

# ENERGY STRATEGIC GUIDELINES OF SUSTAINABLE DEVELOPMENT IN UKRAINE

associate professor **Karaieva N.**, student **Vladimirova A.**  
*National Technical University of Ukraine*  
*“Kyiv Polytechnic Institute” (Ukraine)*

Ukraine belongs to energy-scarce countries and satisfies its needs in energy resources by domestic mining less than 50% (including with consumption of the imported natural gas per capita Ukraine ranks/holds the first place in the world). In addition, the fuel and energy resources efficiency use in the economy is low, energy intensity of gross domestic product is twice higher than the energy intensity in the industrialized world countries. In addition, a significant gap between Ukraine and countries of the EU in the energy efficiency is certified by a comparative assessment of a number of aspects of the energy sector and other sectors of economy, mainly of energy intensive ones. Thermal power plants in Ukraine operate with an efficiency of 30% and in the EU at 40% efficiency; to generate 1 kilowatt-hour of electricity produced by thermal and combined heat and power plants 379 grams of c.e. are used in Ukraine, in the EU it is 40% less (270 g of c.e.); to transport electricity in our country 14.7% of its inflows into the electricity grid is spent, whereas in the industrialized European countries only 6.5% is spent; energy intensity of a ton of steel production (costs of coke, electricity and natural gas are included) on the Ukrainian steel mills reaches 840 kg of c.e. per ton, in the steel mills of the EU it is 1.9 times less (450 kg of c.e. per ton); in the cost structure of metal products in Ukraine fuel and energy costs constitute 50%, while in the industrialized world countries this figure is little over 20%.

The priority of state energy policy of Sustainable Development, above all, is the establishment of efficient, transparent mechanisms for regulation of relations between entities, public and state, commitment to provide even management conditions for all economic entities, to avoid administrative intervention in the market pricing mechanisms for energy resources, to reduce corruption schemes in the taxation area, which will create the basis for success of unified state policy of energy efficiency.

Mechanisms of state administration, based on the main market principles, have to provide:

- establishment of the market rules of pricing for fuel and energy resources and avoiding of administrative prices regulation from public authorities;
- Writing off of possibilities and practice of increase energy consumption to avoid taxation basis due to inclusion of energy resources expenses to the gross expenditures for goods and services production;
- introduction of price (taxation) stimulation of efficient use of fuel and energy resources through mechanisms of tax policy (implementation of feed-in tariffs, energy of environmental taxes by types and amounts of energy resources consumption);
- reformation of exemption scheme, where incentives are provided to the vulnerable strata, and, in particular, transfer to the system of monetary address subsidies;
- establishment in the mechanisms of state support of the principle to stimulate the end-use “consumer” (of energy or of equipment) to increase energy efficiency of own production or use of energy resources, and not the “producer” (of energy or of equipment);
- use of mechanisms to support business entities or energy efficiency projects through use of the market infrastructure (banks, investment funds, shares, bonds etc);
- provision of financial independence (and responsibility) of local self-government.

Thus, there is a need of inclusion in the tasks and duties of bodies of executive power of the following aspects of implementation of single state policy of Sustainable Development in sphere of energy efficiency:

- ensuring of multisectoral coordination of activity and methodical management of executive power bodies, self-governing authorities to pursue state policy in the energy efficiency;
- development of mechanisms and order of provision of state support to implement

programs and projects in energy efficiency sphere, control of efficiency and performance of use of mechanisms, including target directionality and use of state support in this sphere;

- improvement of order of rate setting of specific energy resources expenditures, presuming introduction and regulatory actions of procedures of official communication on the energy saving, work done, reached indicators of energy efficiency of production and control over compliance of energy efficiency indicators defined by standards;

- introduction of energy management systems and performance of energy audits and taking into consideration their conclusions, especially for natural monopolies companies and companies of housing sphere when establishing prices (tariffs) for products (services).

- ensuring of state statistical observation over the energy efficiency indicators (fulmination of establishment and review of target energy efficiency indicators) and creation of informational infrastructure so that power bodies, business entities and general public could obtain an access to the data on issues of single state policy on energy efficiency;

- provision of Ukraine's participation in the international agreements, projects on energy efficiency.

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