

Implementation of the EU law into energy related legislation of Ukraine



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Asters

European Energy Community - Ukraine

- Treaty establishing Energy Community was signed in October 2005 and entered into force on 1 July 2006
- *“The Energy Community extends the European Union internal energy market to its neighboring countries. The principle objectives of the Energy Community are to create a regulatory and market framework which is capable of attracting investments for a stable and continuous energy supply. This paves the way for an integrated energy market, allowing for cross-border trade and integration with the EU market. The Energy Community strives to enhance security of supply and competition, and to improve the environmental situation in its Contracting Parties.”* (Annual Implementation Report 2014)
- Ukraine became a Member-State of the Energy Community in February 2011

Obligations of Ukraine within the European Energy Community

Ukraine in the Protocol on accession took a commitment to implement into its legislation specific EU Directives and Regulations (Second Energy Package) in the below mentioned areas by 2012. As a Member-State Ukraine should implement the Third Energy Package.

Acquis on
Electricity

Acquis on
Gas

Acquis on
Environment

Acquis on
**Renewable
Energy**

Acquis on
**Energy
Efficiency**

Acquis on
Oil

Acquis on
Competition

Acquis on
Statistics

Status of Implementation

Acquis on	Ukrainian action
Electricity	In 2013 Law on Operating Principles of the Electricity Market (not compliant with the 3 rd Energy Package) was adopted. In 2015 it is planned to adopt a draft law on electricity market and the law on the regulator , which are fully compliant with the 3 rd Energy Package. Energy Community Secretariat helped to draft these bills.
Gas	In 2010 Law on the Principles of Functioning of the Natural Gas Market (not compliant with the 3 rd Energy Package) was adopted. In 2015 the Law on Natural Gas Market , which is fully compliant with the 3 rd Energy Package, was adopted. Energy Community Secretariat helped to draft this bill.
Renewable Energy	On 1 October 2014, the CMU approved the "National Action Plan for Renewable Energy for the Period till 2020" and "Action Plan to Implement the National Action Plan for Renewable Energy for the Period till 2020". According to the documents, the share of electricity generated in Ukraine from RES should be at least 11 % in the total energy consumption by 2020.
Energy Efficiency	Legislation on energy marking was adopted. Other energy efficiency relevant draft laws have been prepared.
Oil	In 2015 the CMU approved implementation plan for the EU legislation on oil.
Statistics	In 2015 the CMU approved implementation plan for the EU legislation on statistic.
Environment	In 2015 the CMU approved implementation plan for the EU legislation on environmental protection.

Infringement procedures

- 1) Capacity Allocation on Electricity Interconnectors (Case ECS-1/12)
- 2) Non-Compliance with the Sulphur in Fuels Directive (Case ECS-5/13)
- 3) Lack of Adoption of a National Renewable Energy Action Plan (Case ECS-ECS-7/14)
- 4) Mandatory Local Content Requirement (Case ECS-ECS-7/13) **(CLOSED)**
- 5) Lack of State Aid Legislation (Case ECS-8/14) (failure to adopt legislation prohibiting State aid and enforcing such prohibition)

Conclusions

- Ukraine is very slow in implementation of its Energy Community obligations
- Infringement procedures are caused by such delays and other actions of the Government
- Several important laws have been drafted and adopted with the help of the Secretariat
- IMF pressure is important.

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