

Preface by the Antimonopoly Committee of Ukraine

The existing model of the electricity market in Ukraine has been operating for a rather short time and is still undergoing a period of formation. At the same time, it incorporates the most important principles of European legislation, including the principle of ensuring economic competition in the electricity market.

Therefore, the production, sale and purchase, and supply of electricity in Ukraine take place in a competitive environment, and the implemented model will further facilitate the opening and integration of Ukrainian markets into the European Union markets on the basis of common approaches and a single legislative framework.

The Antimonopoly Committee of Ukraine (AMCU) takes an active position on the implementation of competition policy, including in the electricity market, which consists not only of a timely response to anticompetitive actions of undertakings and authorities, but also of directing regulatory measures to create a competitive environment for the development of the electricity market, which allows achieving the goal of its liberalisation in conditions of healthy competition.

Despite the full-scale invasion of Ukraine by Russian troops, the full integration of the electricity market into the internal market of the European Union and, accordingly, the fulfillment of Ukraine's obligations remains a priority for the state.

In 2022, an important event for Ukraine was the interconnection of the national power system with the European Network of Transmission System Operators for Electricity, as provided for in the EU-Ukraine Association Agreement.

The entry of European electricity producers and suppliers into the Ukrainian market will increase competition and develop market mechanisms, as well as increase the investment attractiveness of the Ukrainian energy sector.

AMCU is grateful for the opportunity to join the study of the Ukrainian electricity market within the framework of the project "Supporting Reforms in the Energy Sector of Ukraine", especially, understanding the complexity of conducting such a global and high-quality study by the Organisation for Economic Co-operation and Development (OECD) under the conditions of martial law in Ukraine.

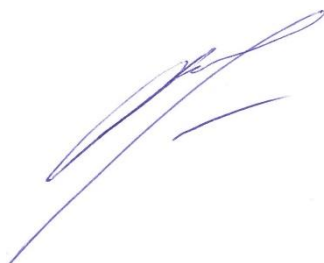
The OECD has conducted a detailed study of the electricity market, from the point of view of competition, from the beginning of the creation of a new model of the electricity market and during its operation in Ukraine.

As part of the study, OECD experts provided an overview of the electricity sector, analysed its regulatory framework and assessed the state of competition in it, noting that the structure of the Ukrainian market is very similar to that of the European Union, although it contains a number of shortcomings.

AMCU took an active part in working meetings and discussions during the study of the electricity market regarding the abolition of price caps, promotion of liquidity on the DAM, and participation of RES producers in the sale of electricity in competitive market segments. At the final stage, we provided proposals for the OECD's conclusions and recommendations regarding the specifics of the application of competition law instruments.

In addition, the AMCU believes that further implementation of the OECD recommendations set out in the Study will help to increase the level of integrity and transparency in the wholesale energy markets (in particular through the implementation of REMIT), improve the level of efficiency in the conduct of business for all participants in the energy markets, which in turn will contribute to the efficient functioning of the Ukrainian economy and the development of competitive relations.

AMCU expresses its sincere gratitude to the OECD experts, as well as to all parties involved in the study project, for conducting a detailed, in-depth and large-scale assessment of the electricity market and the activities of its participants.



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