

INTERVIEW

Mr. Kostiantyn Gura – Acting Head of the State Agency on Energy Efficiency and Energy Saving of Ukraine (SAEE)

1. *What are main responsibilities of the SAEE?*

The State Agency on Energy Efficiency and Energy Saving of Ukraine (SAEE) is the central executive authority directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Energy of Ukraine.

The SAEE implements state policy on energy efficiency and renewable energy.

According to the SAEE's statute the main tasks are:

- realizing state policy in the field of efficient use of fuel and energy resources, energy saving, renewable energy sources and alternative fuels;
- ensuring the increase of renewable energy sources and alternative fuels in the energy balance of Ukraine;
- providing administrative services in these spheres;



Abbildung 1 Kostiantyn Gura; Credit: SAEE

- submitting proposals as for state policy development to the Minister of Energy.

In other words, we are the chief authority responsible for cross-sectoral energy efficiency policy in Ukraine. Our key aim is energy independence, decarbonization and sustainable economic development of Ukraine and Ukrainians.

At the same moment we understand that progress in this direction depends on the unity and coherence of different stakeholders. So we are always open and cooperate with many target groups and partners.

2. *What are main initiatives of SAEE to improve energy efficiency and develop clean energy in Ukraine?*

At first, I would like to admit that Ukrainian energy independence is a matter of national sovereignty and macroeconomic stability. In this context energy efficiency and renewable energy are essential tasks on the way to this

goal.

What are the concrete challenges for Ukraine and what are our decisions?

Today the energy intensity of Ukraine's economy is 2-3 times higher than that of our western neighbors. Besides, we are still dependent on natural gas and other traditional energy resources import.

To solve the problems, we developed a **number of legislative acts and mechanisms according to the European directives and practice.**

As a result since 2014 the implemented steps stimulated the attraction of **6,7 bln euros of private investment in energy efficiency, renewable energy and the economy** as a whole, in particular:

- "Warm loans" is the first national program in Ukraine, which provided real support and incentives for more than 860 thousand families to invest about 8.6 billion UAH in energy saving measures and save 20-40% or more of payment costs. This effective program needs to be continued. The Government adopted a bill on the program continuation in 2021.
- The ESCO-mechanism, co-authored by the Agency, has allowed the conclusion of more than 500 ESCO contracts worth more than UAH 1.2 billion to modernize kindergartens, schools, hospitals and other public institutions. The Law has now been drafted to remove existing barriers to ESCO procurement. The Law is expected to be approved and adopted as soon as possible.

- The market of energy efficiency certification services for buildings has been developing. Many specialists have been trained and received more than 2,200 qualification certificates, which indicates high demand for these services. Every month, energy auditors make up about 200-300 energy certificates. Since September 2018 more than 5000 building certificates with different energy efficiency classes and recommendations for their thermal modernization have already been issued.
- More than 220 local authorities are implementing energy management systems in the public sector.
- 1.3 billion euros per year are the funds saved due to the consumption reduction of 7 billion m³ of natural gas by the population, budgetary institutions, utility companies in 2019 compared to 2014. This was also achieved by energy-efficient projects and installing more than 2.4 GW of biomass-to-heat capacities.
- More than 7 GW of new renewable projects worth almost 6 bln euros have been introduced in Ukraine since 2014.
- More than 27,000 families, who have invested over 560 million euros in solar panels, are now less energy dependent and save on bills.

These are some of our main achievements. We have opened energy efficiency and renewable market, attracted investors.

The SAEЕ together with the Ministry of Energy keep on working on legislation amendments and implementing a number of energy efficiency initiatives:

- the fundamental draft law "On Energy Efficiency";
- the draft National Energy Efficiency Action Plan of Ukraine till 2030;
- the draft of five-year targeted energy efficiency program, which will cover various sectors of the economy and provide appropriate state support;
- the draft law on stimulating industry to energy efficiency;
- the draft law on the removal of existing barriers to ESCO procurement and ESCO introduction at the utility companies;
- draft laws that will promote bioenergy development, namely:
 - on solid biofuels market;
 - on energy crops cultivation;
 - on removal of CO₂ taxation from biomass;



Abbildung. Power plant on biomass with a capacity of 5 MW in Pereyaslav, Kyiv region. Credit: SAEЕ

➤ on biomethane production development.

- UNIDO, a partner of the SAEЕ, together with Ukrgasbank, has established a Loan Guarantee Fund for industrial enterprises to implement energy management and energy efficiency projects.

3. *Does SAEЕ develop international cooperation?*

SAEЕ takes all necessary measures to establish and deepen international cooperation in energy efficiency and renewable energy sectors. Such cooperation is maintained by signing memorandums, involving international technical assistance projects, experience exchanging on effective legislative incentives.

In particular, for the last five years there have been signed Memorandums of Understanding with **12 countries: Germany, Slovakia,**

Slovenia, Finland, Denmark, China, Moldova, Portugal,

Belarus, Croatia, UAE and Hungary.

Moreover, we are actively working with international technical assistance projects as **GIZ, UNIDO, UNDP, USAID**, which provide technical and expert support for developing regulatory framework.

In addition in February 2018 Ukraine became a member of **International Renewable Energy Agency «IRENA»** and received access to world best renewable energy development instruments. Each year the SAEE takes part in the IRENA sessions. Besides, together with IRENA the SAEE organized webinars and conferences on green auctions introduction. Moreover according to the SAEE invitation the IRENA Director-General Francesco La Camera visited Ukraine for the first time in 2019 and held a speech about the global renewable trend and Ukrainian prospects at the 10th International Investment Renewable Energy Forum initiated by the SAEE.

It is also worth mentioning that under the framework of the MoU between the SAEE and the Ministry of Foreign Affairs of the Republic of Finland, there has been launched the **Finland Ukraine Trust Fund**, which is administrated and coordinated by NEFCO and SAEE. Currently Finland Ukraine Trust Fund has considered more than 110 applications and supported 34 project proposals on providing grant support for clean energy projects preparing in Ukraine.

Ukraine is also interested in cooperating with the EU within the European Green Deal. In order to establish a dialogue and clear cooperation, it is envisaged to develop a joint Roadmap as for Ukraine's participation in the European Green Deal, taking into account the priorities of economic development.

In particular, there are considered important areas of partnership between Ukraine and the EU:

- energy efficiency increase at all levels: from energy production to its consumption;

- hydrogen development;
- renewable energy projects implementation in local communities, development of energy cooperatives, smart grids, energy storage systems, cogeneration;
- transition to environmentally friendly technological solutions in industry and production of more energy- and resource-efficient goods;
- increasing the energy efficiency of heating and water supply systems;
- introduction of mandatory energy management systems for public buildings;
- green bond market introduction and many others.

We are always open to effective dialogue with the world's leading countries in order to follow the global trend of decarbonization and green transition.

4. The Twinning project together with SAEE and an Austrian-Italian consortium has taken place in order to assist SAEE in various areas. Would you let us know / share your thoughts on the experience gained throughout the project?

On the way towards decarbonization Ukraine is implementing EU norms and directives. For more than one and half year we've worked side by side with our Austrian and Italian colleagues within the EU-funded Twinning project "Renewables Development in Ukraine".

The main areas of cooperation were:

- implementing the Directive 2009/28/EC;
- implementing the National Renewable Energy Action Plan till 2020;
- raising awareness of the renewables benefits.

The joint efforts have been focused on improving legal framework for renewable energy development in Ukraine. The project has succeeded in:

- drafting proposals to improve and implement a system of guarantees of origin of electricity from renewables;
- providing recommendations on introducing sustainability criteria for biofuels to ensure its sustainable origin;
- providing guidelines on statistical data collection;
- organizing a series of public workshops for stakeholders etc.

Particular attention was paid to the development of biofuels in transport and the renewable energy benefits promotion. In particular, there have been developed proposals for a draft law on liquid biofuels usage in the transport sector, five information brochures for the population on the benefits of using different renewable technologies and a video "Clean Energy for Your Family".

The gained experience will help Ukraine to reduce energy dependence and develop a sustainable economy. We would like to thank the EU and we hope it will continue its support for Ukraine.

5. Do you have knowledge of any Austrian companies working in the renewable energy sector in Ukraine? Do you already have any experiences with Austrian companies, and if yes would you share your experience(s) with us?

We appreciate the Austrian interest in cooperation with Ukraine. We have held numerous meetings with the Ambassador of Austria to Ukraine and "Advantage Austria" representatives discussing the prospects of energy efficiency and renewable market in Ukraine. So we are sure that the bilateral cooperation of two countries can help to develop profitable projects.

Also I would like to pay attention of Austrian stakeholders to the UAMAP – Investment Energy Efficiency and Renewable Energy Map of Ukraine that accumulate more than 180 potential projects worth almost 5 bln euros.

6. In your opinion and in what areas would further support for SAEE's activities be of help?

We understand global challenges, Ukrainian opportunities and already now we are working on:

- hydrogen development;
- green bonds market introduction;



Abbildung 2 Kostiantyn Gura, Credit: SAEF

others issues.

7. If we do the interview again in five years, where do energy efficiency and renewable energies in Ukraine stand then? What is your vision for the future?

Our goal is to go in line with the global trends and stimulate multiplication of energy efficiency projects in every sector of economy (housing, public sector, industry, transport etc.). So we should deepen energy efficiency and decarbonization development creating favorable legislative conditions for business, investors and scientists.

Besides I hope that such initiatives as Finland Ukraine Trust Fund will be an example of successful cooperation between two countries and will encourage further similar partnerships.

Also Ukraine has a huge hydrogen production potential and can be a reliable partner for EU in this sphere. So today's work should result in concrete cases.

8. How does a day at the office usually look like for Kostiantyn Gura?

One of my principle is to start every day with clear vision and goals. So my days are full of plans, tasks, negotiations, meetings, public events. I don't waste time. In such a fast world of globalization and information technologies we should work hard

➤ decarbonization, energy efficiency increase in industry and

and purposefully, catch every opportunity and get concrete results.

9. Can you describe to our readers a little bit what you do in your free time to relieve the stress of everyday working life?

To be in trend I am reading a lot and following the news. Besides, time spent with family gives energy and inspiration. I also try to go in for sports if possible.

End of the Interview

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