

On Amendments to Certain Laws of Ukraine Ensuring Competitive Conditions for the Production of Electricity from the Alternative Energy Sources

(the Official Bulletin of the Verkhovna Rada of Ukraine (BVR), 2019, No. 23, p.89

The Verkhovna Rada of Ukraine **has resolved** to:

I. I. Amend the following Laws of Ukraine:

1. [The Law of Ukraine](#) "On the Alternative Energy Sources" (the Official Bulletin of the Verkhovna Rada of Ukraine (BVR), 2003, No. 24, p.155 as further amended):

1) in [Article 1](#):

a) part 1 shall be supplemented by paragraphs twenty - twenty-eight as follows:

"administrator of the electronic trading system shall mean a legal entity that is responsible for the functioning of the e-trading system; the administrator is determined by the Cabinet of Ministers of Ukraine in accordance with the law.

auction on the allocation of the support quotas (auction) shall mean the method whereby economic entities that obtain the right to support in terms of the electric power generation from alternative energy sources (other than blast furnace gas and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) are determined;

auction price shall mean the price payable for 1 kilowatt-hour (kWh) under a proposal made by the winner of the auction on the allocation of the support quotas;

e-trading system shall mean a two-level information and telecommunication system consisting of a central database and electronic platforms that interact via the application programming interface; same is provided as an open-access code and determines the functionality of the e-trading system. The e-trade system is used to generate, post, publish and exchange information and documents in electronic form that are necessary to hold an electronic auction;

e-platform shall mean hardware and software complex, which operates in the Internet, is connected to the central database and serves to ensure that the Guaranteed Buyer, persons willing to take part in an auction, as well as participants thereto, are able to utilize services of the e-trading system, and that information exchange regarding the auction procedure takes place automatically in the e-form;

energy cooperative shall mean a legal entity established in accordance with the [Law of Ukraine "On Cooperation"](#) or the [Law of Ukraine "On Consumer Cooperation"](#) with the purpose to generate, stock or transmit combustible energy resources; to provide other services in order to meet the demands of its members or territorial community, as well we to generate profit in pursuance with the law;

annual support quotas for economic entities, which generate electric power from the alternative energy resources shall mean the capacity value of power stations that generate power from alternative energy sources (other than blast furnace gas and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-electric power plants), which is made available for allocation through the auction in a respective year; as the result of the auction economic entities obtain the right to support;

an electronic platform operator shall mean a legal entity, which acts in accordance with the agreement concluded with the administrator of the e-trading system and is entitled to use the e-platform;

the central database shall mean the hardware and software related to databases and auction module, which enable conducting of e-auction and ensure uniform access to information to all e-auction participants";

b) shall be supplemented with part 2 as follows:

"Definitions of ["electric power generator"](#), ["consumer"](#), ["guaranteed buyer of the electric power \(Guaranteed Buyer\)"](#), ["transmission system operator"](#) used hereto shall have the same meaning as envisaged by the Law of Ukraine "On the Electricity Market". The definition of ["ultimate beneficiary owner \(controller\)"](#) used herein shall have the same meaning as envisaged by the Law of Ukraine "On Prevention and Counteraction to Legalization (Laundering) of the Proceeds from Crime or Terrorism Financing, as well as Financing Proliferation of Weapons of Mass Destruction".

Definition of ["control"](#) used herein shall have the same meaning as provided in the Law of Ukraine "On Protection of Economic Competition";

2) [Article 9¹](#) :

a) shall be supplemented with a new part right after part 1 as follows:

"Incentives for the generation of electric power from alternative energy sources provided herein shall apply to:

economic entities generating electric power from alternative energy sources (other than blast furnace and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-electric power plants) at power stations, including phased construction (start-up facilities), regardless of their installed capacity, which were commissioned before 1 January 2020;

economic entities generating electric power from alternative energy sources (other than blast furnace and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-electric power plants) at power stations, including phased construction (start-up facilities), regardless of their installed capacity, which were commissioned before 1 January 2020, and are not obliged to participate in auctions in accordance with [Article 9³](#) of this Law;

economic entities, which intend to generate electric power from alternative energy sources (other than blast furnace and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) at power stations, including phased construction (start-up facilities), which had concluded power purchase agreements under the Green Tariff before 31 December 2019 in accordance with [part 4](#) Article 71 of the Law of

Ukraine "On the Electricity Market" and commissioned such stations within two years from the date of the above agreements - for the stations generating electric power from solar energy; within three years from the date of the above agreements - for the stations generating electric power from other types of alternative energy sources;

consumers of electric power, including energy cooperatives, private households, which have generating stations that produce electric power from alternative power sources, and which qualify for the Green Tariff.

Further to the above, parts two - twenty shall be considered parts three - twenty-one accordingly;

b) part four shall be revised as follows:

"Green Tariff shall be uniform for all private households and shall be determined for each type of alternative energy source; above Green Tariff shall apply to the electric power produced by generating stations of private households, which installed capacity does not exceed 50 kW";

c) shall be supplemented with a new part right after part four as follows:

Green Tariff for electric power produced from solar and wind energy, biomass energy, biogas and hydro energy, geothermal energy by consumers generating stations (including energy cooperatives), which installed capacity does not exceed 150 kW; above Green Tariff shall be uniform for each type of alternative energy source and for all consumers, including energy cooperatives".

Further to the above change, parts five - twenty-one shall be considered parts six - twenty-two accordingly;

d) part 10 and part 11 shall be revised as follows:

Green Tariff shall apply to electric power produced from solar energy by generating stations of private households, which installed capacity does not exceed 50 kW provided the stations are placed on roofs and/or facades of buildings and other permanent structures; in such a case Green Tariff shall be established at the level of the retail tariff for consumers with the second class of voltage (as of January 2009) multiplied by the Green Tariff coefficient applicable to electric power produced from solar energy by generating stations of private households, which installed capacity does not exceed 50 kW provided such generating stations are placed on roofs and/or facades of buildings or other permanent structures.

Green Tariff for the wind power produced by generating stations of private households, which installed capacity does not exceed 50 kW, shall be established at the level of the retail tariff for consumers with the second class of voltage as of January 2009 multiplied by the Green Tariff coefficient applicable to the wind power generated by generating stations of private households, provided their installed capacity does not exceed 50 kW";

e) shall be supplemented with eight new parts as follows:

Green Tariff for electric power produced by hybrid solar and wind power systems of private households from solar and wind energy, which installed capacity does not exceed 50 kW, shall be established at the level of the retail tariff for consumers with the second class of voltage as of January 2009 multiplied by the Green Tariff coefficient applicable to electric power produced by hybrid solar and wind power systems of private households from solar and wind energy, which installed capacity does not exceed 50 kW.

Green Tariff for electric energy produced from solar energy by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW - provided respective facilities are placed on roofs and/or facades of buildings and other permanent structures - shall be established at the level of the retail tariff for consumers with the second class of voltage as of January 2009 multiplied by the Green Tariff coefficient applicable to electric energy produced from solar energy by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW, provided these are placed on the roofs and facades of buildings and other permanent structures.

Green Tariff for electric energy produced from wind energy by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW, shall be established at the level of the retail tariff for consumers with the second class of voltage as of January 2009 multiplied by the Green Tariff coefficient applicable to electric energy produced from wind energy by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW.

Green Tariff for electric power produced from biomass by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW, shall be established at the level of the retail tariff for consumers with the second class of voltage as of January 2009 multiplied by the Green Tariff coefficient applicable to electric energy produced from biomass by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW.

Green Tariff for electric power produced from biogas by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW, shall be established at the level of the retail tariff for consumers with the second class of voltage as of January 2009 multiplied by the Green Tariff coefficient applicable to electric energy produced from biogas by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW.

Green Tariff for electric power produced from solar and wind energy by consumers (including energy cooperatives) hybrid solar and wind power systems, which installed capacity does not exceed 150 kW, shall be established at the level of the retail tariff for consumers with the second class of voltage as of January 2009 multiplied by the Green Tariff coefficient applicable to electric energy produced from solar and wind energy by consumers (including energy cooperatives) hybrid solar and wind power systems, which installed capacity does not exceed 150 kW.

Green Tariff for electric power produced from hydro energy by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW, shall be established at the level of the retail tariff for consumers with the second class of voltage as of January 2009 multiplied by the Green Tariff coefficient applicable to electric energy produced from hydro energy by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW.

Green Tariff for electric power produced from geothermal energy by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW, shall be established at the level of the retail tariff for consumers with the second class of voltage as of January 2009 multiplied by the Green Tariff coefficient applicable to electric energy produced from geothermal energy by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW.

Further to the above, parts twelve - twenty-two shall be considered parts twenty-three accordingly;

f) parts twenty-two and twenty-three shall be revised as follows:

Green Tariff coefficient for electric power produced from alternative energy sources shall be established at the following level:

Categories of power stations, which qualify for the Green Tariff	Green Tariff coefficient for stations or their phases/commissioned start-up facilities										
	by 31/03/2013 inclusive	from 01/04/2013 to 31/12/2014	from 01/01/2015 to 30/06/2015	from 01/07/2015 to 31/12/2015	from 01/01/2016 to 31/12/2016	from 01/01/2017 to 31/12/2019	from 01/01/2020 to 31/12/2020	from 01/01/2021 to 31/12/2021	from 01/01/2022 to 31/12/2022	from 01/01/2023 to 31/12/2024	from 01/01/2025 to 31/12/2029
for electric power generated from wind energy by power stations, which installed capacity does not exceed 600 kW	1.20	-	-	-	-	-	-	-	-	-	-
for electric power generated from wind energy by power stations, which installed capacity exceeds 600 kW but is under 2000 kW	1.40	-	-	-	-	-	-	-	-	-	-
for electric power generated from wind by power stations, which installed capacity exceeds 2000 kW	2.10	-	-	-	-	-	-	-	-	-	-
for electric power generated from wind energy by wind power stations consisting of wind turbine with an individual installed capacity under 600 kW	-	1.20	1.08	1.08	-	-	0.96	0.94	0.92	0.91	0.84
for electric power generated from wind energy by wind power stations consisting of wind turbines with an individual installed capacity between 600 kW and 2000 kW	-	1.40	1.26	1.26	-	-	1.12	1.10	1.08	1.06	0.98

for electric power generated from wind energy by wind power stations consisting of wind turbines with an individual installed capacity of 2000 kW and more -	-	2.10	1.89	1.89			1.68				1.47
for electric power generated from biomass	2.30	2.30	2.07	2.30			2.30				2.30
for electric power generated from biogas -	-	2.30	2.07	2.30			2.30				2.30
for electric power produced from solar energy by land power stations, which installed capacity constitutes 10 MW or less	8.64	6.30	5.67	3.15	2.97	2.79	2.09	2.02	1.95	1.88	1.81
for electric power produced from solar energy by land power stations with the installed capacity above 10 MW	4.80	3.50	3.15		2.97	2.79	2.09	2.02	1.95	1.88	1.81
for electric power produced from solar energy by power stations, which installed capacity exceeds 100 kW, and which are mounted (placed) on the roofs and/or facades of buildings and other permanent structures	8.28	6.48	5.83	-			-				-
for electric power produced from solar energy by power stations, which installed capacity does not exceed 100 kW, and which are mounted (placed) on the roofs and/or facades of	7.92	6.66	5.99	-			-				-

buildings and other permanent structures											
for electric power produced from solar energy by power stations mounted (installed) on roofs and/or facades of houses, buildings and other permanent structures	-	-	-	3.35	3.20	3.04	2.28	2.20	2.13	2.05	1.98
for electric power generated by micro hydro-power plants	2.16	3.60	3.24	3.24			2.92				2.59
for electric power generated by mini hydro-power plants	2.16	2.88	2.59	2.59			2.33				2.07
for electric power generated by small hydro-power plants	2.16	2.16	1.94	1.94			1.75				1.55
for electric power generated from geothermal energy	-	-	-	2.79			2.51				2.23

Green Tariff coefficient for electric power produced by generating stations of private households from alternative energy sources shall be established at the following level:

Categories of generating stations of private households, which qualify for the Green Tariff	Green Tariff coefficient for electric power produced by generating stations of private households; such generating stations shall be installed upon registration of a respective application notice by the power supplier									
	by 31/03/2013 inclusive	from 01/04/2013 to 31/12/2014	from 01/01/2015 to 30/06/2015	from 01/07/2015 to 31/12/2015	from 01/01/2016 to 31/12/2016	from 01/01/2017 to 31/12/2018	from 01/01/2019 to 31/12/2019	from 01/01/2020 to 31/12/2024	from 01/01/2025 to 31/12/2029	
for electric power generated from solar energy by power stations of private households, which installed capacity does not exceed 30 kW	-	6.66	5.99	3.72	3.53	3.36	3.36	-	-	-
for electric power produced from solar energy by the generating stations of private households, which installed capacity does not exceed 50 kW, provided these are placed on the roofs and/or facades of buildings and other permanent structures	-	-	-	-	-	-	3.36	3.02	2.69	
for electric power generated from wind energy by power stations of private households, which installed capacity does not exceed 30 kW	-	-	-	2.16		2.16	2.16	-	-	
for electric power generated from wind energy by power stations of private households, which installed capacity does not exceed 50 kW	-	-	-	-	-	2.16	1.94	1.73		
for electric power produced from solar and wind energy by hybrid solar	-	-	-	-	-	3.04	2.28	1.98";		

and wind power systems of private households, which installed capacity does not exceed 50 kW								
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g) shall be supplemented after part twenty-three with a new part as follows:

Green Tariff coefficient for electric power produced by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW, shall be established at the following level:

Categories of consumers generating stations (including energy cooperatives), which qualify for the Green Tariff	Green Tariff coefficient for electric power produced by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW							
	by 31/03/2013 inclusive	from 01/04/2013 to 31/12/2014	from 01/01/2015 to 30/06/2015	from 01/07/2015 to 31/12/2015	from 01/01/2016 to 31/12/2018	from 01/01/2019 to 31/12/2019	from 01/01/2020 to 31/12/2024	from 01/01/2025 to 31/12/2029
for electric power produced from solar energy by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW, provided these are placed on the roofs and/or facades of buildings and other permanent structures	-	-	-	-	-	3.04	2.28	1.98
for electric power generated from wind energy by consumers generating stations (including private households), which installed capacity does not exceed 150 kW	-	-	-	-	-	2.16	1.94	1.73
for electric power produced from biomass energy by consumers generating stations (including energy cooperatives), which installed capacity does not exceed 150 kW	-	-	-	-	-	2.30	2.30	2.30
for electric power produced from biogas by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW	-	-	-	-	-	2.30	2.30	2.30

for electric power produced from solar and wind energy by consumers (including energy cooperatives) hybrid solar and wind power systems, which installed capacity does not exceed 150 kW	-	-	-	-	-	3.04	2.28	1.98
for electric power produced from hydro energy by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW	-	-	-	-	-	3.24	2.92	2.59
for electric power produced from geothermal by consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW	-	-	-	-	-	2.79	2.51	2,23".

Further to the above, parts twenty-four - thirty shall be considered parts twenty-five - thirty-one accordingly;

h) part twenty-five after the words "(start-up facility) shall be supplemented by words and numbers "consumers (including energy cooperatives) generating stations, which installed capacity does not exceed 150 kW";

i) part twenty-five shall be followed by the two new parts as below:

"Power stations qualifying for the Green Tariff as the result of reconstruction, technical re-equipment, rehabilitation along with increase of the installed capacity, shall be covered by the Green Tariff calculated based on the Green Tariff coefficient envisaged by Article 9¹ of the Law of Ukraine "On the Alternative Energy Sources" as of the date of commissioning of such power station, including phased construction (start-up facility), after reconstruction, technical re-equipment, rehabilitation, provided, however, applicable Green Tariff does not exceed the Green Tariff, which was originally assigned to the respective power stations, including phased (start-up facility).

Energy cooperatives, which produce electric power from alternative energy sources (other than blast furnace gas and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) by generating stations with installed capacity under 150 kW, shall qualify for the Green Tariff, provided that at the date of its establishment a cooperative has at least 10 members, whose shares constitute 75% or more of the share capital; alternatively, a communal enterprise is a member of cooperative with a share of at least 25% of the share capital thereof".

Further to the above, parts twenty-six - thirty-one shall be considered parts twenty-eight - thirty-three accordingly;

j) in part thirty-one the words "private households" shall be replaced with the words "consumers, including energy cooperatives, private households";

3) in [Article 9²](#) :

a) the title shall be revised as follows:

"**Article 9²**. Premium to the Green Tariff, auction price payable for the use of equipment of the Ukrainian origin";

b) part one after the words "to the Green Tariff" shall be supplemented with the words "auction price";

c) part two after the words "to the Green Tariff" shall be supplemented with the words "to the Green Tariff, auction price";

d) part 3 after the words "for the corresponding power station" shall be supplemented with the words "which supplies electric power at the Green Tariff ;

e) a new part shall be added after part three as follows:

"The premium for operation of the original Ukrainian equipment, which is established in accordance with part 5 hereof, payable to a respective power station that supplies electric power at the auction price, shall be accrued in cash by the Guaranteed Buyer on a monthly basis at the time of calculation of the value of the service on ensuring an increases electricity generation from alternative energy sources".

Further to the above, parts four-eight shall be considered parts five - nine accordingly;

f) part five after the words "premium to the Green Tariff" shall be supplemented with the words "auctions price";

g) part 9 shall be revised as follows:

"The state shall envisage by law requirements pertaining to procurement, in each reporting period, of electric power generated by power stations, including phased construction (start-up facilities), which use alternative energy sources (in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants), at the Green Tariff or the auction price, including premium established hereunder, in the amount and according to the procedure envisaged [by Articles 68, 71, and](#) 74 of the Law of Ukraine "On Electricity Market"; such requirements shall also provide for the requirement of the full repayment and determine payment terms. Above requirements shall be valid for the whole period of the Green Tariff and the period of support granted as the result of the auction to power generators, which produce power from the alternative energy sources";

4) [Section II](#) shall be supplemented with Article 9³ as follows:

"**Article 9³**. Encouragement of electric power producers that generate power from alternative energy sources and were entitled to support as the result of an auction

The support to electric power generators, which produce power from alternative energy sources, and obtained the right to support as the result of an auction, shall be ensured through

the guarantee to purchase the entire amount of electricity supplied by such generators at the auction price determined as the result of the auction, including the premium established in accordance with Article 9² hereof, based on the agreement for the power purchase concluded between the Guaranteed Buyer and the economic entity entitled to the support as the result of the auction.

In order to obtain the right to support, economic entities that have an intent to generate electric power from wind or solar energy shall be obliged to participate in an auction provided such entities intend to generate electric power on the power stations, including phased construction (start-up facilities), which installed capacity:

exceeds 5 MW - for the stations, which generate electric power from wind energy (save for stations with three wind turbines regardless of their installed capacity);

exceeds 1 MW - for stations, which generate electric power from solar energy.

Other economic entities, which intend to generate electric power from alternative energy sources regardless of their installed capacity and source of alternative energy (other than blast furnace and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) shall have the right to voluntarily participate in auctions.

Economic entities, which generate and/or intend to generate electric power from alternative energy sources (other than blast furnace and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants), and which were already granted the Green Tariff and/or support as the result of an auction, shall not have the right to participate in auctions on allocation of support quotas.

The Cabinet of Ministers of Ukraine upon submission of a central executive authority responsible for the development and implementation of the state policy related to electric energy shall establish annual support quotas for the next 5 years before 1 December annually. Central executive authority responsible for the implementation of the state policy related to efficient use of fuel and energy resources, energy saving, renewable energy resources and alternative fuels together with the transmission system operator shall prepare proposal on the amount of annual support quotas considering international obligations of Ukraine in the sphere of the renewable energy development, [the Energy Strategy of Ukraine](#), the report on the assessment of conformity (sufficiency) of generating capacities and transmission system development plan, the status of implementation of projects for construction of renewable energy facilities.

In terms of general or additional quota, the Cabinet of Ministers of Ukraine may provide land plots for construction of renewable energy stations with pre-determined technical parameters, as well as power network connection specifications. Procedure for auction announcement and conduct shall be determined by the regulation on conducting the auctions on the allocation of support quotas.

Annual support quota shall be allocated by types of alternative energy sources:

at least 15% for power stations, including phased construction (start-up facilities), which generate electric power from solar energy;

at least 15% for power stations, including phased construction (start-up facilities), which generate electric power from wind energy;

at least 15% for power stations, including phased construction (start-up facilities), which generate electric power from other alternative energy sources (other than blast furnace gas and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants);

Auction on the allocation of the annual support quota shall be conducted for each alternative energy source in accordance with article seven hereof.

The Cabinet of Ministers of Ukraine may decide to hold auctions on the allocation of support quotas without breakdown per types of alternative energy sources (technologically neutral auctions); respective decision shall be made at the time of the establishment of the annual quota amount.

The Guaranteed Buyer (auctions customer) shall be responsible for organizing and conducting the auctions.

Auctions shall be held in e-form in accordance with the procedure for conducting auctions on the allocation of support quotas, which is subject to approval by the Cabinet of Ministers of Ukraine. The procedure for conducting the auctions on the allocation of support quotas shall determine:

- procedure for preparation and conducting the auction on the allocation of support quota;
- procedure for the issuance and release of the irrevocable bank guarantee;
- requirements to the banks, which provide irrevocable bank guarantees;
- procedure for operation of e-trading system;
- procedure for the announcement of the auction winner;
- procedure for the conclusion and publication in the e-trading system of electric power purchase agreement;
- amount and procedure of remuneration of e-platforms operators;
- other matters related to auction conducting.

An auction shall be conducted in accordance with the agreement concluded between Guaranteed Buyer and operators of e-platforms. Template agreement to be concluded between the Guaranteed Buyer and operators of e-platforms shall be approved by the central executive authority responsible for the development and implementation of the state policy in the electricity market.

In order to take part in an auction, economic entities shall cooperate through e-platform connected to the central database of the e-trade system. The Cabinet of Ministers of Ukraine shall adopt the procedure for (1) selection of e-platforms operators qualifying to conduct auctions on the allocation of support quotas, (2) e-platforms authorization, (3) granting access to e-trading system to the authorized e-platforms, (4) amount of fees for the access to e-trading system and payment details thereof.

Auctions shall be launched from 1 July 2019 and shall be conducted by 31 December 2029. Auctions on the allocation of support quotas shall be held twice a year, 1 April and 1 October the latest.

In order to participate in an auction, economic entities shall submit an optional application along with:

an irrevocable bank guarantee issued in favor of the Guaranteed Buyer;

copies of documents certifying the ownership title to the land plot or the right to use it, or a copy of a superficies agreement for construction of a power plant designated to generate electric power from alternative energy sources, including phased construction (start-up facility);

a copy of the executed grid connection agreement whereby an electric power stations, which generates electric power from alternative energy sources, was connected to the grid;

information on the ultimate beneficial owner. If a person does not have an ultimate beneficial owner, respective information shall be provided, and the relevant reason shall be indicated;

extract from the Unified state register of legal entities, individual entrepreneurs and public organizations;

copies of documents containing information on the management bodies (including composition thereof) of economic entities;

information on persons related to economic entities by control.

An economic entity shall submit a separate irrevocable bank guarantee for each power station, including phased construction (start-up facility) that seeks for the support at an auction. Amount of the irrevocable bank guarantee submitted to participate in the auction shall be determined as the product of the capacity value of a power station (seeking to obtain support at an auction) or its construction phase (start-up facility) and the amount of irrevocable bank guarantee per each kilowatt subject to allocation at an auction, which amounts to EUR 5 per 1 kilowatt. Capacity value of a power station or its construction phase (start-up facility), which seeks to obtain support through an auction, shall not exceed capacity value of the power station being connected to the grid under respective agreement whereby a power station gets connected to the grid with the purpose to produce electric power from the alternative energy sources.

Auction participants shall submit closed bids, which include:

Capacity value of a power station (seeking to obtain support at an auction) or its construction phase (start-up facility).

an auction participant shall submit a price offer that indicates (determines) the sale price of 1 kilowatt/hour of electric power generated at a power station (seeking to obtain support at an auction) or its construction phase (start-up facility). The price shall be denominated in euro cents per 1 kilowatt/hour (euro cents/kWh) with two decimal places. Price offer submitted by an auction participant at the date of an auction shall not exceed the Green Tariff established by Article 9¹ hereof for a respective type of a power station.

Price offer submitted by a participant of an auction on the allocation of support quotas for power stations, including phased construction (start-up facilities), which produce electric power from other alternative energy sources (other than blast furnace gas and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-electric

power plants), shall not exceed the Green Tariff established at 1 January 2020 by Article 9¹ hereof for the electric power produced from biomass energy.

If an auction participant intends to participate in an auction in order to obtain support for two or more power stations (including phased construction and start-up facilities), such auction participant shall submit separate closed bids for each power station.

Auction bids of all auction participants shall be opened simultaneously. Price offer provided in the closed bid shall be the criterion for selection of a winner of the auction on the allocation of support quotas. Participants who offered the lowest price within the quota provided for a respective type of alternative energy source subject to allocation through an auction shall be recognized as the auction winners within the declared capacity.

Effective competition is a necessary pre-requisite of any auction on the allocation of annual support quota. Capacity value submitted to an auction for the allocation of support quotas shall not exceed 80% of the aggregate capacity value proposed by all auction participants per a respective alternative energy source.

In the event a part of the quota for a certain alternative energy source remains unallocated (wholly or partially), the Cabinet of Ministers of Ukraine may decide to re-distribute this quota among other alternative energy sources at the next auction.

The auction price shall be determined for each auction winner at the level of the price offer submitted by such auction participant. A sale and purchase agreement executed between an auction winner (that obtained the right for support) and the Guaranteed Buyer, shall fix an auction price in euro, as well as in its hryvnia equivalent according to the official exchange rate of the National Bank of Ukraine at the date of an agreement.

As the result of the auctions on the allocation of support quotas held in a particular year, an economic entity (solely or jointly with other persons related by control through ultimate beneficial owner) shall have the right to receive up to 25% of the annual support quota provided in a given year.

Minutes on the auction results shall be formed automatically and published in the e-form by the e-trade system on the date the auction is closed.

The auction winner (who obtained the right to support as the result of the auction) and the Guaranteed Buyer shall sign the auction minutes and enter into a power purchase agreement within 15 working days following publication of the auction minutes; the Guaranteed Buyer shall then publish the above agreement in the e-trading system.

In case the auction winner refuses to sign the auction minutes and enter into an agreement with the Guaranteed Buyer, the e-trading system shall automatically form and publish new auction minutes. Auction winner's refusal to sign the auction minutes and enter into an agreement with the Guaranteed Buyer shall be confirmed by an act; Guaranteed Buyer shall be responsible for preparation of the act and its publication in the e-trading system.

The auction winner, who refuses to sign the auction minutes and enter into an agreement with the Guaranteed Buyer, shall not have the right to participate in further actions during a year.

The auction winner may refuse to sign the auction minutes and enter into an agreement with the Guaranteed Buyer only on the following grounds:

an economic entity has failed to submit documents or data required by this Law and the procedure for auctions conducting;

an economic entity has provided inaccurate information;

an economic entity has failed to properly disclose information on ultimate beneficiary owners;

in case an economic entity or members of its management bodies and other persons related thereto by control is the subject to specific economic or other restrictive measures (sanctions) in pursuance with [the Law of Ukraine "On Sanctions"](#) and other regulatory acts adopted thereunder.

in case an economic entity solely or jointly with other economic entities related thereto though the ultimate beneficiary owner (controller) has obtained the right exceeding 25% of annual support quota as the result of the actions held in a respective year.

In case the Guaranteed Buyer refuses to sign the auction minutes and enter into an agreement with the auction winner, the former shall prepare a respective act, which would indicate the reasons for the refusal; after that, the e-trading system shall automatically form and publish new auction minutes on the results of the auction.

In case the Guaranteed Buyer or the auction winner refuses to sign the auction minutes and enter into a power purchase agreement between the Guaranteed Buyer and the economic entity, which obtained the right to support as the result of the action, an irrevocable bank guarantee shall be released in favour of the Guaranteed Buyer.

Irrevocable bank guarantee provided to ensure participation in the auction shall be returned to economic entities, which did not obtain the right for support as the result of the action, within five working days following publication in the e-trading system of agreements entered into between the Guaranteed Buyer and auction winners; the above term, in any case, shall not exceed 30 working days as of the date the auction was closed.

Irrevocable bank guarantee provided to participate in the auction shall be returned to the auction winner within five working days following publication in the e-trading system of an agreement entered into between the Guaranteed Buyer and the auction winner.

The auction winner shall provide the Guaranteed Buyer with the irrevocable bank guarantee issued in favour of the Guaranteed Buyer as collateral under the agreement before the execution thereof; the auction winner shall pay remuneration to the operator of e-platform, which was used to participate in the action. Irrevocable bank guarantee provided as collateral under the agreement shall amount to 15 euro per each capacity kilowatt.

Power purchase agreement executed between the Guaranteed Buyer and the economic entity, which obtained the right to support as the result of the auction, shall comply with the requirements of [part five article](#) 71 of the Law of Ukraine "On Electricity Market" during the whole period of the support.

In accordance with the agreement, the Guaranteed Buyer shall undertake to purchase the total amount of output supplied by such economic entity at the price determined as the results of the auction, including the premium envisaged by Article 9² hereof.

The Guaranteed Buyer shall not have the right to refuse to enter into an agreement with the auction winner provided the latter complies with the requirement of the Law.

The agreement shall provide for the undertaking of the auction winner to ensure construction and commissioning of a power station that would produce electric power from solar energy - within two years following the date of agreement; for a power station that would generate electric power from other alternative energy sources - within three years following the date of agreement.

An economic entity shall provide the Guaranteed Buyer with a certificate of construction completion issued by the authorized authority. Above certificate shall confirm that a constructed power station, including phased construction (start-up facilities), which is to produce electric power from alternative energy sources (other than blast furnace gas and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) fully complies with the design documentation and is ready for operation; alternatively, an economic entity may provide a declaration that a power station is ready for operation; such declaration shall be registered in accordance with the law. The Guaranteed Buyer shall release irrevocable bank guarantee provided by an economic entity as the collateral under the agreement, within 10 working days provided an economic entity submits one of the documents listed above and starts power supplies. The obligations of the Guaranteed Buyer to support an economic entity generating electric power from alternative sources of energy shall arise from the day following the submission by the economic entity of one of the above documents and commencement of the electricity supply.

If an economic entity fails to provide a certificate or declaration that confirms operation readiness of a power station within the term stipulated herein, the power purchase agreement between the Guaranteed Buyer and the economic entity, which obtained the right to support as the result of the auction, shall be considered invalid; irrevocable bank guarantee shall be released in favour of the Guaranteed Buyer upon the request of the latter.

At the initiative of the economic entity, the term of construction and commissioning of a power stations may be extended for one year following amendments made to the power purchase agreement between the Guaranteed Buyer and the economic entity, which obtained the right to support as the result of the auction along with submission by the latter of an additional irrevocable bank guarantee in the amount of EUR 30 per each kilowatt of capacity.

In the event of force-majeure, the term for construction and commissioning of a power station set forth herein shall be extended for the duration of force-majeure provided the fact and duration thereof have been duly confirmed in accordance with the law.

Electric power supplied by economic entities, which obtained the right to support as the result of the auction, shall be paid-up on a monthly basis by the 20th of each month following a reporting one. When determining the amount to be repaid for the electric power, the Guaranteed Buyer shall convert the auction price into the national currency at the average official exchange rate of the National Bank of Ukraine for the reporting period.

The term of support shall be 20 years as of the day following the submission by an economic entity of a construction completion certificate that confirms compliance of the constructed power station, or a registered declaration that confirms operational readiness of a power station, as well as commencement of power supplies. In case of a phased construction (start-up facilities) and commissioning, respective power station shall ensure separate commercial accounting for each construction phase (start-up facility); term of the support

shall start separately for each construction phase".

2. In [the Law of Ukraine](#) "On the Regulation of Town Planning Activity" (The Official Bulletin of the Verkhovna Rada of Ukraine, 2011, No. 34, p. 343; 2014, No. 1, p. 4):

1) [part seven](#) of Article 30 shall be supplemented by paragraphs two-five as follows:

"Following technical specifications shall be valid for power stations generating electric power from alternative energy sources:

for stations that generate electric power from solar energy - up to 2 years as of the day issuance regardless of the change of the customer;

for stations that generate electric power from other alternative energy sources - up to three years from the date of their issuance irrespective of the change of the customer.

In case the customer is an economic entity that has obtained the right to support as the result of the auction, the technical specifications for a power stations that generates electric power from alternative energy sources issued thereto shall be valid until the time the obligations on the construction and commissioning of the power stations in accordance with Article 9³ of the Law of Ukraine "On the Alternative Energy Sources" have been duly fulfilled;

2) [clause 5](#) Section V "Final Provisions" shall be supplemented by paragraphs two-six as follows:

"Technical specifications for a power station that generates electricity from alternative energy sources issued before the effective date of the Law of Ukraine "On Amendments to Certain Laws of Ukraine on Ensuring Competitive Conditions for the Production of Electricity from the Alternative Energy Sources" shall remain valid:

for stations that generate electric power from solar energy - up to two years from the effective date of the foregoing Law;

for stations that generate electric power from other alternative energy sources - up to three years from the effective date of the foregoing Law.

In case the customer is an economic entity that obtained the right to support as the result of the auction, the technical specifications for a power station, which generates electric power from alternative energy sources, issued thereto shall be valid until the time the obligations on the construction and commissioning of the power stations in accordance with Article 9³ of the Law of Ukraine "On the Alternative Energy Sources" have been duly fulfilled.

Technical specifications and grid connection agreement issued to/concluded by power stations that generate electric power from alternative energy sources before the effective date of the Law of Ukraine "On Amendments to Certain Laws of Ukraine on Ensuring Competitive Conditions for the Production of Electricity from the Alternative Energy Sources" shall be revisited to ensure compliance with the foregoing law.

3. [Paragraph 1](#) part 1 Article 16 of the Law of Ukraine "On the National Commission for State Regulation of Energy and Public Utilities" (The Official Bulletin of the Verkhovna Rada of Ukraine, 2016, No. 51, p. 833) after the words "Draft decision of the Regulator related to the establishment of prices (tariffs)" shall be supplemented with the words "except for the draft decision on the Green Tariff establishment".

4. In the [Law of Ukraine "On Electricity Market"](#) (The Official Bulletin of the Verkhovna Rada of Ukraine, 2017, No. 27-28, p. 312; 2018, No. 1, p.1, No. 46, p. 374, No. 49, p. 399):

1) in [part one](#) Article 1:

a) clause 16 after the words "generators, which qualify for for the Green Tariff" shall be supplemented by the words "generators under the auction price";

b) clause 94 shall be revised as follows:

"94) authorized bank in the electricity market (authorized bank) shall mean a bank with a state share of at least 75% of the charter capital; which meets the requirements established by the Cabinet of Ministers of Ukraine; was included into the list of the authorized banks by the Cabinet of Ministers of Ukraine; and has the right to serve current accounts that have a specific regime of use by the market players";

2) [part one](#) Article 4 shall be supplemented by clause 18¹ as follows:

"18¹) on power sale and purchase between the Guaranteed Buyer and the economic entity, which obtained the right to support as the result of the auction";

3) [part 3](#) Article 5 shall be supplemented with clause 10¹ as follows:

"10¹) approval of the procedure for conducting an auction on the allocation of support quotas, establishment of annual support quotas";

4) [part thirteen](#) Article 21 shall be supplemented by paragraph three as follows:

"Fees for the non-standard connection of the generating stations shall encourage the palatable placement of generating stations and consider their impact on the load-shedding at an attachment point of existing transformer capacity";

5) in [clause 9](#) part four Article 30 the words "by part five" shall be replaced with "by part six";

6) in [Article 58](#) :

a) part one shall be supplemented with paragraphs fourteen - twenty as follows:

"Consumers shall have the right to erect generating stations designated for electric power production:

residential customers in their private households - generating stations designated to produce electric power from the solar and/or wind energy, which installed capacity does not exceed 50 kW;

other consumers, including energy cooperatives - generating stations designated to produce electric power from the solar and/or wind energy, biomass, biogas, hydro energy or geothermal energy, which installed capacity does not exceed 150 kW.

The installed capacity of such consumers shall not exceed the permitted capacity under a grid connection agreement. Consumers shall have the right to generate electric power from solar energy and/or wind energy without a license.

Private households shall sell the electric power produced to the transmission company under the Green Tariff. Other consumers, including energy cooperatives, shall sell the electric power produced to the Guaranteed Buyer under the Green Tariff.

The procedure for sale and accounting of electric power generated by consumers, as well as respective settlements, shall be approved by the Regulator";

Connection of the consumers generating stations, including private households, shall not result in deterioration of statutory quality and safety parameters of grid supply. Requirements to the procedure and conditions of construction, connection and operation for such power station shall be determined by the Transmission Code and respective technical regulation";

b) paragraph two of part two shall be removed;

7) [paragraph seven](#) part two Article 62 shall be revised as follows:

"The Guaranteed Buyer, transmission company and system operator shall undertake specific obligations aimed at increase of the volume of electric power generated from alternative energy sources for the whole period of the support established for the generators of electric power produced from alternative energy sources, which obtained the right to support as the result of the auction";

8) in [Article 63](#):

1) clause 4 part five shall be revised as follows:

"4) shall purchase electric power produced by generating stations of private households, which installed capacity does not exceed 50 kW, at the Green Tariff; above conditions shall apply to the power produced in excess of the monthly power consumption of a respective household";

b) in part six:

paragraph 1 after the words "of private households" shall be supplemented by the words and numbers "generating stations, which installed capacity does not exceed 50 kW";

in the second sentence of the third paragraph the words "in accordance with the procedure for electric power purchase at the Green Tariff" shall be replaced with the words "in accordance with the procedure for the purchase of electric power generated from alternative energy sources";

9) in [Article 65](#) :

a) in part one the words " under the Green Tariff, shall appoint" shall be replaced with the words "under the Green Tariff or the auction price, shall appoint";

b) parts two and three shall be revised as follows:

"2. The Guaranteed Buyer shall purchase from economic entities, which qualify for the Green Tariff or which obtained the right to support as the result of the auction, all the output generated by the power stations from the alternative energy sources (in case of hydro energy -

only for energy generated by micro, mini- and small hydro-power plants); the power shall be purchased at the Green Tariff established by the Guaranteed Buyer or at the auction price, including the premium thereto, during the whole period of the Green Tariff or support, provided respective economic entities belong to the balancing group of the Guaranteed Buyer. The amount of electricity produced by the generating station from alternative energy sources (in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) and supplied in each reporting period shall be defined net of electric power consumed internally by a respective generating stations in accordance with the electricity meter records.

The Guaranteed Buyer shall purchase electric power produced by consumers generating stations, including energy cooperatives, which installed capacity does not exceed 150 kW, at the Green Tariff in the volume that exceeds monthly power consumption of a respective consumer.

3. Such electric power shall be purchased at the Green Tariff, including the premium thereto, under a bilateral agreement executed between the generator or the consumer qualifying for the Green Tariff and the Guaranteed Buyer. Such agreement shall be concluded on the basis of a template power purchase agreement at the Green Tariff. A template power purchase agreement at the Green Tariff shall be approved by the Regulator.

The power purchase agreement at the Green Tariff shall be concluded between the Guaranteed Buyer and the generator or consumer, which produces electric power from alternative energy sources (other than blast furnace and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) for the duration of the Green Tariff;

a new part shall be introduced after part three as follows:

"4. The Guaranteed Buyer shall purchase the entire output supplied by generators, which obtained the right to support as the result of the auction, at the auction price, including the premium thereto, during the whole period of the obtained support, provided such generators are members of the Guaranteed Buyer's balancing group.

The amount of electric power supplied by such generators in each reporting period (month) shall be calculated net of the amount consumed internally by a respective generating station in accordance with the electricity meter records.

Above output shall be purchased in accordance with the power purchase agreement entered into by and between the Guaranteed Buyer and the economic entity that obtained the right to support as the result of the auction; foregoing agreement shall meet the requirements of the part 5 Article 71 hereof".

Further to the above, parts four - nine shall be considered parts five-ten accordingly;

d) in Part 4, the words "purchased from generators at the Green Tariff shall be replaced with the words "purchased at the Green Tariff and the auction price";

e) parts six and seven shall be revised as follows:

"6. "Purchase of electric power by the Guaranteed Buyer at the Green Tariff and the auction price; rules of functioning of the Guaranteed Buyer's balancing group shall be determined by the procedure for the purchase of the electric power generated from alternative energy sources approved by the Regulator.

7. The Guaranteed Buyer shall provide the System Operator with the service on ensuring an increased share of electric power generated from the alternative energy sources in order to cover economically justifiable costs of the Guaranteed Buyer spent as the result of the performance of specific obligations related to the power purchase at the Green Tariff and the auction price.

Such service shall be provided by the Guaranteed Buyer for the duration of the Green Tariff and the support of generators that obtained respective right as the result of the auction in accordance with the template agreement on rendering services ensuring an increased share of electric power generated from the alternative energy sources; form of the above agreement shall be approved by the Regulator.

Such service shall be provided by the Guaranteed Buyer and shall cover the actual output supplied by economic entities that are members of the Guaranteed Buyer's balancing group.

The cost of the service on ensuring an increased share of electric power generated from the alternative energy sources provided by the Guaranteed Buyer shall be calculated in each reporting period as:

the difference between the cost of electric power purchased at the Green Tariff, including premium thereto, and the power price on the "day-ahead" and the "intraday" markets;

the difference between the cost of electric power purchased at the auction price, including premium thereto, and the power price on the "day-ahead" and the "intraday" markets;

the costs spent to fix the electric power imbalances of generators, consumers being the members of the Guaranteed Buyer's balancing group;

the costs envisaged by the budget of the Guaranteed Buyer to provide for its activities.

The value of the service on ensuring an increased share of electric power generated from alternative energy sources shall be calculated by the Guaranteed Buyer in accordance with the procedure for the purchase by the Guaranteed Buyer of electric power generated from alternative energy sources. The value of service on ensuring an increased share of electric power generated from alternative energy sources shall be approved by the Regulator";

f) in clause 2 part 7 the words "at the Green Tariff shall be removed;

g) part 9 shall be revised as follows:

"9. The Guaranteed Buyer shall:

1) adhere to license conditions during the period it performs the functions of the Guaranteed Buyer, as well as to other regulatory acts related to the operation of the electricity market;

2) enter into agreements required to carry out activities in the electricity market, and duly fulfil the terms and conditions of the above agreements;

3) purchase from the generators the entire supplied output generated at power stations from alternative energy sources (in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) at the Green Tariff, including the premium thereto;

4) purchase from the generators, that obtained the right to support as the result of the auction, the entire output produced by the power stations from alternative energy sources (in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) at the auction price, including the premium thereto;

5) purchase electric power produced by the consumers generating stations with installed capacity under 150 kW provided such installed capacity does not exceed the capacity agreed under the connection agreement.

6) take responsibility for the balance of the Guaranteed Buyer's balancing group, which includes generators qualifying for the Green Tariff, as well as generators that obtained the right to support as the result of the auction; the Guaranteed Buyer shall enter into bilateral agreements with the above members of the balancing group;

7) notify on contractual amounts of output purchased under bilateral agreements in accordance with the procedure established by the market rules;

8) timely and fully pay for the electric power purchased from generators qualifying for the Green Tariff, as well as generators that obtained the right to support as the result of the auction;

9) provide market participants with the information necessary for their performance in the electricity market to the extent and according to the procedure established by the regulatory acts that govern the electricity market;

10) organize auctions for the allocation of support quotas in accordance with Article 9³ of the Law of Ukraine "On the Alternative Energy Sources";

11) sell the output purchased from generators that qualify for the Green Tariff, and generators that obtained the right to support as the result of the auctions, at the "day-ahead", "intraday" and balancing markets";

10) in part [five](#) Article 68:

the third paragraph after the words "qualifying for the Green Tariff" shall be supplemented with the words "or to generators that obtained the right to support as the result of the auction";

paragraph four shall be revised as follows:

"Price of the output that was not supplied by the electric power generator, which supplies electric power at the Green Tariff as provided hereunder, or by the generator, which obtained the right to support as the result of the auction, following a command from the transmission System Operator to reduce the load, shall be reimbursed at the Green Tariff or at the auction price accordingly, except for the cases where such commands arise from system limitations resulting from the force majeure";

11) [in Article 71](#):

a) the title shall be revised as follows:

"Article 71. Specifics of activities of generators, which qualify for the Green Tariff, or obtained the right to support as the result of the auction, in the electricity market";

b) in part one the words "under bilateral agreements in the market" shall be replaced by the words "under bilateral agreements, in the market"; the words "or at the Green Tariff established hereby" - by the words "or at the Green Tariff, auction price established (determined) in accordance with the [Law of Ukraine "On the Alternative Energy Sources"](#)";

c) part two shall be supplemented with paragraph two as follows:

"Power generators, which obtained the right to support, shall sell electric power produced by generating stations from alternative energy sources (in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) to the Guaranteed Buyer as stipulated hereby under the auction price, including the premium thereto";

d) parts three and four shall be revised as follows:

"3. "For this purpose, the generators referred to in part 2 hereof shall:

1) become a market player as prescribed by this Law;

2) conclude a bilateral agreement with a Guaranteed Buyer based on the template power purchase agreement at the Green Tariff or the template power purchase agreement by and between the Guaranteed Buyer and economic entity, which obtained the right to support as the result of the auction;

3) join the Guaranteed Buyer's balancing group under a respective agreement;

4) daily file to the Guaranteed Buyer the hourly power supply schedules for the next day pursuant to the procedure and form envisaged by the bilateral agreement concluded with the Guaranteed Buyer.

4. At the discretion of economic entities, which intend to sell electric power generated from alternative energy sources (other than blast furnace and coke oven gas; in case of hydro

energy - only for energy generated by micro, mini- and small hydro-power plants) at the Green Tariff, the Guaranteed Buyer shall conclude a power purchase agreement at the Green Tariff at any time prior to the commencement of construction and/or commissioning of the respective power station, including phased construction (start-up facilities) designated for the production of electric power from alternative energy sources (other than blast furnace and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) and the establishment of the Green Tariff by the Regulator.

The agreement shall be entered by and between the Guaranteed Buyer and the economic entity regardless of any other effective power purchase agreements at the Green Tariff, concluded in respect of other power stations of such economic entity.

A foregoing economic entity shall submit to the Guaranteed Buyer an application along with:

1) a copy of the document that certifies the ownership title to the land plot or the right to use it, or a copy of a superficies agreement for construction of a power plant designated to generate electric power from alternative energy sources (other than blast furnace gas and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants), including phased construction (start-up facility);

2) copy of the registered declaration on the commencement of construction works or a construction permit in respect of a power station designated for the production of power from the alternative energy sources (other than blast furnace gas and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants);

3) copy of the executed grid connection agreement with respect to a power station generating electric power from the alternative energy sources (other than blast furnace gas and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants).

Non-submission of documents envisaged hereunder, or submission of inaccurate information may serve as the grounds for refusal to execute a power purchase agreement.

A power purchase agreement at the Green Tariff by and between the Guaranteed Buyer and the economic entity, which intends to produce electric power from the alternative energy sources (other than blast furnace gas and coke oven gas; in case of hydro energy - only for energy generated by micro, mini- and small hydro-power plants) shall be concluded under the template power purchase agreement at the Green Tariff approved by the Regulator following consultations with the Secretary of the Energy Community; the agreement shall be concluded for the period of the Green Tariff established by [the Law of Ukraine](#) "On the Alternative Energy Sources".

The power purchase agreement at the Green Tariff shall provide for the undertaking of the economic entity to ensure construction and commissioning of a power station, including phased construction (start-up facility) that would produce electric power from solar energy - within two years following the date of agreement; for a power station that would generate electric power from other alternative energy sources - within three years following the date of agreement.

In case a generator failed to commission a power station, including phased construction (start-up facility), which is subject to the power purchase agreement at the Green Tariff within (a) two years for a station designated for the generation of the power from the solar energy; and (3) three years for a station designated for the generation of the power from other alternative energy sources as of the date of the respective agreement, such agreement shall be terminated";

e) part four shall be followed by the new part as below:

"5. Economic entities, which intend to generate electric power from alternative energy sources and obtained the right to support as the result of the auction in accordance with Article 9³ of the Law of Ukraine "On the Alternative Energy Sources", shall enter into a power purchase agreement with the Guaranteed Buyer.

The above agreement shall be concluded based on the template power purchase agreement between the Guaranteed Buyer and the economic entity that obtained the right to support as the result of the auction. The form of the template agreement shall be adopted by the Regulator upon approval by the Antimonopoly Committee of Ukraine. The above agreement shall be concluded for the period of the support determined in accordance with Article 9³ of the Law of Ukraine "On the Alternative Energy Sources";

In accordance with the power purchase agreement entered into between the Guaranteed Buyer and the economic entity that obtained the right to support as the result of the auction, the Guaranteed Buyer shall undertake to purchase the entire amount of the electric power supplied by such economic entity, at the auction price determined at the auction on the allocation of the support quota.

The agreement shall provide for the undertaking of the economic entity, which obtained support as the result of the auction, to ensure construction and commissioning of a power station, that would produce electric power from solar energy - within two years following the date of agreement; for a power station that would generate electric power from other alternative energy sources - within three years following the date of agreement.

The economic entity shall provide the Guaranteed Buyer with a certificate or a declaration, which confirms that the station is ready for the operation. The obligation of the Guaranteed Buyer to purchase the entire output supplied by such economic entity shall arise from the day following the submission by the economic entity of one of the specified documents to the Guaranteed Buyer and commencement of the power supply.

If the economic entity failed to provide a certificate or declaration that confirms the readiness of a power station for operation within the period envisaged by Article 9³ of the Law of Ukraine "On the Alternative Energy Sources", the executed agreement shall be considered invalid.

Template power purchase agreement at the Green Tariff and the template power purchase agreement between the Guaranteed Buyer and the economic entity, which obtained the right to support as the result of the auction, shall envisage the right of a generator under the Green Tariff and an economic entity, which obtained the right to support as the result of the auction, to state (at the time of execution) that the disputes arising between the parties in connection with or from the power purchase agreement shall be referred to the arbitration court in Paris (France) and be considered under the Arbitration Rules of the International Chamber of Commerce (ICC), provided, however, such generator under the Green Tariff and the economic entity, which obtained the right to support as the result of the auction, is a foreign investment enterprise in the meaning of [the Economic Code of Ukraine](#).

In case the parties choose the above means of dispute resolution, a generator under the Green Tariff or and economic entity, which obtained the right for support as the result of the

auction, shall undertake at the time of execution of the agreement to make contributions to the special purpose fund aimed at repayment of arbitration fees in favor of the Guaranteed Buyer.

Such contributions shall be paid during the term of the power purchase agreement at the Green Tariff or the power purchase agreement by and between the Guaranteed Buyer and the economic entity, which obtained the right to support as the result of the auction. Foregoing contributions shall not be compensated to the generator under the Green Tariff or the economic entity, which obtained the right to support as the result of the auction, irrespective of whether they referred to the above remedy.

Contributions into the special purpose fund shall be made regularly, at least quarterly, within the terms and in the amount approved by the Regulator.

Amount of contributions shall be determined by the Regulator and shall comprise a part of a payer's general net income derived from activities related to the production of the electric power by the power station, including phased construction (start-up facility), which is the subject of a respective power purchase agreement at the Green Tariff or a power purchase agreement by and between the Guaranteed Buyer and the economic entity, which obtained the right to support as the result of the auction; this amount may not exceed 1% of the payer's net income derived from activities of a respective power station over the preceding reporting period.

The Guaranteed Buyer may use the money of the special-purpose fund only to cover its arbitration costs. The Regulator shall control the spendings of the Guaranteed Buyer's special-purpose fund".

In view of the above, part five shall be considered part six;

f) parts six shall be supplemented with paragraphs two-four as follows:

"Generators under the Green Tariff and those, who obtained the right to support as the result of the auction, who are about to commission power stations, including phased construction (start-up facilities) before 1 January of the year following the year, in which the intraday market was recognized liquid (before 1 January 2024 the latest) shall compensate the Guaranteed Buyer for the created power imbalances resulting from deviations in their actual hourly output and hourly supply schedule; compensation shall be paid in accordance with the rules of functioning of the Guaranteed Buyer's balancing group.

In the event of deviations in actual hourly output and hourly supply schedule, generators under the Green Tariff and generators, which obtained the right for support as the result of the auction, shall compensate in full for imbalances of the Guaranteed Buyer in accordance with the rules of functioning of the Guaranteed Buyers balancing group provided such generators managed to commission power stations, including phased constructions (start-up facilities) after 1 January of the year following the one, when the intraday market was recognized liquid, or after 1 January 2024 in case the intraday market was not recognized liquid.

the Regulator shall decide on the liquidity of the intraday market";

12) in [Section XVII](#), "Final and Transitional Provisions":

a) paragraphs two - seven shall be removed from clause 3;

b) paragraph 1 clause 11 shall be revised as follows:

"11. The share of compensation to the Guaranteed Buyer of the created imbalances shall be born by economic entities, which form a part of the Guaranteed Buyer's balancing group and sell electric power generated from the alternative energy sources under the Green Tariff or the auction price; such compensation shall amount to";

c) in paragraph two clause 16 the words "entered into by and between wholesale power supplier and generators qualifying for the Green Tariff" shall be replaced with the words and numbers "(including agreements entered into in pursuance with the part four Article 71 of the Law of Ukraine "On Electricity Market"), power purchase agreements between the Guaranteed Buyer and the economic entity, which obtained the right to support as the result of the auction, concluded by the wholesale power supplier hereunder";

d) paragraph four clause 17 shall be taken out;

e) clause 19 shall be revised as follows:

"19. State enterprise, which carries out activities on wholesale supply of electric power shall:

develop and submit to the Regulator draft rules for the "day-ahead" and "intraday" markets within 6 months following the effective date hereof;

have the rights, perform functions and duties of the Guaranteed Buyer, in particular, on matters related to conclusion of power purchase agreements under the Green Tariff (including agreements concluded in accordance with part 4 Article 71 of the Law of Ukraine "On Electricity Market), as well as to the organization of the auctions on allocation of the support quotas and entering into agreements with the auction winners - by the time the Guaranteed Buyer starts its activities as an independent enterprise";

13) in the [Law the](#) words "balancing group of power generators under the Green Tariff " (in all grammatical cases) shall be replaced with the words "balancing group of the Guaranteed Buyer" in an appropriate case.

II. Final and Transitional Provisions

1. This Law shall enter into force on the day following the day of its publication.

2. The state enterprise, which is a wholesale supplier of the electric power, shall have the rights, perform the functions and duties of the Guaranteed Buyer envisaged hereunder by the time the Guaranteed Buyer, to be established under the [Law of Ukraine](#) "On Electricity Market" starts its activities.

3. First annual support quota shall be introduced for the year 2020.

4. Provisions of parts one-three Article 9³ of the Law of Ukraine "On Alternative Energy Sources" shall not apply to economic entities, which produce or intend to produce electric power from biomass and/or biogas on the power stations or their construction phases; Green Tariff for electric power generated from above sources is applicable to power stations commissioned before 1 January 2022.

Economic entities, which produce or intend to produce electric energy from biomass and/or biogas on the power stations or their construction phases, shall have the right to voluntarily participate in the auctions on the allocation of support quotas regardless of the commissioning date of a respective power station, including phased construction.

5. The Cabinet of Ministers of Ukraine:

shall ensure development and approval of the procedure for holding an auction on the allocation of the support quotas - within three months following the effective date hereof;

shall ensure that a pilot auction on the allocation of the support quotas is held; the number of quotas shall be determined by the respective decision on the pilot auction - within six months following the effective date hereof but before 31 December 2019;

shall develop and submit to the Verkhovna Rada of Ukraine of a draft law on introduction of incentives for installation of electric power accumulation capacities on the electric power plants - within six months following the effective date hereof;

shall establish annual quotas for the next five years by 1 December 2019.

The National Commission for State Regulation of Energy and Public Utilities:

shall ensure development and approval of a template agreement envisaged by [Article 71](#) of the Law of Ukraine "On Electricity Market" - within two months following the effective date hereof;

shall ensure development and approval of a template electric power sale and purchase agreement between the Guaranteed Buyer and an economic entity, which obtained the right to support as the result of the auction - within three months following the effective date hereof;

shall ensure compliance of its regulatory acts with the provisions of this Law - within three months following the effective date hereof.

7. Ministry of Environment/Ecology and Natural Resources of Ukraine shall develop and approve (1) the procedure for monitoring the pollutant emission thresholds for the economic entities, which produce electric power from the renewable household solid wastes; (2) template form that certifies compliance of emission generated by a particular power station, which produces electric power from the renewable household solid wastes, with the pollutant emission thresholds - within three months following the effective date hereof.

President of Ukraine	P. Poroshenko
city of Kyiv, 25 April 2019 No. 2712-VIII	