

THE NEW ENERGY INDEPENDENCE POLICY

Energy independence. Market based tariffs for energy, subsidies reform, diversification of energy supplies

- To attract investors into modernization and management of the natural gas transportation system
 - To implement the recently adopted legislation on reforming the management of the gas transportation system
 - To launch an international competition to attract investors
 - To implement the joint project with the EBRD and the EIB on modernization of the gas transportation system
- To reform the Naftogaz of Ukraine to meet the requirements of the Third EU Energy Package
 - To establish the PJSC "Gas Pipelines of Ukraine", and the PJSC "Underground Gas Storages of Ukraine"
 - To achieve sound financial standing of the Naftogaz of Ukraine
- To integrate the Ukrainian energy system into the European Network of Transmission System Operators for Electricity (ENTSO-E)
- To implement the Program on reforming coal industry.
- To privatize 37 coal mines, to conserve 24 mines, to close 32 unprofitable mines
- To upgrade the energy infrastructure
 - Modernization of nuclear and hydroelectric power plants
 - To complete construction of new power units at the Khmelnytsky NPP
 - To construct a 110-km Drozdovychi-Germanovychi gas pipeline
 - To hold negotiations on the passage of LNG-tankers through the Bosphorus
 - To complete construction of the third power unit on the Dnister HEPP
 - To construct high-voltage 750 KW power transmission lines
 - To increase the capacity output of the South-Ukrainian NPP by 1600 MW, that of Zaporizhzhya NPP – by 700 MW - and that of Khmelnytsky and Rivne NPPs - by 1000 MW
 - To construct a storage facility for spent nuclear fuel
 - To implement a joint program with the EBRD on improving safety of nuclear power units

2015
by 2020

2015
2017

from 2017

2015-2019

2020

2018

2015

2015

2017

2016

first stage – 2017

by 2017

10

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- To extend the operation period for 9 nuclear power units
- Diversification of sources and routes of energy supplies (for coal, gas, nuclear fuel):
 - To increase domestic production of hydrocarbons
 - To extend direct contracts with EU companies on the natural gas supplies
 - To construct an LNG-terminal, to build interconnectors
 - To expand the program of supplying nuclear fuel with Westinghouse Corporation
 - To procure coal at the international markets
 - To modernize the electric generating capacity of TPPs
- Elimination of cross-subsidies, transition to market rates for gas and electricity. Simultaneous introduction of compensation mechanisms for the socially vulnerable
 - To increase budget revenues from energy companies
 - To introduce transparent and fair competition rules for the development of natural resources through open auctions
 - De-shadowing of mining operations (coal, turf, amber)
 - A new Code on natural resources
- Transition from joint activities to production sharing agreements in extracting of natural resources
 - To amend the legislation on production sharing agreements
- To ensure a speedy and efficient procedure for the claim against Gazprom in the Arbitration Institute of the Stockholm Chamber of Commerce regarding conditions of contracts for the supply and transit of natural gas
- To introduce a mixed model of taxation in the energy sector to comply with international standards
- To improve energy efficiency through implementation of alternative energy projects (Clean Energy)
- To construct and reconstruct the housing by new energy efficiency standards (to prepare new state construction norms and energy efficiency standards)

by 2020

annually

2016 - 2017

2015-2017

2017

first half of 2015

2015

first half of 2015

first half of 2015

the first half of 2016

2015

11