

**Law of Ukraine Introducing Amendments to the Renewable Energy Support System
No. 810-IX dated 21 July 2020 (Draft Law No. 3658 before approval)**

	Legislation effective before approval of the Law approval	Provisions of the Law
Feed-in tariff (FiT) reduction Commissioning: until 30 June 2015	SPP (≤ 10 MW): EUR 305-465 per MWh SPP (> 10 MW): EUR 170-259 per MWh WPP: EUR 113 per MWh	SPP: EUR 245.9 per MWh (FiT cap) WPP: without changes
FiT reduction Commissioning: 1 July 2015 – 31 December 2019	SPP: EUR 150-169 per MWh WPP: EUR 102 per MWh	SPP (≥ 1 MW): minus 15% SPP (< 1 MW): minus 7.5% WPP: minus 7.5%
FiT reduction Commissioning: from 1 January 2020	SPP (2020): EUR 112.5 per MWh SPP (2021): EUR 109 per MWh WPP: EUR 90.5 per MWh	SPP (≥ 1 MW but < 75 MW): from 1 January 2020 to 31 October 2020: minus 2.5% from 1 November 2020 to 31 March 2021: minus 30% from 1 April 2021: minus 60% SPP (> 75 MW): from 1 January 2020 to 31 October 2020: minus 2.5% from 1 November 2020: minus 60% SPP (< 1 MW): minus 2.5% WPP: minus 2.5%
Responsibility of electricity producers from renewable energy sources (RES) for imbalances	Responsibility for imbalances of RES: from 1 January 2021: 10% (+10% every year) from 1 January 2030: 100% Allowed error in forecasting (tolerance margin) without limitation of duration: SPP – 5%, WPP – 10%	Responsibility for imbalances of RES < 1 MW: from 1 January 2021: 10% (+10% every year) from 1 January 2030: 100% Responsibility for imbalances of RES ≥ 1 MW: from 1 January 2021: 50% from 1 January 2022: 100% Allowed error in forecasting (tolerance margin) until 31.12.2029: SPP – 5%, WPP – 10%

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<p>Limitation of new SPP and WPP capacity addition at FiT</p>	<p>SPP: 2 years from PPA signing date (no later than 31 December 2021)</p> <p>WPP: 3 years from PPA signing date (no later than 31 December 2022)</p>	<p>Limitation of new capacity addition via FiT reduction:</p> <p>SPP (< 75 MW): from 1 April 2021: minus 60%</p> <p>SPP (> 75 MW): from 1 November 2020: minus 60%</p> <p>WPP: without changes</p>
<p>Stabilization clause for PPA of the RES producers</p>		<p>The state guarantees that revised FiT will not be further changed. The laws effective on the date of entry into force of the Law will apply to the rights and obligations of the RES Producers.</p> <p>According to the Article 9-4 of the Law “On Alternative Energy Sources”, the stabilization clause does not apply to changes in law related to defense, national security, civil order, environmental protection.</p> <p>According to the Law “On the Foreign Investment Mode”, the stabilization clause does not apply to changes in law related to defense, national security, taxation, civil order, environmental protection.</p>
<p>Repayment of the Guaranteed Buyer’s debt to RES producers using various instruments</p>		<p>The TSO is obliged to allocate part of the funds (35%) received from cross-border capacity allocation as of 1 July 2020 to repay debt of the Guaranteed Buyer to RES producers.</p> <p>The Cabinet of Ministers is authorized to submit (within 3 months) a Draft Law on repayment by the Guaranteed Buyer of the debt to RES producers through issue of the government bonds.</p>
<p>Partial payment to RES producers using the state budget funds</p>		<p>The Cabinet of Ministers is entitled to envisage in the state budget the expenditures for partial (not less than 20% of the forecasted revenues of RES producers) financial support for the Guaranteed Buyer to make current payments to the RES producers for electricity (in accordance with the budget request of the Ministry of Energy and calculation of the NEURC).</p>
<p>Compensation to RES producers for curtailment due to TSO instruction</p>		<p>Compensation to RES producers at FiT for electricity that was not supplied due to execution of the TSO instructions to ensure operational safety via limitation of production.</p> <p>From 1 January 2021, under the TSO instruction, RES producers shall provide a curtailment service that will be purchased by the TSO beyond the</p>

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		<p>balancing market. The costs of the TSO for the purchase of this service shall be covered by the electricity transmission tariff.</p> <p>The NEURC:</p> <ul style="list-style-type: none"> • within 1 month from the effective date of the Law, shall approve the methodology of calculating the volume of electricity that was not supplied due to the TSO instruction; • within 3 months from the effective date of the Law, shall approve all necessary regulations.
<p>Other important provisions</p>		<p>The Law defines the term “green metallurgy enterprise” as well as criteria and procedure for classification of the plant as “green metallurgy enterprise”. For the FiT term, the TSO transmission tariff for such enterprises should be set without taking into account the RES compensation component of the tariff.</p> <p>Within 3 months, the Cabinet of Ministers shall draft and submit to the Parliament a Draft Law entitling RES producers to quit the balancing group of the Guaranteed Buyer and independently sell electricity in the market. The RES producers shall receive compensation for the difference between the FiT (or auction price) and the market price for electricity (but not lower than the price on Day Ahead Market)</p>