

Flash Report

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Changes to the 'green' tariffs for electric power

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Changes to the 'Green' Tariffs for Electric Power

The President of Ukraine signed a law* amending certain legislative provisions regarding the 'green' tariffs for electric power. The main changes are as follows:

- The 'green' tariffs for electric power generated by solar stations commissioned after 1 April 2013 will be reduced by $\approx 27\%$ (for ground-based stations) / $\approx 19\%$ (for other stations).
- From 1 April 2013, the applicable 'green' tariffs for wind energy will be determined based on a power capacity level of each individual wind installation (i.e. not the whole station/farm).
- An increase in the 'green' tariffs by $\approx 50\%$ for hydro power stations with a capacity of up to 1 mW if commissioned after 1 April 2013.
- Introduction of favorable 'green' tariffs for energy generated by biogas (from 1 April 2013) and by household solar stations (from 1 January 2014).
- The local content percentage required to benefit from the 'green' tariffs has been slightly amended. In particular, the 15% local content requirement (rule) will apply for projects commissioned between 1 April 2013 and 30 June 2013. It appears that projects commissioned between 1 January 2013 and 31 March 2013 will be subject to the 30% local content requirement. From 1 July 2014, the 50% rule will apply (subject to certain exceptions).

In addition, from 1 July 2013 the special criteria for determining the percentage of the local content will apply. This will be explained in detail in our next newsletter.

* Law No. 5485-VI dated 20 November 2012 'On Changes to the Law of Ukraine 'On Electricity' regarding Stimulation of Production of Energy from Alternative Sources'