

**To the kind attention of
Commissioner Kadri Simson**

5 September 2022

Re: *Artificial barriers preventing
the completion of the construction of new wind power capacities*

Dear Ms. Simson,

The Ukrainian Wind Energy Association (UWEA), which unites 100% of wind power producers, expresses its deep respect and gratitude to you for your support of Ukraine.

In recent years, Ukraine has managed to achieve significant results in the development of renewable energy. Thus, by the beginning of 2022, cumulative RES installed capacity amounted to 9.5 GW (including 6.4 GW of industrial solar power plants and 1.7 GW of wind power plants), and the amount of investments in the industry reached \$12 billion.

However, due to the war about 75% (1,3 GW) of WPPs and about 15% (1 GW) of SPPs have been destroyed, damaged or are under occupation, and the drop in RES electricity production will be about 45% in 2022. Moreover, given the fact that 6GW of thermal power plants have been temporarily lost to the energy system, 2 GW of renewable energy sources are located in the occupied territories, and the occupants' plans to shut down the power units of Zaporizhzhia NPP, Ukraine's power system faces a high risk of a generation capacity shortage.

This July, at the Ukraine Recovery Conference 2022 in Lugano, Ukraine declared its intention to recover its energy sector on the basis of further development of renewables. In particular, the Government of Ukraine has set a target of building new wind and solar power plants totalling 5-10 GW and additional 30+ GW of RES capacity to produce renewable hydrogen by 2032. According to the forecast of the Ukrainian Wind Energy Association, made at the end of 2021, in 2022 Ukraine assumed at least 1000 MW of new wind power capacity by the end of 2022. However, currently, all projects that were already in the development and construction phase have been put on hold, including the following wind power plants being in the advanced stage of construction:

1. VR Global (Elementum Energy), USA, Dnistrovskaya WPP, 60 MW (2nd stage) (total capacity of the project is 100 MW, 40MW of the 1st stage is operational);
2. Longyuan Power, China, South Ukrainian WPP, 288 MW (eleven 4,8MW turbines have been delivered to the site, one turbine has been installed);
3. EcoOptima, Ukraine, Hirska WPP, 55 MW;
4. DTEK RES, Ukraine, Tiligul'ska WPP, 500 MW (thirteen turbines have been delivered to the site, 6 turbines have been installed in 2022);
5. Exim Holding/Atlas Energy/, Turkey, Skole WPP, 60 MW.

At the same time, the shortage of generating capacity may be partially compensated by new wind power capacities that could be completed in a fairly short time. Given the fact that the construction of these WPPs could be resumed very quickly, in 6-12 months (depending on the project, a large number of turbine parts have been delivered to the sites and can be installed

quickly) they could start deliveries of green electricity to the Ukraine's energy grid. Commissioning of this wind power capacity will be the first substantial contribution to delivering the goal of the green transformation and decarbonisation of the Ukraine's power system.

According to the provisions of the pre-PPAs concluded with the State Enterprise Guaranteed Buyer (national off-taker) in 2019 and Law of Ukraine "On Alternative Energy Sources", above-mentioned wind power facilities were to be put into operation until the end of December 2022 in order to benefit of the "green" tariff scheme of support. In other words, if these wind farms are put into operation after 31 December 2022, it will actually mean violation of the existing pre-PPAs by the RES investors and loss of the right to the "green" tariff. However, neither SE Guaranteed Buyer nor the wind companies are in power to independently extend both the commissioning terms and the validity of concluded pre-PPAs at the "green" tariff without adoption of the amendments to Law of Ukraine "On Alternative Energy Sources". Given military activities in Ukraine and operation of the Martial Law, the extension of the pre-PPAs for at least 2 years appear to be reasonable.

Furthermore, additional legislative amendments should be adopted to ensure the parties to fulfil their obligations under the power grid connection contracts concluded between the wind companies and the NPC Ukrenergo before 31 December 2019. Indeed, if technical conditions under these contracts cease to be effective, it will result in the impossibility of completing actions required for connecting the electricity generating facility to power grids.

This is why it is important to consider and adopt legislative amendments designed to extend the validity period of technical conditions for the grid connecting wind power plants as well as the terms of commissioning these facilities under the existing PPAs at the "green" tariff until 31 December 2024 inclusively, or for two years, as renewable energy investors have actually lost one year due to the full-scale war in Ukraine.

It is worth emphasizing that the required legislative changes have already been proposed as amendments to several draft laws being considered in the Verkhovna Rada. However, all attempts failed: at first, Verkhovna Rada Committee on Energy, Housing and Utilities Services rejected to consider such proposals at their meeting despite the public support for this initiative; while the Verkhovna Rada Committee on Economic Development initially supported the amendments and voted for them, but a few days later, at their extraordinary meeting a decision was made to remove the amendments from the draft law adoption agenda. Presently, the Ministry of Energy of Ukraine offers the respective amendments. However, it is unclear whether it would be able to get sufficient support for them at the parliament.

Taking into account the above, on behalf of the wind power sector of Ukraine we appeal to recommend to the State authorities, in particular to Verkhovna Rada Committee on Energy and all members of the Ukrainian parliament, to adopt the necessary legislative amendments aimed at 2 years prolongation of validity period of already concluded pre-PPAs at "green" tariff and grid-connecting technical conditions for the RES investors to complete construction of new wind power plants in Ukraine.

We thank you in advance for your time on this issue and remain open to dialogue at any time.

Glory to Ukraine! Glory to the heroes!

Andriy Konechenkov,
Chairman of the Board,
UWEA


