

RESOLUTION

IX International Conference on “Biomass for Energy”

24-25 September 2013, Kyiv, Ukraine

Organizers:

Bioenergy Association of Ukraine

Institute of Engineering Thermophysics of the National Academy of Sciences of Ukraine

Scientific Engineering Centre “Biomass”

Participants

170 specialists from 11 countries attended the Conference including 34 persons from abroad (Germany, the Netherlands, the USA, Czech Republic and other countries), 136 from Ukraine.

Additionally, 80 people attended the Dutch-Ukrainian seminar on "Business Opportunities in the Biobased Economy", September 24, 2013, and 120 people - the Ukrainian-German biogas seminar, September 26, 2013.

Bioenergy (energy from biomass) is one of the priority areas for energy production from renewable energy sources in the world. That also applies to Ukraine, the country with high dependence on imported natural gas and big resources of biomass available for energy production.

The economic potential of biomass in Ukraine is over 20 mtoe/yr that can cover up to 15% of the country's energy demand. Utilization of the potential may result in annual replacement of about 6 bill m³ of natural gas by 2020, reduction of greenhouse gases emission by 13 mill t CO_{2eq}/yr and creation of about 20,000 new jobs. Now Ukraine is using 1.6 Mtoe/yr of biomass for energy production that covers about 1.2% of the total energy supply.

Drivers for bioenergy development in Ukraine are:

- Operation of Green Tariff for power generated from solid biomass (minimum 12.39 eurocents/kWh).
- Continued growth in the price of natural gas on Ukraine's border (the average price in 2012 was 425 \$/1000 m³).
- At the end of 2012, within the Treaty on Energy Community, Ukraine committed to a binding share of renewable energy in its gross final energy consumption – 11% in 2020.
- Elaboration of the draft National Renewable Energy Action Plan.

Obstacles for bioenergy development in Ukraine are:

- Adoption of the Law of Ukraine N 5485-VI of 20.11.2012, which introduced incorrect definition of "biomass", unjustified domestic content requirement for the projects and set very low Green Tariff for power produced from biomass and biogas.

- Negligible contribution of bioenergy to the energy balance of the country is planned in the draft updated Energy Strategy of Ukraine until 2030.

- Ukraine keeps subsidizing the internal prices of natural gas for population and housing-communal sector. That makes heat production from biomass uncompetitive in these sectors.

To overcome these negative trends and speed up the development of bioenergy in Ukraine **we consider it necessary**:

1. To gradually reduce subsidizing the cost of natural gas for population and housing communal sector from Ukraine's budget.

2. At the state level, to establish appropriate targets for the development of bioenergy, particularly in the updated Energy Strategy of Ukraine until 2030:

Year	2011	2015	2020	2025	2030
Share of biomass in Ukraine's gross final energy consumption	1.78%	2.2%	4.3%	7.2%	10%
Share of biomass in production of heat in Ukraine	6%	8%	14%	22%	32%
Share of biomass in production of power in Ukraine	0.01%	0.2%	1%	2.2%	4.0%

3. To pass **draft law No 2946** of 26.04.2013, which in particular suggests:

- To increase Green Tariff for power produced from biogas and biomass:

K=3.0 – for power produced from biogas obtained from agricultural residues and products;

K=2.7 – for other kinds of biogas (landfill gas, sewage gas, biogas from organic part of MSW);

K=2.7 – for power produced from solid biomass.

- To set Green Tariff for power produced from MSW: **K=3.0**.

- To cancel domestic content requirement for the projects, which obtain Green Tariff for power produced from biomass, biogas and MSW.

- To correct definition of “biomass” in accordance with European term.

4. To simplify allocation of land for bioenergy installations.

5. To simplify the procedure for complex appraisal of projects on construction of biomass boiler installations, CHP plants, biogas plants and other bioenergy installations.

6. To simplify the procedure for obtaining tax benefits for importing energy efficient equipment to Ukraine (Resolution of the Cabinet of Ministers of Ukraine No 444).

7. To arrange a procedure for practical compensation of difference in tariffs for the case when production cost of heat from biomass exceeds its sale tariff (the matter is partly settled by Resolution of the Cabinet of Ministers of Ukraine No 512 of 24.07.2013).

**Conference Chairman,
Chairman of the Board of
Bioenergy Association of Ukraine**



Georgiy Geletukha