

BRIEF ON KEY BUSINESS ISSUES

№11/2018 02.07.2018 Kyiv

Coal stocks at power plants

	02.07.2017	01.07.2018	02.07.2018	2018/2017, % increase	02.07.2018/ 01.07.2018, % increase	min level of stocks*	2018/min stocks, %	coal reserves for 1 month of work**	Work without supply, days
DTEK TPPs	1 885	1 079	1 085	-42%	1%	1 115	97%	1 529	22
G+DG grade:	1 545	910	910	-41%	0%	891	102%	1 358	21
Zaporiz'ka	259	134	137	-47%	2%	147	93%	242	17
Ladyzhins'ka	273	172	174	-37%	1%	177	98%	154	35
Burshtyns'ka	473	130	123	-74%	-6%	127	97%	403	9
Dobrotvirs'ka	177	47	49	-73%	3%	36	136%	128	12
Kurahivs'ka	363	328	331	-9%	1%	281	118%	364	28
Prydniprovs'ka	-	98	98	-	0%	123	79%	66	46
A+T grade:	340	169	175	-49%	3%	224	78%	171	32
Kryvoriz'ka	98	75	79	-19%	6%	110	72%	74	33
Prydniprovs'ka	101	13	13	-	-	13	-	-	-
Luhans'ka	141	82	83	-41%	1%	101	82%	97	26
Other Ukrainian TPPs	561	461	467	-17%	1%	462	101%	534	27
G+DG grade	132	178	227	72%	28%	200	114%	397	18
A+T grade	429	283	240	-44%	-15%	262	91%	137	54
All Ukrainian TPPs	2 446	1 541	1 552	-37%	1%	1 578	98%	2 063	23
G+DG grade	1 677	1 088	1 137	-32%	5%	1 091	104%	1 755	20
A+T grade	769	453	415	-46%	-8%	487	85%	308	42

* level of coal stocks for 01.08.2018 according to the Stockpile schedule by Ministry (dated 20.06.18)

** on the basis of coal reserves for 1 month of work in the mode of the Stockpile schedule by Ministry (dated 20.06.18) on July 2018

EPC event on electricity sector reform in Ukraine

On June 22nd, 2018, the European Policy Centre and the Mission of Ukraine to the European Union organized a policy dialogue “Electricity sector reform in Ukraine combining the energy transition & European market integration” in Brussels.

Vice President of the European Commission for Energy Union Maroš Šefčovič opened the discussion emphasizing that electricity reform is a gateway to fostering renewable energy, growth and jobs creation. Vice President Šefčovič named three key objectives for Ukraine’s energy sector - creation of a competitive electricity market, investment in infrastructure, solid and sustainable framework for renewable energy production. He reassured that Ukraine could count on the EU's full support in advancing the reform process.

Ihor Nasalyk, Minister of Energy and Coal Industry of Ukraine, stressed that Ukraine is ready to make maximum efforts to intensify cooperation within the Energy Union and supports the implementation of EU investment projects. In this context, he underscored the cooperation with the EIB and the EBRD in the implementation of energy programs as well as the development of public-private partnerships, attraction of the state budget funds for energy sector modernization and acceleration of reforms.

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Torsten Wöllert, Team Leader, Energy and Environment at the Support Group for Ukraine, underlined that the major challenge to implement the Energy Strategy of Ukraine is investments, as it is a key checkpoint of any strategy. Main question is what kind of investment will happen, who will invest and how it will fit with the Energy Strategy.

DTEK as a key investor is promoting electricity market reform, reaching out to all players, government and consumers, emphasized Maxim Timchenko, CEO of DTEK. The company plans to increase its portfolio to 1 GW in renewables by 2020, which requires USD 1 bln. In general, electricity market needs USD 90 bln investments. Mr. Timchenko underlined that it is a huge opportunity for EU investors and invited them to come and take the first move advantage.

To watch the full video of all panelists' presentations including Katerina Karali, Electricity Expert, Eastern Partnership Assistance Unit, Energy Community Secretariat, and Olivier Tricca, EIB Senior Energy Expert, please follow the links [Part 1](#) and [Part 2](#).

MoU Annual Work Plan 2018 published

The long-awaited Annual Work Plan for 2018 for implementation of the EU-Ukraine Memorandum of Understanding on a Strategic Energy Partnership is available now on the [European Commission website](#).

The document includes five main chapters on energy security solidarity and trust, integration of energy markets, enhancing energy efficiency, decarbonisation of the economy and research and innovation. Each part provides the cooperation priorities for 2018.

DTEK jointly with Radar Tech launching Energy Accelerator

DTEK in cooperation with technology cluster Radar Tech announced the launch of the [Energy Accelerator](#) project. The programme is aimed at discovering, developing and supporting innovative projects in the energy sector and related industries. Preference will be given to projects in 11 areas: coal production, oil and gas, logistics, electricity generation and RES, distribution and clients, personnel, corporate responsibility and environment protection, health and safety.

The selection panel will choose 10 applicants for a 3-month training course which includes access to DTEK resources and production facilities, mentoring from the key experts of the company, 250+ academic hours of theory and practice with more than 30 Ukrainian and international speakers. The finalists will also have an opportunity to implement their projects in partnership with DTEK.

Online map of Kyiv electricity networks available

On June 18th, 2018, the map of electricity networks managed by *DTEK Kyivs'ki Elektromerezhi* became [available](#) online. This geo-information system makes it easier to connect to the electricity networks and facilitates more transparent and efficient relations between customers and the energy company. The project was implemented by joint efforts of *DTEK Grids*, Ministry of Economic Development and Trade of Ukraine, and Better Regulation Delivery Office (BRDO).

To comply with *the Law on Electricity Market*, all Ukrainian energy suppliers are obliged to publish the maps of electricity networks starting from January 1st, 2019. *DTEK Kyivs'ki Elektromerezhi* has already fulfilled this obligation. *DTEK Grids* plans to expand the project and create the same service for customers in Dnipro and Dnipropetrovs'k region. The system provides detailed information for customers about the location, voltage, length of power lines, addresses and names of substations, costs for connection, etc. The functionality of the

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system will be expanded and improved to meet the requirements of the Law and make it more convenient for customers.

The Ministry and [BRDO](#) underline that ease and transparency of grid connection is one of the essential indicators for estimating country's investment attractiveness according to the *Ease of Doing Business Index*.

First digital substation to be launched at Primorsk wind farm

DTEK and GE agreed to install high voltage equipment at the 150 kV central power distribution station and two substations of the first stage (100 MW) of the Primorsk wind farm, located in Zaporizhzhia region. This will be the first pilot project in Ukraine employing the innovative technology of "digital substation". It allows real-time assessment of the status of equipment and gives automatic response to damages and malfunctions, thus making technical maintenance of the substation easier. The Primorsk wind farm will thus provide platform for implementation of digital technologies and will set an example for further wind farm designing in Ukraine. Gerhard Seyrling, General Manager of Grid Automation at GE Energy Connections, emphasized that GE is proud to support digital transformation of Ukraine's energy infrastructure. Active usage of key elements of smart grids will allow the energy system of Ukraine to advance its level of reliability and economic efficiency for the benefit of the customers.