



UNITING
EUROPE'S ENERGY,
TODAY

2025-26 IMPLEMENTATION RESULTS

The progress of Ukraine

Committee on Energy and Housing and Communal Services
Verkhovna Rada of Ukraine

MAY 2026

OVERVIEW

- Outlook of Ukraine's key achievements in 2025-2026
- Ukraine's Energy Community acquis implementation snapshot
 - Markets and Integration
 - Decarbonisation
 - Security of Supply
 - Improving the Environment
 - Performance of authorities
- The road ahead

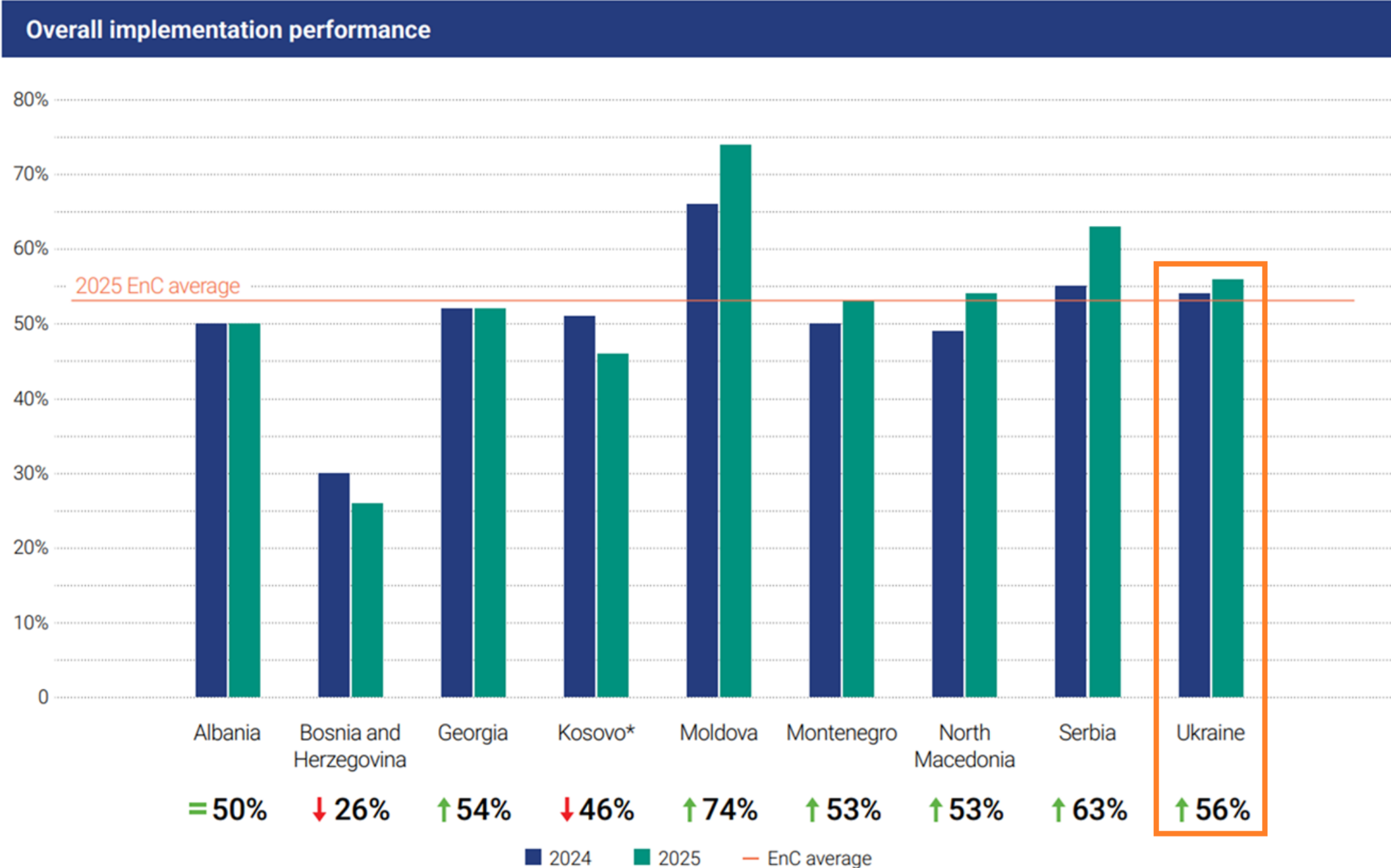
KEY ACHIEVEMENTS IN 2025-2026



- Adoption of the Law No. 4187-IX of 08.01.2025 “On Introduction of Amendments to Certain Laws of Ukraine regarding the Resumption of the Monitoring, Reporting and Verification of Greenhouse Gas Emissions”
- The Cabinet of Ministers of Ukraine adopted the National Energy and Climate Plan (NECP) on 25 June 2024. Within the framework of biennial integrated progress reports, the authorities of Ukraine submitted information for all of the 17 reporting streams in 2025
- The Cabinet of Ministers of Ukraine adopted the Roadmap for decoupling the renewable energy surcharge from the electricity transmission service tariff and the action plan for the implementation of the Roadmap for decoupling the renewable energy surcharge from the electricity transmission service tariff for 2025 and 2026 (No.612-p of 25.06.2025)
- Resolution of the Cabinet of Ministers of Ukraine (CMU) of 21.02.2025 approving the Action Plan for the establishment of a national GHG emissions trading system (ETS)
- CMU Resolution of 29.10.2025 adopting the Second Nationally Determined Contribution (NDC2) of Ukraine to the Paris Agreement. The target is to reduce the net (with account of removals) GHG emissions by over 65% in 2035 compared to the 1990 level
- Following the “Mindichgate” controversy, Ukraine initiated a reset of supervisory boards in key energy state-owned enterprises to strengthen governance and restore public trust. The process focuses on improving transparency, tightening oversight, and aligning board composition with corporate governance standards expected by international partners
- Adoption of the Law of Ukraine No. 4834-IX “On the Implementation of EU Law and Integration of Energy Markets (EIP)” by the Verkhovna Rada on 7 April 2026
- Following several rounds of price cap revisions, NEURC's latest decision on the day-ahead and balancing markets, effective as of May 2026, is not expected to significantly impact the electricity market

IMPLEMENTATION PERFORMANCE

Ukraine vs other Contracting Parties



Progress

- ❖ Some provisions of the Electricity Directive (EU) 2019/944 have been included in the national legislation (on storage, active customers, and aggregation, etc.), however the substantial part of the Electricity Integration Package was still to be transposed.
- ❖ Regulation (EU) 1227/2011 was transposed by the Law on REMIT in June 2023, and NEURC has adopted all necessary secondary legislation.
- ❖ Regulatory restrictions in the electricity market remain in effect (low price caps; obligations for producers to sell electricity via bilateral contracts exclusively at electronic auctions under the procedure defined by the CMU; non-cost-reflective regulated prices for households and several other categories of customers, etc.).
- ❖ NPC “Ukrenergo” conducted four auctions and procured long-term (five-year) reserves of the Frequency Containment Reserve (FCR) and automatic Frequency Restoration Reserve (aFRR). Tender for new generating capacity (based on the repealed Directive 2009/72/EC) was initiated by the Government on 13 August 2024; the process was finalized in December 2025.
- ❖ The EIP Law [4834-IX](#) was adopted by the Verkhovna Rada on 7 April 2026.
- ❖ Amendments to the TSO Charter of February 2026, according to which all the decisions by the Supervisory Board are to be taken by a simple majority, which strengthens the Supervisory Board's independence and efficiency.
- ❖ NEURC reviewed maximum price caps, effective as of 1 May 2026 (DAM/IDM - UAH 15,000/MWh; BM – UAH 17,000/MWh).
- ❖ CMU extended the Household PSO Act until 31 October 2026, without the proper justification.
- ❖ In 2025–2026, measures to simplify the grid connection of generating facilities to electricity distribution system grids to reduce the shortage of generating capacity were accelerated (the NEURC Resolution No. 49 as of 13 January 2026).
- ❖ 90% of 2025 TSO revenues resulting from the cross-border capacity allocation were used to cover costs not foreseen by Regulation (EU) 2019/943, such as debts on the balancing market and RES PSO.
- ❖ Starting from January 2026, monthly allocation for the cross-border capacity between neighbouring EU MS and UA was introduced.
- ❖ On 2 February 2026, the Draft Law No. 13450 “On Energy Infrastructure Projects of Public Interest” (aimed to implement core principles of the TEN-E Regulation) was prepared for second reading.

Needs to be addressed

- ❖ Complete the EIP transposition, the adoption of the relevant secondary legislation and TCMs aligned with the EIP should be prioritised.
- ❖ Market barriers are to be removed.
- ❖ Tax legislation relevant for the ITC mechanism and the market integration is to be adopted.
- ❖ The scope of retail customers subject to supply under regulated prices and the conditions for the introduction of such intervention have to be aligned with the Electricity Directive.
- ❖ The TEN-E Regulation (EU) 2022/869 is to be transposed without further delay.

MARKETS & INTEGRATION

Gas



Progress

- ❖ The gas transmission operator GTSOU has been unbundled and certified, governance reforms are underway, and gas distribution operators have been consolidated under Naftogaz, though compliance with EU unbundling rules remains uncertain.
- ❖ Third-party access exists across transmission, storage, and distribution with regulated tariffs, but the new tariff methodology lacks required transparency and full compliance with EU regulations. While essential network access information is available and capacity platforms are in use, key data (like capacity utilization) is not fully published, and bundled capacity products are still missing at some borders such as Ukraine–Moldova.
- ❖ Gas market reforms have stalled since the Russian invasion, with exports banned and most trading constrained by state intervention despite a legal framework for balancing and trading mechanisms. The extended PSO scheme keeps gas prices below market levels, strengthens Naftogaz's dominant role, and contributes to rising its debt, although supplier switching and last-resort supply mechanisms are in place.

Needs to be addressed

- ❖ New GTSOU Charter was approved by the dedicated Deputy Minister of Energy on 28 January 2026. It provides that Supervisory Boards will decide on all matters by simple majority, as recommended by the Secretariat. The establishment of a SB and CEO should be resolved asap. GTSOU has to unbundle the gas-to-production part by 1 January 2027. DSOs need to be unbundled in line with the EnC acquis
- ❖ Adoption of the roadmap for the gas market liberalisation
- ❖ Some steps to reduce the scope of the PSO taken, the PSO reform is needed; Canceling natural gas export ban
- ❖ Full implementation of the network codes – as of this year on all borders, save for the derogated IPs

DECARBONISATION



Governance & Climate

NATIONAL ENERGY AND CLIMATE PLANS

The Cabinet of Ministers adopted the NECP of Ukraine on 25 June 2024. Within the framework of biennial integrated progress reports, the authorities of Ukraine submitted information for all of the 17 reporting streams in 2025.

GREENHOUSE GAS 2030 TARGET

Ukraine has defined the 2030 climate target in its national legislation (the adopted Climate Law), and it is aligned with the 2030 target set by the Energy Community, 2030 GHG Target, -65,0%

NATIONAL SYSTEM FOR CLIMATE REPORTING

There is a legal basis for a national greenhouse gas (GHG) inventory system and Ukraine has implemented a national system for estimating GHG. The information on national emission projections, the national system for PaMs and revenues from carbon pricing still need to be submitted via the Reportnet system.

NATIONAL GREENHOUSE GAS EMISSIONS POLICIES AND MEASURES

Reporting obligations have not been transposed in legislation. Ukraine has not nominated lead reporters for the Governance Regulation reporting activities, and no reporting activity was initiated. MRV is relaunched in 2025

LONG-TERM STRATEGY AND CLIMATE NEUTRALITY

Ukraine is currently updating its longterm strategy in line with the requirements of the adapted Governance Regulation. The long term strategy should include the elements set out in the adapted Governance Regulation and represents an opportunity to align with the Energy Community's 2050 climate-neutrality objective

DECARBONISATION



Renewable Energy

2030 RENEWABLE ENERGY TARGETS

The overall target of achieving a 27% share of renewable energy in the gross final energy consumption, as outlined in the adopted NECP, is in line with the 2030 target set by the Energy Community. The overall 2030 renewable energy target is subdivided into sectorial targets for electricity (25,4%), transport (17,2%), and heating and cooling (35%). The targets for both transport and heating and cooling are in line with the requirements of Renewable Energy Directive (REDII)

QUALITY OF SUPPORT SCHEME

Support renewable schemes continue to operate under an administratively determined feed-in tariff. The law adopted on 10 February 2026, Law No. 4777-IX, envisages that support for RES in the results of auctions will be provided through the improved market premium mechanism. The law also encourages the development of projects that combine electricity generation with storage. Law No.4777-IX also extends the auctions for the allocation of support quotas for electricity producers from RES until 2034.

SELF-CONSUMPTION AND ENERGY COMMUNITIES

Ukraine continues to provide self-consumers with feed-in tariffs that are determined administratively. The Green Transformation Law provides the legal basis for a shift to net-billing mechanism, while the feed-in tariff will apply only for households until the end of 2029

GUARANTEES OF ORIGIN

By the Law 4777-IX (adopted 10 February 2026), NEURC is empowered to recognize the GOs issued in the EU and Energy Community under the principle of reciprocity, namely, if a relevant country, the EU, and Energy Community recognizes the GOs issued in Ukraine.

BIOFUELS, BIOLIQUIDS/BIOMASS FUELS, SUSTAINABILITY CRITERIA

A mandatory minimum content of liquid biofuel (biocomponents), which shall apply from July 1, 2026. It is defined as the content of liquid biofuel (biocomponents) in all volumes of automotive gasolines sold from wholesale fuel outlets, retail fuel outlets, in which the total bioethanol content is more than 7% by volume. Provisions on biomass sustainability criteria are included in the draft law № 14271 to be adopted by the Verkhovna Rada

RENEWABLE ENERGY IN HEATING AND COOLING (H&C)

Ukraine has prepared a draft Renewable Energy Law to transpose the remaining provisions of Articles 23 and 24 of REDII that are not yet reflected in existing primary and secondary legislation.

DECARBONISATION



Energy Efficiency

2030 ENERGY EFFICIENCY TARGETS AND POLICY MEASURES

Ukraine's energy efficiency legislation is largely aligned with the amended Energy Efficiency Directive. In line with the Energy Efficiency Law, Ukraine's 2030 energy efficiency targets and National Energy Efficiency Action Plan (NEEAP) set up to 2030. The adopted energy 2030 efficiency targets are aligned with the 2030 energy efficiency targets, also in the NECP adopted in June 2024

ENERGY EFFICIENCY IN BUILDINGS

Ukraine adopted the majority of by-laws to implement the Energy Performance of Buildings Law, including a national plan to increase the number of nearly-zero energy buildings. Further efforts are needed to strengthen the enforcement of minimum energy performance requirements and to fully operationalise energy performance certification, to support Ukraine's large-scale building reconstruction and energy efficiency goals

ENERGY EFFICIENCY SCHEME AND FINANCING

The energy efficiency obligation scheme was not fully implemented due to inadequate procedures and monitoring. The Energy Efficiency Fund provides grants for renovations and renewables in residential buildings. The State Fund for Decarbonisation and Energy Efficient Transformation, established in 2023, became operational in 2024. It issues energy efficiency loans and continues to finance a broad spectrum of energy efficiency programs and initiatives; however, it needs improvement. Energy efficiency criteria have not been incorporated into public procurement procedures.

ENERGY EFFICIENCY PRODUCTS – LABELLING

Ukraine has adopted all energy labelling regulations related to the Labelling Directive, including five additional regulations with rescaled energy labels, thereby completing implementation of the Framework Labelling Regulation (EU) 2017/1369. The country has also transposed the Ecodesign Directive 2009/125/EC and a number of product-specific implementing regulations.

ENERGY EFFICIENCY IN HEATING AND COOLING (H&C)

Ukraine remains focused on repairing damaged district heating infrastructure and deploying decentralised heating alternatives. At the same time, reforms are progressing, the Government has approved the State Target Programme for Energy Modernisation of Heat Supply Enterprises until 2030, which includes a number of measures to support the roll-out of consumption-based metering and billing and improve the efficiency of district heating networks.

DECARBONISATION



Emission Trading Scheme (MRV)

FOUNDATIONS, INSTITUTIONS, PERMITS

Reporting under the MRV, which had been suspended due to the introduction of martial law, was relaunched at the beginning of 2025. The competent authority responsible for managing the system began the process of re-identifying entities and resumed the system of registration and approval of monitoring plans. Ukraine is currently working on improving the MRV system and bringing it into line with the requirements of the EU ETS Directive and its regulations, as well as on launching of ETS in Ukraine.

MONITORING AND REPORTING

The national UA legislation introduces basic provisions on the estimation of emissions by the competent authority in the event that the operator of an installation fails to submit a report. In 2025, the obligation for installations to monitor and report emissions was reinstated.

VERIFICATION AND ACCREDITATION

Ukraine has partially transposed the provisions of the Accreditation and Verification Regulation, particularly regarding the verification process, into the national legal system through adoption of the Principles of Greenhouse Gas Monitoring, Reporting and Verification Law and other secondary legal acts: however, some elements of the accreditation requirements remain absent, such as activities related to the scope of accreditation for GHG verifiers. The obligation to submit annual emissions reports verified by an accredited verifier has been introduced into national law and the National Accreditation Agency of Ukraine was appointed as a national accreditation body. Accreditation processes have been implemented, and some verifiers have already been accredited and can provide verification services to installation operators.

Security of Supply – Electricity, Gas and Oil



The transposition of Regulation (EU) 2017/1938, as adapted for the Energy Community in 2021, 2022 and 2025, is pending.

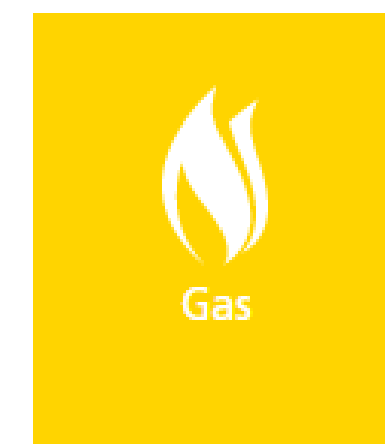
Ukraine has transposed and implemented Regulation (EU) 2022/1032, fulfilling its obligations regarding storage system operator certification in early 2023 and achieving the gas storage trajectory levels for four subsequent years

The amendments to the Gas Law, transposing missing elements of Regulation (EU) 2017/1938 finalised by the Government and submitted to the Parliament in April 2026. – adopt the draft law, Risk assessment, Preventive and Emergency Plans.

Oil - The legal and regulatory framework governing minimum reserves of oil and petroleum products in Ukraine is based on the Law on Minimum Reserves of Oil and Petroleum Products. Due to martial law, Ukraine did not report any data to the Secretariat during the reporting period.

By the end of 2025, key implementing regulations had been adopted, including procedures for monitoring product quality and safety, tracking market volumes, operating the electronic reporting system, and establishing and managing the minimum reserves system.

Ukraine is encouraged to continue progressing towards the timely adoption of the remaining secondary legislation needed to complete the minimum oil stocks framework, including procedures for system operation and the methodology for calculating reserve levels, which are essential for full alignment with EU Directive 2009/119/EC. it would be beneficial to further advance clarity through the ongoing consultation process, with a focus on better aligning public expectations regarding oil security with the practical implementation role of industry operators and responsible institutions. This would help ensure consistent understanding across stakeholders and support smoother system functionality.



IMPROVING THE ENVIRONMENT



ENVIRONMENTAL ASSESSMENTS

Ukraine did not provide substantive updates during the reporting period. Concerns remain regarding proposed wartime exemptions from environmental impact assessment (EIA) and strategic environmental assessment (SEA) procedures, with civil society and the European Parliament warning that the planned approach may weaken environmental safeguards and fall short of EU requirements. Environmental permitting for wind projects also continues to face significant legal and procedural obstacles, while Ukraine is still updating its National Energy and Climate Plan (NECP), with further information on the SEA process expected.

LARGE COMBUSTION PLANS

Despite ongoing Russian attacks on Ukraine's energy infrastructure and the challenges this creates for implementation of the Large Combustion Plants Directive, Ukraine continued timely emissions reporting in 2024 and maintained implementation of its National Emission Reduction Plan (NERP). Emissions of sulphur dioxide, dust, and other pollutants declined significantly compared to 2023, allowing Ukraine to remain within NERP ceilings, although part of the reduction resulted from damage to power plants and limited data availability from occupied territories.

SULPHUR IN FUELS

The legislative framework in Ukraine is compliant with the requirements of the Sulphur in Fuels Directive; implementation, however, remains impossible under the ongoing conditions of military aggression.

NATURAL PROTECTION

In 2025, Ukraine continued expanding and managing protected areas despite the ongoing war, with around 19% of its land designated as protected. However, a large share of forests, steppes, and high-value conservation areas remains under occupation or in active combat zones, exposing Ukraine's biodiversity and ecosystems to severe environmental damage and long-term risks.

ENVIRONMENTAL LIABILITY

Administrative liability is regulated by the Code of Ukraine on Administrative Offences, which partially transposes the provisions of the Environmental Liability Directive. The current situation, however, renders implementation impossible in practice.

PERFORMANCE OF AUTHORITIES



REGULATORY AUTHORITY

The draft laws strengthening NEURC's independence were registered in December 2025. These amendments, once adopted in accordance with the Ukraine Plan, shall eliminate current non-compliances regarding NEURC's powers and tasks, interaction with other state authorities, selection procedures, rotation, budgeting, and human resources. NEURC progressed with REMIT implementation, being the first NRA in the Contracting Parties, conducting the investigations and applied sanctions

COMPETITION AUTHORITY

During the reporting period, the Antimonopoly Committee of Ukraine (AMCU) committee adopted three decisions on anti-competitive agreements and concerted practices and nine decisions on abuse of dominance. It also opened 24 antitrust investigations related to the energy sector. Furthermore, it is currently conducting two sectoral inquiries on the electricity market: one on the ancillary services and balancing market, and one on the bilateral contracts market, day-ahead market, and intraday market.

STATE AID AUTHORITY

The Antimonopoly Committee of Ukraine (AMCU) is the national authority responsible for the enforcement of the State aid prohibition. Currently, 27 staff members of AMCU are working on State aid matters. AMCU has the power to investigate (including requesting information) and assess potential State aid measures and to authorize aid or order recovery of unlawful aid.

STATISTICAL AUTHORITY

Due to martial law, individuals, businesses, institutions and public bodies are exempt from reporting to the State Statistical Service of Ukraine (SSSU) from March 2022 until three months after the end of martial law. As a result, SSSU is currently unable to produce official statistics.

THE ROAD AHEAD

- The EIP transposition should be completed, and the implementation of the Law should be prioritized (adoption of the secondary legislation)
- Draft Law to Strengthen NEURC Independence must be adopted without further delay and NEURC shall adopt measures to enhance institutional integrity and transparency
- The new (revised) TEN-E Regulation 2022/869, as adopted in the Energy Community in December 2023, must be transposed without further delay
- Further improvement of the long and medium-term capacity allocation on EU-UA borders should be prioritized
- The adoption and implementation of the PSO phaseout roadmaps for electricity and gas PSO prices is needed
- The ban on the export of gas extracted in Ukraine should be revised



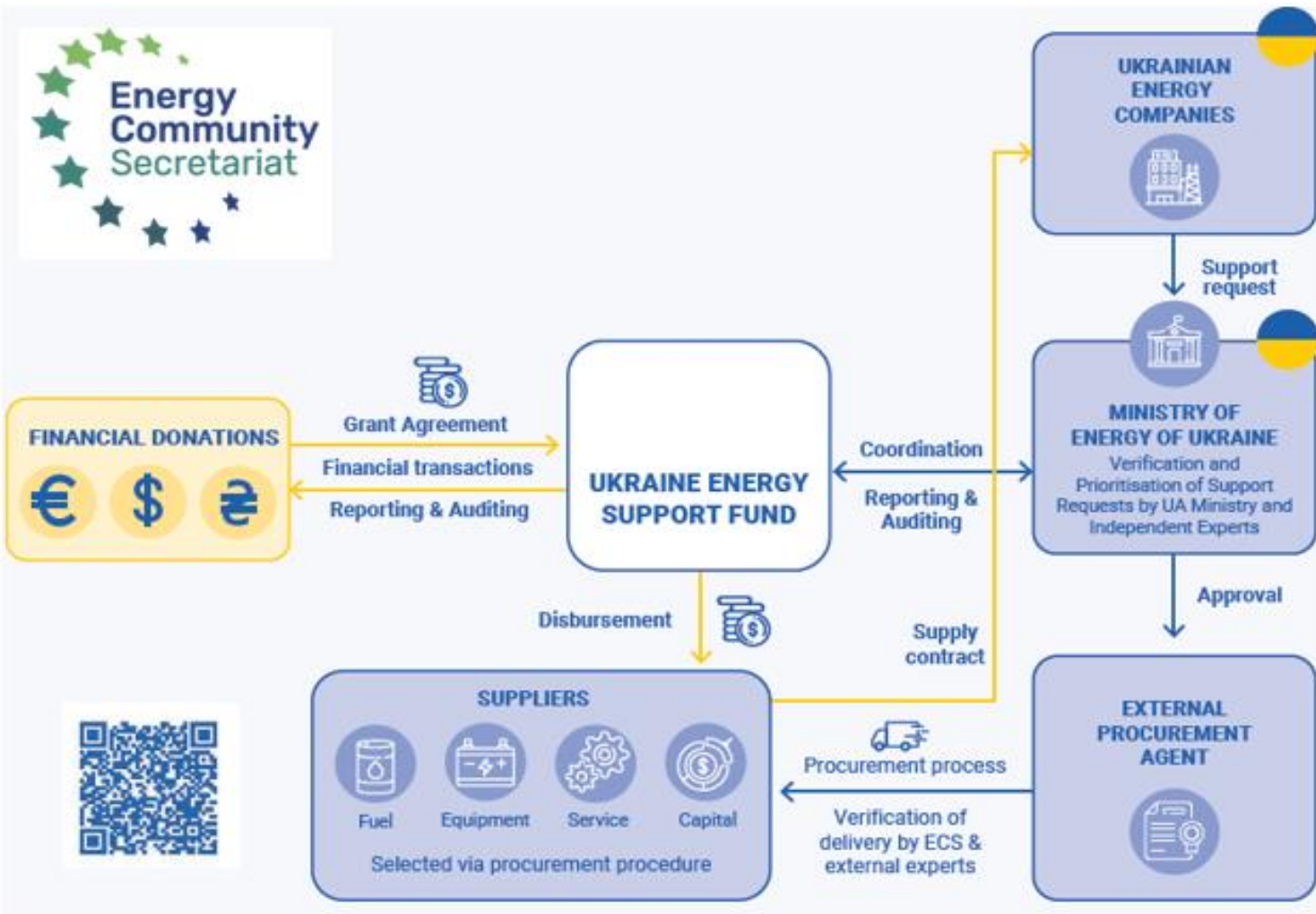
THE ROAD AHEAD

- The ETS primary and secondary legislation approval is needed, as well as the ETS launch
- Primary and secondary legislation on sustainability criteria for biofuel/biogas to be implemented
- Consideration and further implementation of the ECS-developed RES Roadmap is preferable
- Implementation of Roadmap for RES surcharge separation from the transmission tariff is needed
- Implementation of the ECS-developed Natural Gas Market Roadmap is preferable



UKRAINE ENERGY SUPPORT FUND

Mechanism and Mission



Established at the request of the **European Commission** and in cooperation with the **Ministry of Energy of Ukraine**.

The Fund is a **trusted channel for Donors (GOVs, IOs, corporate)** to support Ukraine's energy sector resilience, address needs.

Support (equipment, services, passive protection, etc.) is **supplied to Ukrainian companies**. Its eligibility list and **needs' prioritisation are managed by the Ministry** of Energy of Ukraine (dedicated Working Group).

Procurement is handled by an **independent procurement agent** with sanctions screening of bidder / beneficial owner(s).

Operations are transparent, audited, while regular and ad hoc reporting is provided to the Donors, Ministry, the public. Internal **three-level compliance** for contract verification and invoice reconciliation.

Total damage to Ukraine's energy sector
~US\$ 24.8 billion

War-related losses across the sector
~ US\$88.2 billion

Total recovery and reconstruction needs
~ US\$90.6 billion

UKRAINE ENERGY SUPPORT FUND



Safeguards and Compliance

- ✓ **Multi-stakeholder approval of Support Requests** by the Working Group under the Ministry of Energy of Ukraine;
- ✓ All procurements are executed by the **independent procurement agent**;
- ✓ **No payment risks** – funds are secured in the special purpose bank account for each procurement before it begins;
- ✓ **Performance security** through required for suppliers an irrevocable and unconditional bank guarantee;
- ✓ **Clear institutional fiduciary framework** – neither the Government of Ukraine nor donors directly manage the Fund's resources or procurement;
- ✓ **Direct payment to suppliers** upon completion of a **three-step control process** (end-to-end traceability of payments);
- ✓ Comprehensive **reporting framework in all operations**;
- ✓ **Sanctions screening** in full compliance with international sanctions and integrity standards (**bidders must confirm the country of origin**).



Current Status *(as of 11 May 2026)*

Total signed contributions: EUR 1,946,376,899

with over half a billion euros (~ EUR 600 million) committed to the Fund since mid-November 2025

- ✓ Over EUR **930** million contracted
- ✓ Over EUR **660** million is reported delivered
- ✓ Over EUR **740** million is allocated

Total number of contracts concluded: **1,204**

Financial operations (payments) implemented:

- ✓ over **2,400** in all years of Fund's operation
- ✓ **928** during 2025 / or **357** since beginning of 2026
- Over 70 companies obtain support under the Fund
- With the Ray of Hope initiative - 23 regions of Ukraine are covered

UKRAINE ENERGY SUPPORT FUND



2025 Results

- ✓ **92% of equipment** contracted under the Fund by the end of December 2024 was **reported delivered by the end of 2025**
- ✓ **73%** is the **ratio of contracts** concluded under the Fund **where all equipment are installed** out of the total number of verified contracts
- ✓ As of 31 December 2025, equipment representing **88%** of the disbursed value **had already been installed on the ground** (disbursement/delivery ratio)
- ✓ **76%** of total Fund's support were **provided to electricity generation, distribution, and transmission**
- ✓ **40%** of all delivered goods and services being **power generation equipment or transformers**

Ray of Hope status

- ✓ **265 projects are covered** by the initiative at different implementation stages
- ✓ **135 tenders launched** for 120 projects (including re-tenders)
- ✓ **93 EPC Contracts signed**
- ✓ **58 projects – generation commenced**
- ✓ **Overall expected project pipeline** (subject to availability of funds): **687 healthcare facilities** selected by the Ministry of Health of Ukraine.



THANK YOU!



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