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MUNICIPAL HEATING
REFORM IN UKRAINE

MUNICIPAL HEATING REFORM PROJECT (MHR)

NATIONAL ACTION PLAN ON ENERGY EFFICIENCY
IN UKRAINE'S HEATING SECTOR
CABINET OF MINISTERS' ORDER #588 OF JULY 30,
2012

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APPROVED
by the Order of Cabinet of Ministers
of Ukraine

dated 2012

ACTION PLAN
on Normative and Legal Provision of Energy Efficient Policy in Heat Consumption and
Modernization of Heating Sector

Ensuring Transparent, High-Quality Functioning and Investment Attractiveness of Heating
Utilities

1. To introduce 100% metering of heat energy production, in particular, through strengthening of control over compliance by the heating utilities with the licensing terms on mandatory full metering of heat energy.

Council of Ministers of the Autonomous Republic of Crimea, oblast, Kyiv and Sevastopol city state administrations, National Communal Services Regulatory Commission (upon consent).

October 2012.

2. To develop and submit for consideration of the Cabinet of Ministers of Ukraine the draft Law on mandatory introduction of commercial metering of heat energy and water in the sector of heat supply and district water supply.

Minregion, National Communal Services Regulatory Commission (upon consent).

November 2012.

3. To develop and adopt the resolutions on setting of differentiated tariffs for heat supply, in particular, tariffs which include investment component for installation of building-level meters and which do not include investment component (for the consumers which installed building-level meters at their own expense).

National Communal Services Regulatory Commission (upon consent).

December 2012.

4. To develop and adopt the normative and legal acts on introduction of the mechanism for financial support to the heating utilities, condominiums, housing and construction cooperatives during installation of building-level meters through cheaper loans and envisioning of the relevant funds in the state and local budgets.

State Agency on Energy Efficiency, National Communal Services Regulatory Commission (upon consent), Minregion, National Bank (upon consent), JSC "Ukreximbank" (upon consent), JSC "Oshchadbank" (upon consent).

November 2012.

5. To establish that the mandatory condition for the first stage of investment programs of the heating utilities and the requirement for obtaining by them of the loans is 100% metering of heat consumption.

Council of Ministers of the Autonomous Republic of Crimea, oblast, Kyiv and Sevastopol city state administrations, Minregion, National Communal Services Regulatory Commission (upon consent), NERC (upon consent).

November 2012.

6. To ensure support in the Verkhovna Rada of Ukraine for the draft Law of Ukraine "On Introduction of Amendments to Some Laws of Ukraine " (registration number 11030).

National Communal Services Regulatory Commission (upon consent), Minregion.

December 2012.

Implementation of the state policy on priorities of installation of individual heat sub-stations in the residential buildings and public institutions.

7. To ensure adjustment of technical standards for installation of individual heat sub-stations with respect to their placement in technical premises of the residential buildings and public institutions.

Minregion, Ministry of Health.

December 2012.

8. To develop standard technical solutions for installation of individual heat sub-stations for the residential stock and objects of public sphere.

Minregion.

December 2012.

9. To develop and adopt the normative and legal acts on introduction of the mechanism for financial support to the heating utilities, condominiums, housing and construction cooperatives during installation of individual heat sub-stations through cheaper loans.

State Agency on Energy Efficiency, Ministry of Finance, National Bank (upon consent), National Communal Services Regulatory Commission (upon consent), JSC "Ukreximbank" (upon consent), JSC "Oshchadbank" (upon consent).

October 2012.

10. During development and approval of the investment programs by the heating utilities, to ensure priority resolution of the issue on installation of individual heat sub-stations and meters of heat consumption.

National Communal Services Regulatory Commission (upon consent).

Permanently.

11. To develop and submit for consideration of the Cabinet of Ministers of Ukraine the draft resolution on introduction of amendments to the Resolution of the Cabinet of Ministers of Ukraine # 243 dated 1 March 2010 "On approval of the State Targeted Program on energy efficiency and development of the sector on production of energy carriers from renewable energy sources and alternative fuels for 2010-2015" regarding concentration of the targeted budget expenses for installation of individual heat sub-stations in the public institutions.

Ministry of Economic Development, State Agency on Energy Efficiency, Ministry of Finance.

September 2012.

Taking Measures on Formation of Energy Efficient Behavior of Population and Heating Utilities

12. To develop and submit for consideration of the Cabinet of Ministers of Ukraine the draft act: on introduction of amendments to the Resolution of the Cabinet of Ministers of Ukraine # 689 dated 29 June 2011 "On approval of the procedure for use of funds envisioned in the State Budget for fulfillment of the State Targeted Program on energy efficiency and development of the sector on production of energy carriers from renewable energy sources and alternative fuels for 2010-2015" regarding incentives for the citizens of Ukraine for installation of energy efficient equipment, technologies, materials and works, with their installation through compensation of part of interest on the loans received by the borrowers in the credit and financial institutions.

State Agency on Energy Efficiency, National Communal Services Regulatory Commission (upon consent), JSC "Oshchadbank" (upon consent).

September 2012;

on introduction of amendments to the Resolution of the Cabinet of Ministers of Ukraine # 243 dated 1 March 2010 "On approval of the State Targeted Program on energy efficiency and development of the sector on production of energy carriers from renewable energy sources and alternative fuels for 2010-2015" regarding concentration of the targeted budget expenses for compensation of payments or interest on loans to population to take energy efficient measures.

Ministry of Economic Development, State Agency on Energy Efficiency, National Communal Services Regulatory Commission (upon consent).

September 2012;

on incentives for low-income categories of citizens to take energy saving measures.

Ministry of Social Policy, Ministry of Finance, Ministry of Economic Development, National Communal Services Regulatory Commission (upon consent), State Agency on Energy Efficiency.

November 2012;

on simplification of the procedure for targeted assignment of housing subsidies to population.

Ministry of Social Policy, Ministry of Finance, Ministry of Economic Development, National Communal Services Regulatory Commission (upon consent).

November 2012.

13. To develop the regional and local programs for incentives to population to take energy saving measures (based on experience of Lviv oblast) and to ensure their coordination.

Council of Ministers of the Autonomous Republic of Crimea, local state administrations, State Agency on Energy Efficiency.

September 2012.

14. To approve the methodology for formation of tariffs for heat energy, its production, transportation and supply on the principles of incentive regulation.

National Communal Services Regulatory Commission (upon consent).

October 2012.

15. To ensure the measures on popularization through mass media of efficient and economic consumption of energy resources by population.

State Agency on Energy Efficiency, State Committee on TV and Radio, Minregion, Ministry of Social Policy, National Communal Services Regulatory Commission (upon consent).

August-December 2012.

Creation of Favorable Conditions for Activities of the Condominiums and Housing and Construction Cooperatives

16. To ensure support in the Verkhovna Rada of Ukraine for the draft Law of Ukraine "On Introduction of Amendments to Article 28 of the Law of Ukraine "On State Registration of Property Rights to Real Estate and Their Encumbrances" regarding obtaining of information by the co-owners of a multi-apartment building (registration number 10547).

Ministry of Justice, Minregion.

December 2012.

17. To ensure improvement of the normative and legal regulation of the condominium activities.

Minregion.

December 2012.

18. To ensure support in the Verkhovna Rada of Ukraine for the draft Law of Ukraine "On Energy Efficiency of Residential and Public Buildings" (registration number 9683).

Minregion.

December 2012.

Implementation of Energy Efficient Policy in the Public Sphere Institutions and Organizations

19. To work on the issue on introduction of amendments to the Civil Code of Ukraine, Budget Code of Ukraine, Law of Ukraine "On Government Procurements", Law of Ukraine "On Energy Saving", Resolution of the Cabinet of Ministers of Ukraine # 689 dated 29 June 2011 "On approval of the procedure for use of funds envisioned in the State Budget for fulfillment of the State Targeted Program on energy efficiency and development of the sector on production of energy carriers from renewable energy sources and alternative fuels for 2010-2015" regarding introduction of the mechanism of energy servicing companies (ESCO) on the national level, and to prepare the relevant draft acts if necessary.

Ministry of Economic Development, State Agency on Energy Efficiency, Minregion, Ministry of Finance, Ministry of Education, Science, Youth and Sports, Ministry of Health, Ministry of Defense, Ministry of Social Policy, National Communal Services Regulatory Commission (upon consent), Council of Ministers of the Autonomous Republic of Crimea, oblast, Kyiv and Sevastopol city state administrations.

August- December 2012.

20. To develop and submit for consideration of the Cabinet of Ministers of Ukraine the draft act on the procedure for financing of thermal modernization of buildings with the use energy servicing company (ESCO) mechanism.

Ministry of Economic Development, State Agency on Energy Efficiency, Minregion, Ministry of Finance, Ministry of Education, Science, Youth and Sports, Ministry of Health, Ministry of Defense, Ministry of Social Policy, National Communal Services Regulatory Commission (upon consent), Council of Ministers of the Autonomous Republic of Crimea, oblast, Kyiv and Sevastopol city state administrations.

August-September 2012.



CABINET OF MINISTERS OF UKRAINE

ORDER

dated 2012

Kyiv

On Approval of Action Plan on Normative and Legal Provision of Energy Efficient Policy in Heat Consumption and Modernization of Heating Sector

1. To approve the attached Action Plan on Normative and Legal Provision of Energy Efficient Policy in Heat Consumption and Modernization of Heating Sector (hereinafter – the Action Plan).

2. The Ministries, other central executive power bodies, Council of Ministers of the Autonomous Republic of Crimea, oblast, Kyiv and Sevastopol city state administrations – to ensure fulfillment of the Action Plan.

3. To recommend to the National Bank, National Communal Services Regulatory Commission, National Electricity Regulatory Commission, joint stock company “Oshchadbank”, joint stock company “Ukreximbank”, local self-government bodies to provide the required support during fulfillment of the Action Plan.

Prime Minister of Ukraine

M. AZAROV