Commodity Exchange

«Ukrainian Energy Exchange»

# Report on the results of electric power trade in the market of bilateral contracts on 2019

In accordance with the requirements of the Decree of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Conducting Electronic Auctions for Sale of Electric Power under Bilateral Contracts and the Procedure for Selection of Organizers of Electronic Auctions for Sale of Electric Power under Bilateral Contracts" of June 5, 2019 № 499

Kyiv, March 2020

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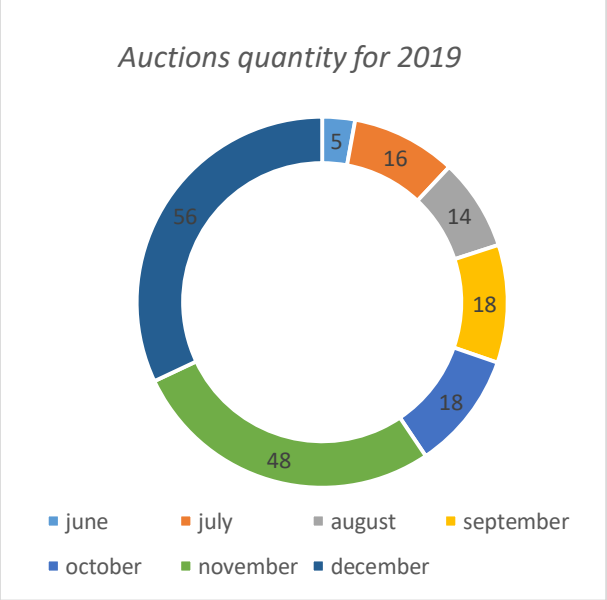

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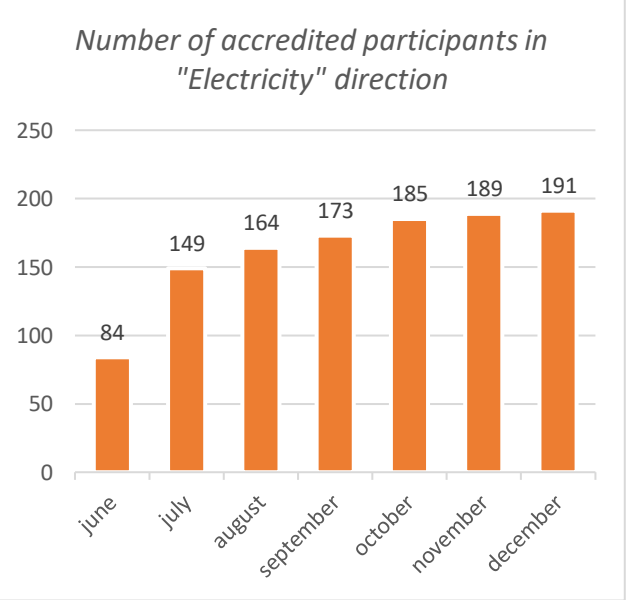
# I. CHARACTERISTICS OF CE UKRAINIAN ENERGY EXCHANGE ACTIVITY ON THE ELECTRICITY MARKET

Ukrainian Energy Exchange is one of the leading exchanges in Ukraine, which organizes and conducts exchange trading (auctions) of natural gas, oil products, LPG, oil and gas condensate, coal and electricity. UEEX implements the tasks to create a transparent mechanism for forming fair prices for energy resources. The Exchange was established in March 2010.

According to the key indicators of activity, 2019 was quite significant in energy trading.

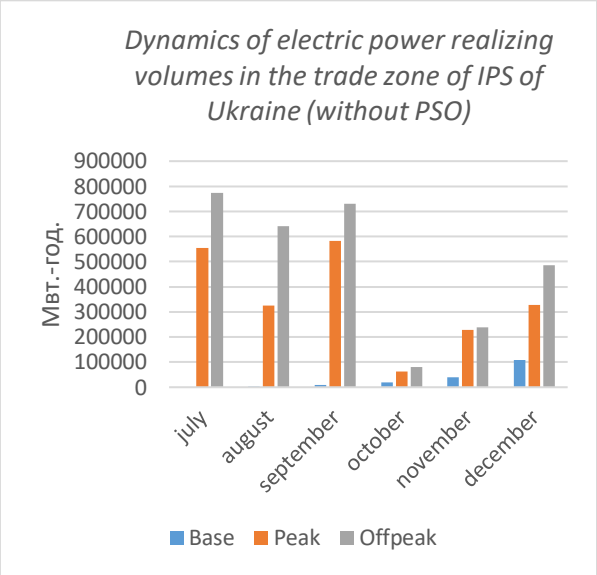
A landmark event in 2019 was the launch of exchange auctions to buy and sell electricity. The first auction was held on June 27. Since then, the UEEX has been holding electricity sale auctions for the purposes of the PSO, electricity sale auctions for state enterprises and the purchase and sale of types of load schedules for other market participants.

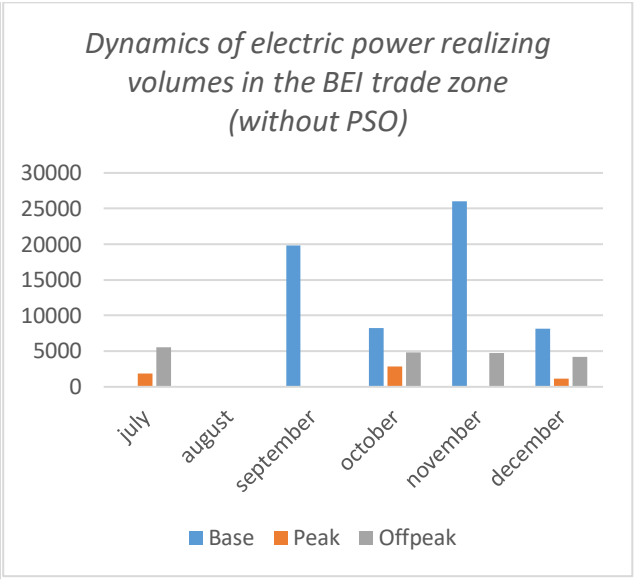



According to the results of 2019, 175 auctions were held on CE UEEX to sell the base, peak, afterpeak and peak load of non-working day of electricity, of which

18 auctions for the implementation of PSO for public interest and 8 commercial sessions. In 2019, a total of 191 participants were accredited on CE UEEX in the direction of Electric Power".




Electric energy value is determined by the market demand. Energy-intensive consumers in the new market conditions have the opportunity to purchase electricity directly from its producers. The exception to the new rules relates only to the supply of electricity to the population, for which a preferential price is still valid.

# II. BILATERAL CONTRACTS MARKET ON CE UKRAINIAN ENERGY EXCHANGE

## 2.1. Realizing of electric power for special duties performance by the electric power market entities to ensure public interests in the process of electric power market functioning

On June 5, the Government adopted a resolution "On Approval of the Procedure for Conducting Electronic Auctions for Sale of Electric Power under Bilateral Contracts and the Procedure for Selecting Organizers of Auctions Authorized to Organize and Conduct Electronic Auctions for Sale of Electric Power under Bilateral Contracts" according to which the Ukrainian Energy Exchange was selected as the organizer of the auctions for sale of state electricity. In order to maintain the preferential price (PSO), a mechanism is used to supply the population with electricity produced by the state companies Enerhoatom and Ukrhydroenerho, whose electricity value are the lowest in Ukraine.

Table 2.1.

Start prices and volumes of electric power in the form of sales schedules, monthly, in the zone "Integrated power System of Ukraine".

| | **Start volume** | | | **Start price** | | |
|---|---|---|---|---|---|---|
| **UEEX electric power IPS (PSO)** | Base | Peak | Holiday peak | Base | Peak | Holiday peak |
| June | 9118464 | 138000 | | 566,7 | 673,76 | |
| July | 4792848 | 216090 | | 566,7 | 673,76 | |
| August | 4206960 | 47250 | | 566,7 | 673,76 | |
| September | 5238799 | 89100 | | 588,11 | 673,76 | |
| October | 6169315 | 69300 | | 602,39 | 673,76 | |
| November | 7441752 | 80325 | 35700 | 602,38 | 673,76 | 673,76 |
| December | 6233976 | 69300 | 30800 | 620,23 | 673,76 | 673,76 |
| Total | 43202114 | 709365 | 66500 | X | X | X |

Table 2.2.

Realized volume and sales prices in zone "Integrated power System of Ukraine"

| | Realized volume | | | Sales price | | |
|---|---|---|---|---|---|---|
| **UEEX electric power IPS (PSO)** | Base | Peak | Holiday peak | Base | Peak | Holiday peak |
| June | 4973640 | 138000 | | 566,7 | 673,76 | |
| July | 4792848 | 216090 | | 566,7 | 673,76 | |
| August | 4206960 | 47250 | | 566,7 | 673,76 | |
| September | 5238799 | 89100 | | 588,11 | 673,76 | |
| October | 6169315 | 69300 | | 602,39 | 673,76 | |
| November | 7441752 | 80325 | 35700 | 602,38 | 673,76 | 673,76 |
| December | 6233976 | 69300 | 30800 | 620,23 | 673,76 | 673,76 |
| Total | 39057290 | 709365 | 66500 | X | X | X |

The auctions were held in the form of a special session in accordance with the Regulations on the assignment of special duties to ensure public interests in the process of functioning of the electricity market. In its turn, the specialized sections were held in accordance with the requirements of the Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Conducting of Electronic Auctions for Sale of Electric Power under Bilateral Contracts and the Procedure for Selection of Organizers of Electronic Auctions for Sale of Electric Power under Bilateral Contracts" and the Regulations on Organization and Holding of the Auction for Sale of Electric Power at the Commodity Exchange "Ukrainian Energy Exchange".

## 2.2. Realization of electric power by other subjects of the electric power market under bilateral contracts in specialized sections and by subjects of the electric energy market in commercial sections

On CE UEEX auctions were carried out in accordance with the requirements of the Regulations on the organization and conduct of the auction for the sale of electricity at the Commodity Exchange "Ukrainian Energy Exchange" and the

Regulations on the organization and conduct of electronic auctions for the purchase and sale of electricity under bilateral contracts in the commercial sections of the Commodity Exchange "Ukrainian Energy Exchange".

Table 2.3.

Start prices and volumes of electric energy in the form of sale schedules, in the trade zone "IPS of Ukraine"

| | **Start volume** | | | | **Start price** | | | |
|---|---|---|---|---|---|---|---|---|
| **UEEX electric power IPS** | Base | Peak | Offpeak | Holiday peak | Base | Peak | Offpeak | Holiday peak |
| June | 8304 | 1695300 | 1931010 | | 1660 | 2311,46 | 1319,75 | |
| August | 1680 | 704670 | 1146600 | | 1703 | 2050 | 1387,5 | |
| September | 196417 | 1057650 | 1328000 | | 1663,023 | 2010 | 1475 | |
| October | 94808 | 130500 | 81000 | | 1741,85 | 2228,33 | 1500 | |
| November | 195312 | 1053000 | 942000 | 84000 | 1473,02 | 2322,5 | 1400 | 1650 |
| December | 575376 | 2217000 | 2197650 | 319200 | 1429,67 | 2075,17 | 1333,85 | 1669,2 |
| Total | 1071897 | 6858120 | 7626260 | 403200 | X | X | X | X |

Table 2.4.

Realized volume and sales prices in zone "Integrated Power System of Ukraine"

| | **Realized volume** | | | **Sales price** | | |
|---|---|---|---|---|---|---|
| **UEEX electric power IPS** | Base | Peak | Offpeak | Base | Peak | Offpeak |
| July | | 555450 | 773415 | | 1878,06 | 1126,41 |
| August | 168 | 324855 | 640575 | | 1717,5 | 1031,79 |
| September | 7776 | 581460 | 731230 | 1627,625 | 1873 | 1171 |
| October | 20188 | 63000 | 81000 | 1571,88 | 1714 | 978 |
| November | 40608 | 229425 | 238512 | 1262,9 | 1501,33 | 825,484 |
| December | 107328 | 327525 | 485073 | 1435,8 | 2075,17 | 1333,85 |
| Total | 176068 | 2081715 | 2949805 | X | X | X |

Table 2.5.

Start volume and price in zone «Burshtyn Energy Island»

| | Start volume | | | Start price | | |
|---|---|---|---|---|---|---|
| **UEEX electric power** BEI | Base | Peak | Offpeak | Base | Peak | Offpeak |
| June | 2736 | 94530 | 90720 | 1900 | 2056,7 | 1455,23 |
| August | | 7770 | 5328 | | 2048 | 2000 |
| September | 74209 | | | 1682,5 | | |
| October | 50500 | 19125 | 4815 | 1640,13 | 2048 | 1033 |
| November | 124200 | 101400 | 6390 | 1648,05 | 2028,29 | 1266,33 |
| December | 307800 | 41625 | 8190 | 1619,23 | 1982,26 | 1042 |
| Total | 559445 | 264450 | 115443 | X | X | X |

Таблиця 2.6.

Realized volume and sales prices in zone «Burshtyn Energy Island»

| | Realized volume | | | Sales price | | |
|---|---|---|---|---|---|---|
| **UEEX electric power** BEI | Base | Peak | Offpeak | Base | Peak | Offpeak |
| July | | 1875 | 5526 | | 2032 | 988,45 |
| August | | | | | | |
| September | 19824 | | | 1615,5 | | |
| October | 8233 | 2850 | 4815 | 1631,16 | 2040,83 | 1079,5 |
| November | 26040 | | 4725 | 1640,27 | | 1052,2 |
| December | 8160 | 1125 | 4185 | 1612 | 2020 | 984 |
| Total | 62257 | 5850 | 19251 | X | X | X |

# FINAL THESES

In total during six months there were formed 302 starting positions in the trade zone "IPS of Ukraine" and 237 in the zone "BEI" for sale / purchase of resources of different types of load. By 2019, the total volume of sales of electric energy in the market of bilateral agreements amounted to more than 45100000 MWh (with PSO). Realized volumes of electric energy in trade zones look as follows: in the trade zone "IPS of Ukraine" - 45040743 MWh, in the zone "BEI" - 87 358 MWh, which is 99.8% and 0.2% of total sales respectively. In particular, 39800000 MWh of base, peak and peak non-working day electricity at regulated prices of companies with special responsibilities in the new electricity market - SE "NAEK Energoatom", PJSC "Ukrhydroenergo", were sold at the Ukrainian Energy Exchange in the zone "IPS of Ukraine".

CE UEEX in its activity is governed by the Ukrainian legislation and internal normative acts of the Stock Exchange. No legal violation from the side of the organizer or participant in the auction is evident.

In 2019, there were no any claims according to CE UEEX as an organizer of the auction to buy and sale of electrical energy.