC mechanism and the market integration. Ukraine should restore core gas market principles, develop a PSO model phase-out plan, lift the gas export ban, meet the GTSOU certification requirements, ensure DSO unbundling compliance and bundle capacities with Moldova.
Decarbonising the energy sector	72%	Ukraine should finalise its updated long-term strategy in line with the adapted Governance Regulation, adopt remaining legislation to ensure alignment with REDII, finalise the comprehensive heating and cooling assessment, update the energy performance regulation, strengthen administrative capacities and integrate energy efficiency criteria into public procurement. Further, it should accelerate the revision of national MRVA regulations for full compliance with Energy Community legislation and ensure adequate staffing in the implementing institutions.
Ensuring energy security	26%	Ukraine should promptly transpose and begin implementing Regulations (EU) 2019/941 and 2017/2196. It should align its national security of gas supply framework with Regulation (EU) 2017/1938 as adopted for the Energy Community.
Improving the environment	53%	Ukraine should review EIA exemptions for specific projects while ensuring EIA and SEA remain distinct, fully operational and rigorously implemented to support sustainable recovery from the Russian invasion. Ukraine should continue emissions data reporting for large combustion plants.
Performance of authorities	75%	Ukraine should amend the NEURC Law and related acts to ensure compliance with the Energy Community acquis and strengthen NEURC's independence, align the prohibition of anti-competitive agreements with Energy Community law and adopt the draft amendments restoring a State aid control system compatible with martial law. SSSU still cannot produce official statistics, as reporting obligations are suspended until three months after martial law ends.

OVERALL NUMBER OF CASES 3

Procedures under Article 91 EnCT

ECS-1/18 **energy efficiency**

ECS-1/14 **energy efficiency**

ECS-13/24 **electricity**



Markets and integration
Ukraine

ELECTRICITY

53%

Wholesale market

52%

The Electricity Integration Package (EIP) has not yet been transposed. Based on two draft laws registered in October 2024, the Parliament's Energy Committee finalised a proposal of the law and submitted it to Parliament. On 22 July 2025, the draft law was adopted in the first reading and is now under finalisation by the working group established by the Parliament's Energy Committee.

Wholesale trade was mainly conducted through bilateral contracts, accounting for 82% of volumes, while 15% were traded on the day-ahead and 1% on the intraday market. Although all market segments continue to operate, significant regulatory restrictions remain in effect.

The day-ahead, intraday and balancing market segments are functioning under the price caps determined according to the methodology approved by the national regulatory authority NEURC. The caps vary by hour and were increased by NEURC for peak evening hours from 1 August 2025. The price caps for ancillary services, including balancing capacity, remain unchanged for 2025 and 2026 and are defined at the levels for 2022 or are based on the actual costs (depending on the type of service).

The Electricity Market Law grants NEURC the authority to impose obligations for sales and purchases in the day-ahead market to maintain liquidity. This includes obligations on minimum sales for producers (excluding those producing electricity from alternative energy) and importers (up to 30% of their monthly volume), minimum purchases for transmission system operator (TSO) and distribution system operators (DSOs) to cover losses and for pumped-storage hydroelectric plants for their operational needs. Obligations imposed by NEURC require that at least 10% of the monthly electricity volume of producers and importers be sold on the day-ahead market.

In general, market participants have the right to freely choose their counterparties for bilateral contracts and to conclude such contracts in any form and under terms agreed between the parties. However, with restrictions. Producers (except for producers producing electricity from alternative energy sources) are obliged to sell electricity via bilateral contracts exclusively at electronic auctions under the procedure defined by the Cabinet of Ministers of Ukraine (CMU). Additionally, the state-owned generating company Energoatom is obliged to sell electricity to universal service suppliers for the supply to household consumers in the predefined amount at the day-ahead price (BASE index). NEURC has the authority to define the maximum duration of bilateral contracts (not less than six months), although this is not applied in practice.

From August 2024 – May 2025, Ukrenergo conducted four auctions and procured long-term (five-year) reserves of the Frequency Containment Reserve (FCR) and automatic Frequency Restoration Reserve (aFRR). Additionally, a tender for new generating capacity (based on the repealed Directive 2009/72/EC) was initiated by the Government on 13 August 2024; however, the process has not yet been finalised.

Ukraine's balancing market is governed by market rules. Regulation (EU) 2019/943 and Commission Regulation (EU) 2017/2195 are yet to be transposed.

Losses in the transmission system and distribution systems are procured freely on the market.

Regulation (EU) 1227/2011 was transposed by the Law on REMIT in June 2023 and NEURC has adopted all necessary secondary legislation.

Retail market

43%

The substantial part of Electricity Directive (EU) 2019/944 is still to be transposed. Some provisions have been included in the national legislation (on storage, active customers and aggregation), but this still need to be completed.

All customers in the retail market are free to choose their supplier. Universal service suppliers are obliged to supply electricity to households, small customers and several other categories of customers at regulated prices in a manner that is not compliant with Directive (EU) 2019/944. Household price is kept at the level of 0.088 EUR/kWh (approx. 3.3 times lower than average EU-27) which is not cost-reflective. State-owned generating companies Energoatom and Ukrhydroenergo are obliged to compensate the remaining costs of the universal service suppliers for supply of households. In 2024, the household consumption reached 36,2% of the final electricity consumption.

The Cabinet of Ministers extended the Household Public Service Obligation (PSO) Act until 30 April 2026, without the required consultation with the Secretariat under the Electricity Market Law.

The Government reappointed Ukrinterenergo as a supplier of last resort until 31 December 2025 and, under the Household PSO Act, obliged Ukrenergo to cover the operating costs of the supplier of last resort until the end of 2025.

Twenty-five (25) universal service suppliers and one (1) supplier of last resort have not been selected through competitive procedures.

Clear criteria for identifying and supporting vulnerable and energy-poor consumers are still absent.

The PSO concerning price setting for the supply of electricity is not fully compliant with the requirements set out in Article 5(4–7) of Directive (EU) 2019/944 (it is broader in scope and not all conditions are stipulated). Universal supply and supply of last resort are subject to the price regulation.

Special rules on load shedding apply only to emergency situations, limiting the disconnection of consumers using imported or self-produced electricity (covering at least 60% of their needs).



ENERGY POVERTY

There is no national definition of energy poverty in Ukraine. However, both vulnerable electricity and gas consumers are defined in national law. The procedures to define the categories of vulnerable electricity consumers and the criteria for classifying vulnerable gas consumers have not yet been adopted, so there are no measures specifically targeting these groups.

For 2025, the provisions of the Electricity Market Law regarding vulnerable customers and their definition were suspended.

However, support is provided through state social assistance in the form of housing subsidies for all households unable to cover housing and utility costs. These subsidies are granted when a household's utility and housing costs (including electricity, natural gas, water, heating and communal services) exceed 20% of the average monthly household income (15% during martial law). Additional support is also provided for defined vulnerable persons during the heating season in the form of targeted financial payments for the procurement of solid fuel and other alternative fuels. Furthermore, there are subsidies for payments of housing and utility costs for some categories of households, such as war veterans or victims of the Chornobyl disaster. Protection measures against disconnection are in place. For both electricity and natural gas, households in areas affected by hostilities or temporarily occupied territories or with property damaged by conflict are safeguarded from service suspension due to non-payment until the end of martial law or cessation of hostilities.

Ukraine's National Energy and Climate Plan (NECP) foresees policies and measures to monitor and address energy poverty, referencing, inter alia, the long-term strategy for thermal modernisation of buildings. Its Operational Action Plan for 2024–2026 includes strong measures to address energy poverty, covering definition of the concept, a national reduction target, building energy efficiency and enhancement of monitoring progress in cooperation with the EU Energy Poverty Observatory.

Ukraine currently does not participate in relevant Eurostat surveys (SILC and HBS) and there are no reliable data on the level of energy poverty in the country.

Unbundling

81%

Ukrenergo, a state-owned TSO, was certified conditionally in 2021, and has been a full ENTSO-E member since 1 January 2024. In 2022 NEURC extended the implementation of conditions until martial law is lifted, and the remaining conditions have not been fully implemented.

After a corporate governance crisis in autumn 2024, a new supervisory board for Ukrenergo was established in December 2024. A competitive selection process in summer 2025 resulted in five new management board members. During this process, the Ministry of Energy amended Ukrenergo's Charter to require a qualified majority (by at least five votes) of the supervisory board for appointment of members of the management board. Those amendments were subsequently cancelled. In September 2025, one state representative on the supervisory board was dismissed. On 26 September 2025, the supervisory board announced the dismissal of all existing management board members. This was then retracted on 2 October 2025, when it was announced that the chairman and members of the company's management board continue to carry out their responsibilities. In October 2025, the sixth member of the management board was appointed.

In May 2025, NEURC updated Ukraine's transmission system code to incorporate provisions of Commission Regulations (EU) 2017/1485 and (EU) 2017/2196. These amendments specifically clarify criteria for power system emergency situations, conditions for forced consumption reduction, the procedure for declaring emergencies, requirements for the transmission system during emergencies and restoration and

requirements for development of the power system protection plan.

Ukrenergo is a signatory of the Synchronous Area Framework Agreement for the Regional Group Continental Europe and acts as the Ukraine–Moldova (UAMD) load-frequency control block leader. The latest Ten-Year Network Development Plan (TYNDP), covering the period from 2025 to 2034, was approved by NEURC in January 2025, but has not been published due to martial law.

Distribution system operators (DSOs) are unbundled. The unbundling of DSOs complies with the requirements of Directive (EU) 2019/944; some state-owned DSOs are in the process of complying with the national legislation requirements regarding the unbundling of ownership of electricity supply assets. Tasks of the DSOs still require alignment with Directive (EU) 2019/944.

Access to the system

85%

Access to the transmission and distribution systems is ensured through publicly available tariffs.

Ukrenergo joined the inter-TSO compensation (ITC) mechanism on 1 July 2024, but national tax legislation should be aligned with the ITC Regulation (EU) 838/2010 (by excluding VAT from payments to Ukrenergo).

The connection network codes have not yet been transposed by a formal governmental or regulatory act; however, the requirements are implemented through the transmission and distribution system codes. Regulation (EU) 543/2013 has been transposed and implemented. Publication of data was suspended due to martial law, but was partially renewed for information not related to the state of the critical infrastructure.

Regional integration

29%

Ukrenergo further progressed with the implementation of joint capacity allocation. Joint daily capacity allocation is performed on all interconnections (via Ukrenergo's allocation platform for the borders with Moldova and Romania and via JAO for the other borders).

The long-term capacity allocation (monthly allocation for January 2026) on the borders with Hungary, Romania and Slovakia is scheduled for December 2025. The intraday capacity allocation on the border with Moldova (via Ukrenergo's allocation platform) is expected to be introduced by the end of 2025. The intraday allocation on the border with Romania (via Transelectrica's allocation platform) is preliminarily planned for Q1 2026, and on the borders with Hungary and Slovakia (via JAO) for Q2 2026. Long-term and intraday allocations on the border with Poland are not yet foreseen.

Designation of the nominated electricity market operator (NEMO) awaits transposition and implementation of Commission Regulation (EU) 2015/1222. Notification was given of the national legal monopoly for day-ahead and intraday trading services by the Ministry of Energy on 8 March 2023.

Reinforcement of regional cooperation on market coupling is being advanced through the EE local Implementation Project (EE LIP). The memorandum of understanding (MoU) was signed

in December 2024 by all relevant NEMOs/MOs and TSOs from Hungary, Moldova, Poland, Romania, Slovakia and Ukraine. Dedicated working groups have been formed to prepare legal, financial and technical impact assessments.

The cooperation agreement within the Eastern Europe (EE) Capacity Calculation Region (CCR), between TSOs from Moldova, Ukraine and the neighbouring EU Member States was signed in December 2024. Operationalisation of the EE CCR is in progress. A roadmap of priority tasks to be implemented by the EE CCR TSOs was established by the EE CCR Steering Committee. A service agreement has been signed with the Regional Coordination Centre TSCNET on the implementation of an interim capacity calculation procedure based on the coordinated Net Transfer Capacity (NTC) method.

On the interconnector with Moldova a non-compliant capacity calculation has been applied, resulting in restriction in certain days and hours, depending on the energy balance of Ukrainian system.

Ukraine is in the process of transposing Regulation (EU) 2022/869 on Guidelines for Trans-European Energy Infrastructure (TEN-E Regulation) into national legislation. To this end, Ukraine plans to adopt the draft law "On Infrastructure Projects of Public Interest in the Energy Sector" by the end of 2025 and a set of secondary legislation in the first half of 2026. However, based on the draft law, Ukraine's national legislation and decentralised permit-granting process remain misaligned with the TEN-E Regulation, particularly regarding compliance with the time limits for priority energy projects. Tailored and efficient schemes that consider national specifics are required. This adjustment would significantly support the implementation of two Ukrainian PECI projects: 1) 330 kV OHL Balti–Dniester HPP-2 and 2) DTEK Storage 225 MW. New interconnection projects with Slovakia and Romania were nominated for PMIs (Projects of Mutual Interest) in the EU PCI/PMI selection process in 2024/2025.

GAS

60%

Wholesale market

49%

The progress in wholesale gas market reform achieved in the past has been reversed and has remained so since the start of the Russian aggression. The ban on gas exports has continued. Under legislation, access to a trading platform allows the buying/selling of short-term standardised products, enabling imbalance trading through trading alerts and defining the value of imbalances at prices set on the trading platform. The necessary prerequisites for the balancing neutrality charge in the natural gas market are in place, namely the methodology for calculating the neutrality charge approved by the regulator and compliant neutrality arrangements. The methodology for the daily forecast of non-metered offtakes is in place, but was not publicly discussed, and information disclosures by transmission system operators are limited due to martial law. However, the majority of the gas trade is covered under PSO regime, and such transactions are exempt from imbalance charges.

The REMIT Regulation (EU) 1227/2011 was transposed and implemented in July 2023 and subsequently by NEURC regulations.

Retail market

45%

The PSO scheme has been extended, covering a broad range of gas consumers. It allocates natural gas produced by Ukrgasvydobuvannya, Chornomornaftogaz and Ukrnafta (all of which are subsidiaries of Naftogaz) to the Naftogaz Group before it is supplied to consumers. As a result, Gas Supply Naftogaz Trading (another subsidiary of Naftogaz) has become the dominant player. The gas price under PSO is fixed and does not reflect market-price accumulation.

A procedure for changing suppliers is in place and enables a smooth supplier change (without the previous supplier's consent) for household and non-household consumers. At the same time, a supplier of last resort mechanism was introduced to ensure uninterrupted natural gas supply to consumers. This role is also assigned to Naftogaz. The implementation of energy units across the whole gas chain is pending.

Unbundling

52%

GTSOU, the gas transmission system operator (TSO), was unbundled and certified in 2019. Legislative amendments have been introduced to empower the supervisory board to approve the strategic development plan, annual financial plan, annual investment plan and medium-term investment plan.

However, since the Ministry of Energy adopted a new Charter for GTSOU in 2025, procedures for appointing and dismissing the management board and its director appear to conflict with Articles 9(1)(b) and 9(1)(c) of Gas Directive.

In addition to these concerns, GTSOU continues to be involved in the production and trade of electricity. While gas-to-power production was bundled with the TSO as an emergency and as a strictly temporary measure, the deadline to unbundle these activities is set for 2027, and the activities are still ongoing. The regulator obliged GTSOU to develop and submit, by 31 December 2025, a plan for phasing out its electricity production activities by 1 January 2027. The Government transferred rights to operate several gas distribution system operators to JSC Chornomornaftogaz, whose sole shareholder and founder is NJSC Naftogaz of Ukraine (Naftogaz). These gas distribution operators were consolidated under the Naftogaz subsidiary LLC Gas Distribution Networks of Ukraine, which was licensed by the energy regulator (NEURC) to conduct gas distribution activities. The current legal unbundling of LLC "Gas Distribution Networks of Ukraine" does not comply with the unbundling requirements set out in Directive 2009/73/EC. Ukrtransgaz, a storage system operator, is legally unbundled from its founder, Naftogaz of Ukraine.

Access to the system

81%

Third-party access to all parts of the existing gas infrastructure–transmission, storage and distribution–is in place based on regulated tariffs determined by the regulatory authority. New tariffs for natural gas transmission services were set in December 2024 for the regulatory period 2025–2029. Tariffs are determined in accordance with the capacity-weighted distance calculation methodology specified in the gas transmission tariff code (TAR NC), but the requirements for consultation and publication are not complied with due to martial law.

Certain information–such as capacity volumes and utilisation rates–is not published in accordance with Article 3.3 of Annex I to Regulation (EC) 715/2009 by Ukraine's gas TSO, but the information needed to access the network is available. Ukraine's gas TSO offers capacity for interconnection with Poland via the Gas System Auctions Platform and for all other interconnectors via the Regional Booking Platform, which aligns with the European Network of Transmission System Operators for Gas (ENTSOG) auction calendar.

Further market integration could be supported by implementing bundled capacity products at interconnection points (IPs) with EU Member States. Under Regulation (EU) 2017/459 the offering of bundled capacity products at IPs between adjacent TSOs of the Contracting Parties is mandatory at present. However, at the Ukraine–Moldova border, no bundled capacity products are currently offered with the Moldovan TSO, although such bundling is required under the Energy Community's mandatory acquis.

Virtual IPs exist at the borders with Hungary and Poland.

The storage code enables flexible use of storage capacity, harmonises capacity allocation of the gas storage capacity with the capacity allocation of gas transmission system entry/exit points, and increases the share of guaranteed and conditionally guaranteed capacity, and automates the capacity allocation procedure using the information platform of the gas storage operator.

Regional integration

76%

The transmission system is well interconnected, with substantial capacity on all country borders. Most IPs are covered by agreements that are aligned with the network code on interoperability and data exchange and the principles of the capacity allocation code. The TSO increased firm capacity at relevant IPs, enabling significant flows during the winter season.

Ukraine failed to meet the implementation deadline of the TEN-E Regulation (EU) 2022/869, as was the case with the previous Regulation (EU) 347/2013. New projects aim to increase capacity or open hydrogen corridors with EU Member States. As a result, they do not follow the Project of Energy Community Interest (PECI) process with the Energy Community, monitored by the Secretariat.

The gas TSO GTSOU offers aggregated interruptible capacity with a 50% tariff reduction, as part of the Trans Balkan Pipeline route, for access to the Ukrainian market exclusively. This product, approved by the national regulatory authorities along the route, diverges from the capacity allocation mechanism and tariff network code requirements.

Decarbonising the energy sector
Ukraine

ENERGY AND CLIMATE GOVERNANCE

67%

National Energy and Climate Plan (NECP) and Integrated Progress Report (IPR)

59%

The Cabinet of Ministers of Ukraine adopted the National Energy and Climate Plan (NECP) on 25 June 2024 and submitted the adopted plan to the Secretariat.

Within the framework of biennial integrated progress reports, the authorities of Ukraine submitted information for all of the 17 reporting streams in 2025.

2030 Greenhouse Gas Reduction Target

100%

Ukraine has defined the 2030 climate target in its Law on Climate Change, adopted in 2024. Ukraine is currently the only Contracting Party which has enshrined the 2030 climate target in its climate law. The target is in line with the 2030 target set by the Energy Community (309,00 $MtCO_2eq$). The 2030 climate target should also be reflected in all key national planning documents such as long-term strategies and Nationally Determined Contributions.

2030 GHG Target*
-65,0%

National Systems for Greenhouse Gas Emissions and Climate Reporting

60%

Ukraine has transposed and implemented a national greenhouse gas (GHG) inventory system in the bylaw from 2006 and Ukraine has implemented a national system for estimating GHG emissions. Ukraine has a partially transposed legal framework for a national system for policies (PaMs) and measures and projections in the Law on Climate Change.

Ukraine has made progress in climate reporting, submitting information in a timely manner on policies and measures and GHG inventories, as required by the adapted Governance Regulation. Reports on adaptation actions and approximate GHG inventories were also submitted. However, the information on national emission projections, the national system for PaMs and revenues from carbon pricing still need to be submitted via the Reportnet system.

Long-term Strategy (LTS) and Climate Neutrality

50%

The legal basis for a long-term strategy has been established, and a 2050 climate neutrality target was set out in the Climate Law, adopted in 2024. Ukraine is currently updating its long-term strategy in line with the requirements of the adapted Governance Regulation. The long-term strategy should include the elements set out in the adapted Governance Regulation and represents an opportunity to align with the Energy Community's 2050 climate-neutrality objective.

*All targets presented in this Decarbonisation chapter are aligned with the Ministerial Council Decision 2022/02/MC-EnC of the Energy Community

RENEWABLE ENERGY IMPLEMENTATION 67%

2030 Renewable energy targets 85%

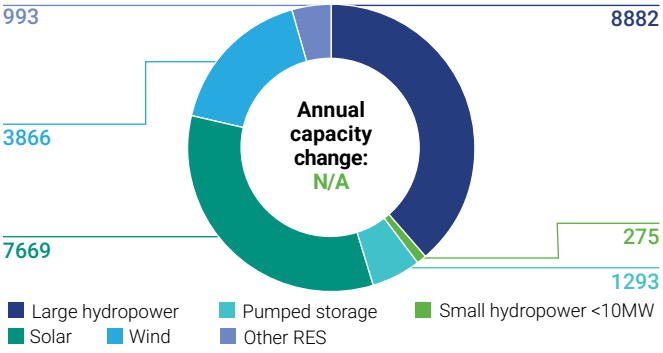
The overall renewable energy target of 27% share of gross final energy consumption, as outlined in the adopted NECP, is in line with the 2030 target set by the Energy Community. The overall 2030 renewable energy target is subdivided into sectoral targets for electricity (25,4%), transport (17,2%) and heating and cooling (32,5%). The targets for both transport and heating and cooling are in line with the requirements of the Renewable Energy Directive (REDII).

2030 RES Target
27,0%

Quality of support scheme 62%

Support to renewable schemes continues to operate under an administratively determined feed-in tariff. The adoption of the so-called Green Transformation Law in July 2023 paved the way for market-based support through a feed-in premium model. In 2024–2025, Ukraine conducted a couple of renewable energy auctions, which revealed low investor interest. Addressing longstanding payment issues with the guaranteed buyer, adopting detailed auction rules and a three-year auction plan are essential steps forward.

Total Capacities of Renewable Energy 2021* (MW)



Total capacities of renewable energy (MW): 22978

Source: Ministry of Infrastructure and Energy
*Due to marshall law, latest available data for Ukraine are from 2021

Self-consumption and energy communities 75%

Ukraine continues to provide self-consumers with feed-in tariffs that are determined administratively. The Green Transformation Law provides the legal basis for a shift to a net-billing mechanism, while the feed-in tariff will apply only to households until the end of 2029. The law provides the legal basis for establishing renewable energy communities in accordance with REDII, although secondary legislation and its implementation are still pending.

Guarantees of origin 70%

Within the framework of the regional project implemented by the Energy Community Secretariat, an electronic registry for guarantees of origin (GOs) was established for Ukraine and became operational under the regulator in August 2024. The next critical milestone for achieving a fully operational GO system includes the adoption of disclosure rules and calculation of the residual energy mix. The Green Transformation Law incorporated the necessary legal provisions for issuing GOs for all types of energy carriers, including renewable gas, as well as heating and cooling.

Sustainability criteria for biofuels, bioliquids and biomass fuels 55%

The latest amendments to the Law on Alternative Fuels introduced an obligation for fuel suppliers to place gasoline blended with bioethanol on the domestic market, which took effect in 2025. The law also provides the legal basis for implementing

sustainability and GHG emission savings criteria, as well as their verification.

However, the secondary legislation required to enable full operation of the verification system has yet to be adopted. Once adopted and effectively implemented, Ukraine will achieve full compliance with the relevant provisions of REDII.

Renewable energy in heating and cooling

50%

Ukraine has prepared a draft Renewable Energy Law to transpose the remaining provisions of Articles 23 and 24 of REDII that are not yet reflected in existing primary and secondary legislation. Once adopted, the law will consolidate the existing legal basis into a more comprehensive framework for integrating renewable energy into the heating and cooling sector, including the use of renewables and waste heat in district heating systems. The adoption and implementation of complementary policy measures remain crucial to support renewable heating technologies and to meet the ambitious target set for increasing the renewables share in the sector.

ENERGY EFFICIENCY IMPLEMENTATION

83%

2030 Energy efficiency targets and policy measures

85%

Ukraine's energy efficiency legislation is largely aligned with the amended Energy Efficiency Directive. In line with the Energy Efficiency Law, Ukraine's 2030 energy efficiency targets and National Energy Efficiency Action Plan up to 2030 were adopted in December 2021. The adopted targets are aligned with the 2030 Energy Community energy efficiency targets, as also reflected in the NECP adopted in June 2024.

Despite the ongoing Russian aggression, Ukraine continued aligning its legislation with the amended Energy Efficiency Directive (EU) 2018/2002 under the Clean Energy Package throughout 2024. A key achievement was the adoption of the draft Law on Amendments to Certain Laws of Ukraine on Ensuring the Implementation of a Unified State Policy on Energy Efficiency and Decarbonisation. In 2025, further progress was made through proposed amendments expanding the scope of energy services and energy efficiency funding, alongside draft legislation supporting efficient district heating and high-efficiency cogeneration. However, efforts to implement the previously updated energy management system and local planning methodologies faced challenges.

2030 EE PEC Target
91,47 Mtoe

2030 EE FEC Target
50,45 Mtoe

Energy efficiency in buildings

94%

Ukraine has adopted most of the by-laws required to implement the Energy Performance of Buildings Law, including a national plan to increase the number of nearly zero-energy buildings. Parliament passed legislation to support comprehensive thermal modernisation, creating a more enabling framework for building upgrades.

The Long-Term Building Renovation Strategy, together with its operational plan and a state-targeted economic programme, was adopted in December 2023. Revisions are planned to reflect the impact of war-related damage to the building stock and to accommodate Ukraine's rising climate ambitions.

Further efforts are needed to strengthen the enforcement of minimum energy performance requirements and to fully operationalise energy performance certification, to support Ukraine's large-scale building reconstruction and energy efficiency goals.

Effective monitoring and the application of penalties remain partially implemented.

Energy efficiency scheme and financing

74%

Ukraine's energy efficiency obligation scheme, adopted in 2021, has not yet been implemented due to the absence of adequate procedures and a functioning monitoring, control and verification system. It also lacks detailed information and planning within the NECP.

The Energy Efficiency Fund operates three key programmes with a grant component—Vidnovy DIM for restoration of war-damaged buildings, Energo DIM for thermal modernisation of multi-apartment buildings, and Green DIM for climate-resilient green reconstruction. In 2024, the fund received EUR 18 million from the EU and Germany to sustain its operations. Due to limited state funding, the fund is actively seeking additional financial support.

The State Fund for Decarbonisation and Energy Efficient Transformation, established in 2023, became operational in 2024. It issued its first energy efficiency loan and continues to finance a broad spectrum of energy efficiency programmes and initiatives.

No progress was recorded in incorporating energy efficiency criteria into public procurement procedures.

Energy efficient products - labeling

97%

Ukraine has adopted all energy labelling regulations related to the Labelling Directive, including five additional regulations with rescaled energy labels, thereby completing implementation of the Framework Labelling Regulation (EU) 2017/1369. The country has also transposed the Ecodesign Directive 2009/125/EC and a number of product-specific implementing regulations.

To support implementation, Ukraine resumed inspections of energy-related products in 2025 and prepared a draft law aligned with Market Surveillance and Compliance of Products Regulation (EU) 2019/1020.

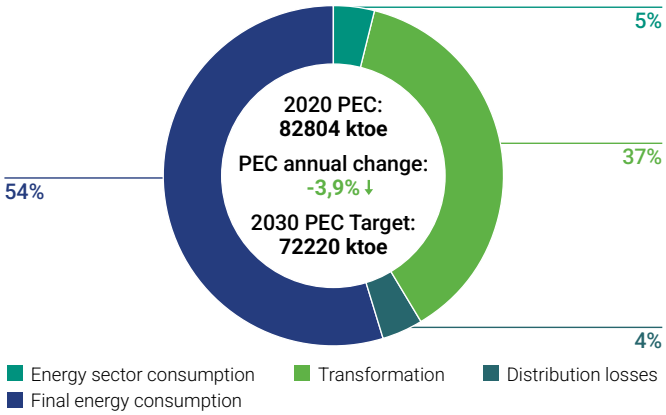
Efficiency in heating and cooling

67%

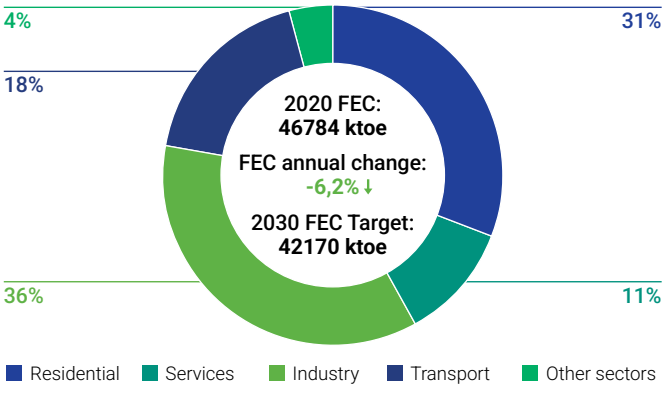
Ukraine remains focused on repairing damaged district heating infrastructure and deploying decentralised heating alternatives. At the same time, reforms are progressing. Although a comprehensive assessment at national level has not yet been prepared, the Energy Efficiency Law requires all communities to develop local energy plans by the end of the year, thereby establishing strategic planning documents for the heat supply sector at the community level. In parallel, the Government has approved the State Target Programme for Energy Modernisation of Heat Supply Enterprises until 2030, which includes a number of measures to support the roll-out of consumption-based metering and billing and improve the efficiency of district heating networks.

2020 Energy Efficiency Indicators and Trends*

Primary Energy Consumption (PEC)



Final Energy Consumption (FEC)



Energy intensity, 2020 value and trends: 0,88 ktoe/mil EUR, + 1,0% ↑

Source: Eurostat database, NECP and 2022 Ministerial Council Decision

** Note: 2022–2023 energy balance data were not available for Ukraine*

EMISSION TRADING SCHEME
(MONITORING, REPORTING, VERIFICATION AND ACCREDITATION)

70%

Foundations, institutions, permits

57%

Ukraine launched its monitoring, reporting and verification scheme in 2021 with the introduction of the Law on Principles of Monitoring, Reporting and Verification of Greenhouse Gas Emissions partly based on the EU ETS Directive. Part of the definitions were introduced, but the concept of a permit was replaced by an obligation to register, and the activities covered by the scheme were significantly reduced in relation to the EU ETS. The MRV Law introduced fines for violations of MRV legislation, in particular for failure to register an installation, failure to submit a monitoring plan, operator report, etc. Reporting under the MRV, which had been suspended due to the introduction of martial law, was relaunched at the beginning of 2025. The competent authority responsible for managing the system began the process of re identifying entities and resumed the system of registration and approval of monitoring plans. Ukraine is currently working on improving the MRV system and bringing it into line with the requirements of the EU ETS Directive and its regulations, as well as on launching of ETS in Ukraine.

Monitoring and reporting

77%

Ukraine partially transposed the Monitoring and Reporting Regulation, but omitted elements related to the monitoring of emissions from aviation operations and specific requirements for sustainable criteria for biomass and CO_2 transfers. Although no specific deadline has been set for submitting applications for approval of the monitoring plan, templates and examples of the application for registration and the monitoring plan have been made available. The national legislation introduces basic provisions on the estimation of emissions by the competent authority in the event that the operator of an installation fails to submit a report. In 2025, the obligation for installations to monitor and report emissions was reinstated.

Verification and accreditation

76%

Ukraine has partially transposed the provisions of the Accreditation and Verification Regulation, particularly regarding the verification process, into the national legal system through adoption of the Principles of Greenhouse Gas Monitoring, Reporting and Verification Law and other secondary legal acts: however, some elements of the accreditation requirements remain absent, such as activities related to the scope of accreditation for GHG verifiers. The obligation to submit annual emissions reports verified by an accredited verifier has been introduced into national law and the National Accreditation Agency of Ukraine was appointed as a national accreditation body. Accreditation processes have been implemented, and some verifiers have already been accredited and can provide verification services to installation operators.

Ensuring energy security
Ukraine

ELECTRICITY SECURITY OF SUPPLY

34%

The draft law titled "On Amendments to Certain Laws of Ukraine on the Implementation of European Law on the Integration of Energy Markets, Increased Security of Supply and Competitiveness in the Energy Sector" aims to partially transpose Regulation (EU) 2019/941. The remaining provisions of the Regulation are to be transposed by secondary legislation. The draft law defines the Ministry of Energy as the competent authority for risk preparedness.

Regulation (EU) 2017/2196 is yet to be transposed but the transmission network code integrates some technical aspects of it. The transmission system code obliges Ukrenergo, the TSO, to prepare a defence plan and a restoration plan, which are subject to regular revision and must be updated at least once every three years. In line with the provisions of the transmission system code, Ukrenergo has prepared both plans and has duly informed NEURC.

Ukraine did not provide Security of Electricity Supply Statements to the Secretariat before the war, thereby failing to comply with Article 29 of the Treaty.

A comprehensive legislative framework related to cybersecurity has been defined and implemented in Ukraine. Additional information security requirements are defined in the transmission system code.

GAS SECURITY OF SUPPLY

10%

The transposition of Regulation (EU) 2017/1938, as adapted for the Energy Community in 2021, is pending. However, Ukraine started developing risk assessment and preventive and emergency action plans in 2016, in line with Regulation (EU) 994/2010, which has since been replaced. Since then, it has renewed these plans annually in accordance with the national Gas Law. Following the provisions of the plans, tabletop exercises with all gas stakeholders have been organised regularly and stress tests focusing on gas storage have been performed twice. The combination of a solid legal basis and implementation of practical secondary acts has increased the overall preparedness of system operators for crisis situations.

Ukraine has transposed and implemented Regulation (EU) 2022/1032, fulfilling its obligations regarding storage system operator certification in early 2023 and achieving the gas storage trajectory levels for four subsequent years.

Nevertheless, the security of supply situation deteriorated significantly following intensified attacks on gas infrastructure, including production sites. Ukraine is expected to meet the storage target for this year by increasing EU gas imports. GTSOU, the TSO, has increased the firm nominal capacity at all IPs for this year to allow suppliers to increase gas imports.

OIL SECURITY OF SUPPLY

40%

The legal and regulatory framework governing minimum reserves of oil and petroleum products in Ukraine is based on the Law No. 3484 of 21 November 2023 on Minimum Reserves of Oil and Petroleum Products. The country has adopted an industry-based emergency oil stocks model involving oil companies, refineries, storage operators and relevant government agencies. This model aims to ensure the availability of strategic oil reserves, safeguard energy security and reduce the impact of crises on the oil industry and the broader economy.

Several implementing regulations were approved in December 2024 by the Cabinet of Ministers, including the Procedure for Monitoring the Quality and Safety of Petroleum Products, the Procedure for Monitoring Volumes in the Oil and Petroleum Products Market, the Procedure for the Operation and Maintenance of the Electronic Reporting System, and the Procedure for the Establishment, Management and Operation of the System of Minimum Reserves of Oil and Petroleum Products. Additionally, in May 2025, the Government adopted the Action Plan to Address the Crisis Situation in Ukraine's Oil and Petroleum Products Market.

The Ministry of Energy also issued orders in January and March 2025, respectively titled "On Determination of the Administrator of the Electronic Reporting System" and "On Approval of the Standard Form of the Ticket Agreement for the Reservation of Oil and Petroleum Products Included in the Minimum Reserves".

A key regulation remains pending adoption: the Order of the Ministry of Energy On Approval of the Methodology for Calculating the Level of Emergency Stocks, which, according to the Ministry's regulatory plan, is scheduled for the fourth quarter of 2025.

Due to martial law, Ukraine did not report any data to the Secretariat during the reporting period.

Improving the environment
Ukraine

Environmental assessments

33%

Ukraine did not provide any updates or information for the current reporting period. The Ministry of Environmental Protection and Natural Resources has developed a Concept Note outlining potential deviations from the procedures for standard environmental impact assessment (EIA) and strategic environmental assessment (SEA) during wartime and reconstruction efforts. The Concept Note was developed at the request of the European Commission as part of Reform 6 (Chapter 27 "Environment and Climate Change") of the Ukraine Facility Plan, a EUR 50 billion financial support programme for Ukraine from the European Union for the period 2024–2027. Civil society organisations have criticised the Concept Note for lacking specificity. Concerns have been raised that it may allow the approval of projects with potentially significant environmental impacts without adequate assessment, thereby exceeding the flexibility and discretion envisaged under the EIA and SEA Directives. Based on the available information, implementation of the resolution exempting power plant restoration projects from EIA obligations under martial law remains unchanged. The exemptions still do not provide a case-by-case assessment as mandated by Article 1(3) of EIA Directive and do not incorporate any exemption under Article 2(4) for projects of mixed purposes. Similar concerns apply to SEA, as the Directive requires that, even in cases of derogations, the public must be informed and an alternative form of environmental assessment must be carried out. Ukraine has not provided the Secretariat with a list of network energy projects, plans and programmes exempted under the relevant EIA and SEA provisions.

PERMIT STATUS:

Streamlined approval process pending/martial law

Furthermore, in its Resolution of 9 September 2025, the European Parliament emphasised that combining EIA and SEA is unacceptable. It noted that both mechanisms must be reinforced and fully implemented to ensure Ukraine's sustainable recovery from the consequences of the Russian invasion.

Wind power development in Ukraine continues to face significant obstacles in environmental permitting. In 2024, the Government reported that the Supreme Court had upheld earlier rulings and annulled the 2019 construction permit for the 120 MW Volovets project due to inadequate environmental assessment, effectively halting the project. More recently, the Polonyna Runa case has raised further concerns, with civil society groups asserting that plans for a large wind power plant on the Runa Meadow in the Zakarpattia region are moving forward without the required EIA and sufficient environmental safeguards. The Secretariat was informed that Ukraine is currently in the process of updating its National Energy and Climate Plan (NECP). Information regarding the SEA process is expected to follow.

Large combustion plants

60%

As the targeted destruction of Ukrainian energy infrastructure remains a sad reality and military aggression is still ongoing, implementation of the Large Combustion Plants Directive cannot be ensured. Despite these challenges, Ukraine ensured timely submission of its emissions data for the 2024 reporting year too, and implementation of the National Emission Reduction Plan (NERP) is still an important ambition for the Contracting Party. The emissions of all three pollutants decreased significantly compared to the 2023 reporting year, with the sulphur dioxide and dust emissions of plants under the NERP decreasing by over 20%. Considering all plants, the difference compared to 2023 was even higher, with a decrease of above 30%. Consequently, compliance with the NERP ceilings was comfortably met in 2024 too. However, this fact is attributable in part to the unavailability of several plants due to sustained and severe damage, as well as uncertainties regarding the data of plants located in occupied territories.

Given the force majeure situation and the critical importance of every unit of the generation fleet in Ukraine, calculation of operational hours for the Ukrainian plants was suspended by a Ministerial Council decision in 2024. While this decision is about to expire, with the situation on the ground remaining unchanged, its extension will be considered at the next meeting of the Ministerial Council.

Installations under the Large Combustion Plants Directive

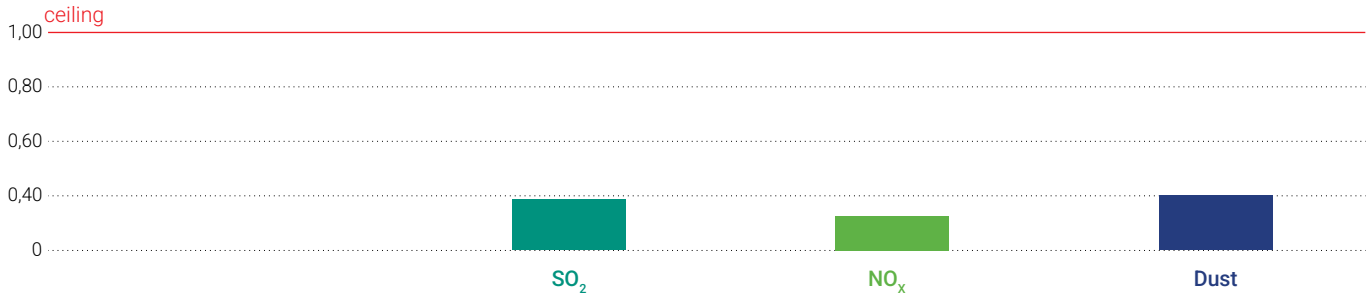
248
of plants falling under the LCPD

19+59*
of which opted out plants

90
of which plants falling under the NERP

*Under Decision 2015/07/MC-EnC, certain plants in Ukraine are entitled to use 40.000 hours for opted out plants. 59 plants fall into that category.
Source: compiled by the Energy Community Secretariat

2024 emissions versus NERP ceilings



	SO_2	NO_x	Dust
2024 emissions by all plants under the LCPD	226.688	42.320	46.444
Annual change	-31,3% ↓	-16,1% ↓	-37,2% ↓
2024 emissions by plants under the NERP	162.287	34.067	33.894
Annual change	-23,3% ↓	-4,3% ↓	-20,9% ↓

Source: complied by the Energy Community Secretariat

Sulphur in fuels

87%

The legislative framework in Ukraine is compliant with the requirements of the Sulphur in Fuels Directive; implementation, however, remains impossible under the ongoing conditions of military aggression.

Nature protection

67%

In 2025, Ukraine continued its efforts to expand and manage its protected areas, despite the substantial challenges posed by the ongoing war. By early 2025, approximately 19% of the country's terrestrial land was designated as protected. However, a significant share of these areas remains under occupation or is located in active combat zones, facing direct environmental damage. According to the Ukrainian Nature Conservation Group, forests within war-affected zones–either temporarily controlled by Russian forces or inaccessible to Ukraine–cover more than 3 million hectares, representing roughly 22% of all forested areas in the country. Virgin steppes in these zones amount to 1.654.736 hectares, or approximately 59% of Ukraine's total steppes, while shrublands account for 4.514 hectares, representing over 10% of the national total. Among the highest protection categories of the nature reserve fund–including national parks, natural and biosphere reserves–44% of the total 1.236.366 hectares are located in war-affected zones, under temporary occupation or otherwise inaccessible. These figures highlight the extensive pressures on Ukraine's most valuable natural areas and the significant risks to biodiversity and ecosystem integrity posed by the conflict.

Environmental liability

20%

Administrative liability is regulated by the Code of Ukraine on Administrative Offences, which partially transposes the provisions of the Environmental Liability Directive. The current situation, however, renders implementation impossible in practice.

Performance of authorities
Ukraine

REGULATORY AUTHORITY 78%

Legal setup and independence

The institutional setup of the National Energy and Utilities Regulatory Commission of Ukraine (NEURC) is based on the NEURC Law. Sector-specific tasks are defined by the Electricity Market Law, Gas Market Law, Law on Natural Monopolies, Law on Heath Supply and Law on Housing and Communal Services. NEURC still operates under the non-compliant form of a central executive body with special status under the governmental architecture. Once the martial law ends, amendments to the Constitution of Ukraine will be needed to set up NEURC as a fully independent entity.

A draft law strengthening NEURC's independence was developed and discussed during the reporting year, but has not yet been adopted. Once adopted, it is intended to eliminate current non-compliances regarding NEURC's interaction with other state authorities, selection procedures, rotation, budgeting and human resources.

NEURC regulates the electricity, gas and oil sectors in the energy domain, as well as wastewater and, partially, heat supply and water in other utility sectors.

The NEURC board is composed of seven commissioners with a mandate of six years. The rotation scheme is not explicitly defined under the NEURC Law. In the event of early dismissal of a board member, a new appointment is made, based on the results of a competition, for a period determined by the Cabinet of Ministers of Ukraine (CMU), but for no less than two years. The chair of NEURC is selected from among board members by anonymous voting for a term of two years. In September 2025, the CMU appointed three new NEURC board members based on the submission of the Competition Commission, which selected candidates through open competition. Accordingly, NEURC now operates with its full board composition.

NEURC is financed from regulatory fees paid by licensed entities to the special fund of the state budget. The budget proposal is prepared by NEURC and submitted to the Ministry of Finance. NEURC must follow state budget legislation in the use of its budget. This limits its financial independence, as any budget reallocations must be approved by other state authorities. In May, upon submission by the Ministry of Energy of Ukraine and NEURC, the Government allocated savings from funds that had been contributed to the regulatory activities in NEURC's budget to the needs of the defence forces.

The structure and the maximum number of NEURC staff (600) are defined by the CMU. Due to the war, NEURC has experienced some staff attrition. The recruitment procedure for NEURC staff is defined by the Civil Service Law and involves the participation of other state bodies (including the National Agency of Ukraine on Civil Service). Under martial law, a simplified recruitment procedure has been allowed for state authorities; consequently, NEURC is currently hiring personnel independently.

NEURC's decisions are not subject to approval by state authorities. However, market rules, system codes and other regulatory acts that may affect competition are subject to approval by the Antimonopoly Committee of Ukraine. This impedes the regulator's independence in decision-making. NEURC's decisions are binding and may only be appealed in court. While NEURC is responsible for approving the network tariff methodologies for electricity and gas, some regulatory measures require the approval or participation of other authorities. In particular, Introduction of incentive-based regulation for network operators must be approved by the Ministry of Economy and the Ministry of Energy.

Due to martial law, some provisions of NEURC's regulatory acts may be overruled by the decisions of other state bodies. In December 2024, the Minister of Energy issued an order restricting public access to core electricity market data (including day-ahead and intraday electricity prices and volumes). The Secretariat assessed[1] this event as an intervention in areas under NEURC's authority, which should be governed solely by NEURC decisions to avoid uncertainty about the liability of decision-making institutions.

NEURC has the authority to apply penalties, both in connection with its licence control activities and under the REMIT framework. The minimum and maximum penalty levels are defined in the sector-specific laws, while the actual penalty amount is calculated by NEURC based on the relevant methodology. In 2024, NEURC conducted 453 controls of licensees and applied 192 penalties, amounting to UAH 36 million UAH (around EUR 800.000).

NEURC is vested with key tasks and duties under the Gas Directive and the repealed Electricity Directive. Transposition of the Electricity Integration Package (EIP), including the associated new responsibilities of NEURC, is pending.

[1] **Secretariat, Ukraine Energy Market Observatory 2/2025,** published 30 April 2025.

Activities in the reporting period

In the electricity sector, NEURC adopted amendments to the transmission system code under its current authority, aimed at transposing provisions of Regulations (EU) 2017/1485 and 2017/2196. NEURC defined the connection rules for generators under "cable pooling", which allows several producers to share a single connection point, thus increasing the possibility of accommodating connection requests from decentralised generation, including renewable energy sources. Additionally, NEURC implemented an electronic system to monitor the connection services provided by the network operators.

NEURC approved the network tariffs for the TSO and DSOs for 2025. The first regulatory period for DSOs under incentive-based regulation was prolonged until 2026, for a total of six years. NEURC approved the TSO's TYNDP and the network development plans of the DSOs, as well as the Generation Adequacy Report for 2024. NEURC approves the methodology for the supply service tariff for universal service suppliers and the methodology for universal end-user prices for household and small non-household consumers. NEURC set relevant 2025 tariffs for USSs and approved the budget of the supplier of last resort for 2025, to be recovered through the TSO tariff under the PSO.

On the electricity wholesale market, NEURC sets price caps for the day-ahead market (DAM), intraday market (IDM) and the balancing market. This limits market prices in a manner not fully compliant with the EIP. Since August 2025, NEURC has increased the price caps in the DAM/IDM and balancing markets for evening peak hours, resulting in overall average maximum price cap growth of approximately 22% for DAM/IDM and around 18% for the balancing market.

NEURC granted consent to new cross-border allocation rules proposed by the TSO to introduce intraday allocation on the UA-MD and UA-RO borders and long-term auctions on borders with Hungary, Slovakia and Romania.

In the gas sector, the new gas transportation tariffs for entry/exit points were set by NEURC for the period 2025–2029. These tariffs were calculated based on a scenario assuming no transit of Russian gas via Ukraine and new regulatory parameters under incentive-based regulation. Due to the application of martial law, these tariffs were set outside the procedure established by Regulation (EU) 2017/460. In addition, NEURC approved the gas TSO, GTSOU, Development Plan for 2025–2034. As of 1 April 2025, a neutrality fee was implemented, contributing to compliance with Regulation (EU) 312/2014.

NEURC approved the joint proposal of GTSOU with the relevant gas TSOs to introduce a joint monthly product for firm capacity allocation through the Trans-Balkan Pipeline (within the IPs on the borders with Romania and Moldova) for the period from June to October 2025. Despite its temporary nature, this product diverged from the requirements of Regulations (EU) 2017/459 and 2017/460. The amendments to the compliance programme of GTSO were approved by NEURC to define the conditions for temporary GTSO activities (until 2027) related to the production of electricity from natural gas.

In 2025, NEURC amended REMIT-related secondary legislation to accommodate changes in the primary law and adapt to the practice of REMIT implementation so far. NEURC started to publish aggregated insider information on its website during the period of martial law due to existing restrictions preventing insider information platforms from publishing relevant information. NEURC opened several preliminary studies on possible abuse in the wholesale energy market and launched the first investigation for market manipulation under REMIT.

NEURC is an issuing body for RES guarantees of origin (GOs) and sets feed-in tariffs and rules for RES support schemes under the feed-in tariff and market premium support mechanisms. In July 2025, NEURC launched a register of electrical installations, which forms part of the RES GOs registry.

Ukraine Plan

In line with the Ukraine Plan (Reform 2, step 10.4), NEURC developed a roadmap for the process of separation of the RES surcharge from the transmission tariff, which was adopted by CMU decree on 26 June 2025. NEURC has begun implementing the roadmap, approving amendments to the transmission tariff methodology and transmission system code, and preparing the draft law aimed at separating the RES surcharge from the transmission tariff for 2025–2026.

COMPETITION AUTHORITY 91%

Legislative framework

Ukraine's Law on the Protection of Economic Competition contains a prohibition of anti-competitive agreements and concerted practices, as well as a prohibition of abuse of dominance, largely in line with the Energy Community acquis. However, the prohibition of anti-competitive agreements is limited to agreements "which have resulted or may result in prevention, restriction or distortion of competition", whereas Article 18 of the Treaty prohibits any agreements which have such object or effect. Consequently, the law needs to be amended to fully align with Energy Community law. This discrepancy may reduce the scope of the prohibition. Extensive secondary legislation and guidelines exist, covering areas such as leniency policy, horizon-

tal and vertical block exemptions (including category-specific exemptions), market definition, methodology for determining the monopoly (dominant) position of undertakings and procedures for settlement.

Institutional framework

The Law on Antimonopoly Committee of Ukraine and the Law on the Protection of Economic Competition establish the Antimonopoly Committee of Ukraine (AMCU) as the authority responsible for the protection of competition. AMCU consists of a chairperson and eight commissioners, supported by 211 staff members. AMCU holds the investigative powers to conduct unannounced inspections at companies (not at private premises), as well as to issue requests for information and conduct interviews to gather evidence; furthermore, a leniency programme to report illegal behaviour is in place. Moreover, it has the power to order cessation of illegal practices and impose remedies (including interim measures and commitments) and fines.

In its 2024 report, AMCU indicated markets of refined fuels and electricity as its top two law enforcement priorities for 2025.

Implementation

Despite the ongoing challenges of wartime, the AMCU remained fully operational and was increasingly active in law enforcement during the reporting period:

Activity in the reporting period	In the energy sector
On-site inspections (at companies or private premises)	0
Requests for information	79
Leniency application	0
Opening of investigation	24
Decisions on anti-competitive agreements and concerted practices	3
Decisions on abuse of dominance	9
Sector inquiries and market studies	2

During the reporting period, the AMCU adopted three decisions on anti-competitive agreements and concerted practices and nine decisions on abuse of dominance. It also opened 24 antitrust investigations related to the energy sector. Furthermore, it is currently conducting two sectoral enquiries on the electricity market: one on the ancillary services and balancing market and one on the bilateral contracts market, day-ahead market and intraday market.

STATE AID AUTHORITY

41%

Legislative framework

Ukraine's system for State aid control is governed by the Law on State Aid to Undertakings, which contains a prohibition of State aid and grounds for compatibility, largely in line with the Energy Community acquis. Additionally, an extensive list of secondary acts is in place, providing guidance on specific processes and type of aid. Draft amendments to the law were prepared and are currently under adoption, aimed at restoring the State aid control system under martial law and further alignment with EU law. The adoption of these amendments should be a priority for the upcoming period.

Institutional framework

The Antimonopoly Committee of Ukraine (AMCU) is the national authority responsible for the enforcement of the State aid prohibition. Currently, 27 staff members of AMCU are working on State aid matters. AMCU has the power to investigate (including requesting information) and assess potential State aid measures and to authorise aid or order recovery of unlawful aid.

Implementation

During the period of martial law, the system of State aid notification and control has been suspended. Accordingly, AMCU did not implement any enforcement activities during the reporting period. Instead, it focused on the development of draft amendments to the Law and secondary acts.

STATISTICAL AUTHORITY

n.a.

Due to martial law, individuals, businesses, institutions and public bodies are exempt from reporting to the State Statistical Service of Ukraine (SSSU) from March 2022 until three months after the end of martial law. As a result, SSSU is currently unable to produce official statistics.

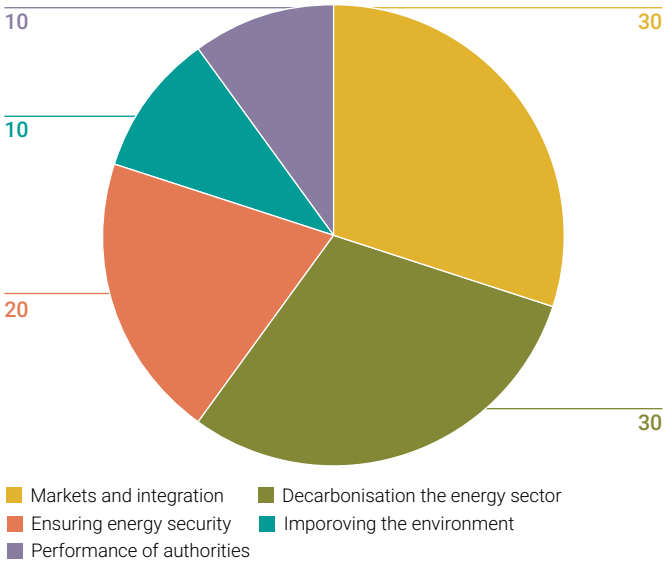
Methodology

Background

For its assessment underpinning the findings of this report, the Secretariat used specific indicators for the assessment of implementation, and a methodology to calculate the summary indicators and the overall implementation score.

The implementation indicator tables are based on a methodology quantifying the Contracting Parties' success in transposing and implementing the acquis and having in place effective institutions. It is based on standardised assumptions and evaluations, cases under the Energy Community's dispute settlement mechanism, country missions, review of legislation, market analysis, expert interviews and desk research. The quantification of all figures used to measure implementation was performed by experts of the Energy Community Secretariat.

The final dataset entailed more than 2.000 individual values that were used to produce 40 key implementation indicators across the areas of work assessed by this Implementation report. To underscores the Energy Community's dedication to advancing towards a cleaner and more integrated energy market, the Report groups the 40 indicators in five clusters.



In 2025 the weighting of the five clusters remains unchanged, allowing for clearer identification of improvements and trends over time.

Implementation assessment

The implementation assessment is based on a system of performance indicators aggregated at several levels.

A total of **40 implementation indicators** agregated per each Contracting Party across the areas of work: electricity, gas, oil, governance and climate, renewable energy, energy efficiency, emission trading scheme, environment, climate, including national regulatory, competition, State aid and statistics authorities. Aggregation is based on the weighting explained in the table below, and results presented for each Contracting Party (chapters 6-14);

Five cluster implementation indicators aggregating the values at cluster level: Markets and integration (10 indicators), Decarbonising the energy sector (18 indicators), Ensuring energy security (3 indicators), Improving the environment (5 indicators), Performance of authorities (4 indicators).

Summary indicators – the overall implementation score for each Contracting Party and overall (average) implementation score for the Energy Community calculated based on the weighting explained in the table below, and presented on page 8.

All of the values are normalised to percentages between 0% and 100%, where 100% implies full implementation.

For the Contracting Parties where certain indicators are not applicable (for example due to the lack of a gas market in Kosovo* and Montenegro), these indicators were not taken into account in the overall score, but the remaining indicators were increased in weight, where justifiable.

To sharpen the reporting and evaluation focus, one decarbonisation indicator (governance and climate) was removed from the 2025 assessment.

DISCLAIMER

The present assessment is not designed to be a comprehensive study of the legislative and institutional framework or law-enforcement in the Contracting Parties, but rather serve as a succint overview. In no way it should be relied upon for the purposes of adoption of any investment/business decisions or policy-making.

Implementation indicator structure and weighting

Indicator name	Indicator weight
Overall Implementation Indicator	**1,00**
1 Markets and integration	**0,30**
1.1 Electricity	**0,50**
Wholesale market	0,20
Retail market	0,20
Unbundling	0,10
Access to the system	0,20
Regional integration	0,30
1.2 Gas	**0,50**
Wholesale market	0,20
Retail market	0,20
Unbundling	0,25
Access to the system	0,25
Regional integration	0,10
2 Ensuring energy security	**0,20**
Electricity	0,04
Gas	0,04
Oil	0,02
3 Decarbonising the energy sector	**0,30**
3.1 Governance and climate	**0,30**
National Energy and Climate Plans (NECPs)	0,25
Greenhouse gas 2030 target	0,25
National systems for climate reporting	0,25
Long-term strategy and climate neutrality	0,25
3.2 Renewable Energy	**0,30**
2030 renewable energy targets	0,20
Quality of support schemes	0,20
Self-consumption and energy communities	0,15
Guarantees of origin	0,15
Sustainability criteria for biofuels, bioliquids and biomass fuels	0,15
Renewable energy in the heating and cooling sector	0,15
3.3 Energy Efficiency	**0,30**
2030 energy efficiency targets and policy measures	0,20
Energy efficiency in buildings	0,20
Energy efficiency scheme and financing	0,20
Energy efficient products - labelling	0,20
Efficiency in heating and cooling	0,20
3.4 Emission Trading Scheme (Monitoring, Reporting, Verification and Accreditation)	**0,10**
Foundations, institutions, permits	0,33
Monitoring and reporting	0,33
Verification and accreditation	0,33
4 Improving the environment	**0,10**
Environmental impact assessment (EIA) and strategic environmental assessment (SEA)	0,30
Sulphur in fuels	0,15
Large combustions plants and industrial emissions*	0,30
Nature protection	0,15
Environmental liability	0,10
5 Performance of authorities	**0,10**
Regulatory authority	0,60
Competition authority	0,10
State aid authority	0,10

* in the case of Albania, the "Large combustions plants and industrial emissions" indicator is omitted from the final result as the Contracting Party does not have any plants in operation