

BRIEF ON KEY BUSINESS ISSUES

Special issue, 21.03.2016 Kyiv

Ukrainian government plans to use NPPs for manoeuvring

The Ukrainian Government plans to use NPPs as manoeuvring capacities in the United Energy System of Ukraine (UES). Such intentions are declared in the 2016 Action Plan of the Cabinet of Ministers of Ukraine released on March 14th, 2016.

Currently in Ukraine's energy generation mix nuclear generating facilities carry base load while fossil fuel-fired and hydro generating facilities operate as manoeuvring capacities to cover peak demand. Ukrainian TPPs are secured with coal and ready to carry load due to sustainable supply of steam coal and on-going deliveries of anthracite from the Donbas region.

NPPs operation in manoeuvring mode entails essential risks. The equipment of Ukrainian NPPs is obsolete. Over the two months of 2016, Ukrainian NPPs have had five recorded incidents vs. only one over the same period of last year. Ukrainian NPPs have partially switched to running on the American fuel, which was not their originally designed fuel. A set of modifications has been made to adapt the non-standard fuel for Soviet type water-water power reactors VVER, but the risk of emergency situations still remains.

Considering man-caused, social and environmental risks of engaging nuclear units for daily capacity balancing requires an independent and comprehensive analysis of implications by Ukrainian and international experts.

[Appeal](#) of Trade union of nuclear workers to Prime Minister Yatsenyuk (abstracts)

"The Central Committee of the Trade Union of Nuclear Energy Sector Workers of Ukraine (Atomprofspilka) voices its strong objections to the decision of the Ministry of Energy and Coal Industry of Ukraine to nuclear units manoeuvring with reducing their daily output to 75% of the rated capacity.

On behalf of the team of the *National Nuclear Energy Generating Company "Energoatom"*, consisting of highly qualified specialists in nuclear energy sphere, we would like to warn you that an experiment involving the generating units of Ukrainian nuclear plants in stabilizing load in the United Energy System of Ukraine may end up in a disaster. The Ukrainian nuclear plants' reactors were designed in the Soviet times, and technically it is impossible to use them for daily capacity manoeuvring on a permanent basis.

... as far as we know, after the refusal of *Energoatom* President Yu. Nedashkovsky to obey the order to conduct the 'experiment', Minister V. Demchyshyn seeks to initiate dismissal of *Energoatom* President.

Please don't forget the 30-year old experiment in Chornobyl. Nuclear energy sector workers and the people of Ukraine do remember this experiment".

DTEK Energy operational and financial results 2015

On March 18th, DTEK Energy announced the results of the audited consolidated financial statements for 12 months of 2015 that ended on 31st December 2015 as well as production results.

The company's consolidated revenue for 2015 grew by 1.8%, or UAH 1.7 bln, YoY. The net loss for the reporting period amounted to UAH 37,399 mln. "Our financial results of the year are negative as the company

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continues to operate at economically unsound tariffs and with a large debt owed by the *SE Energorynok*”, says DTEK Energy CEO **Vsevolod Starukhin**, commenting on the 2015 company’s performance. “Though electricity tariffs for households and industrial consumers grew considerably, this had no impact on the financial performance of the fossil-fuel generation because the funds were mainly allocated to other types of generation. On top of that, there is also a 20% drop in electricity output by the company and *SE Energorynok*’s growing debt to our company amounting to UAH 5.2 billion. Nevertheless, against the deep economic decline and almost 50% inflation, our team made everything possible to mitigate the impact of the external factors on the financial position of the company and on dozens of thousands of DTEK’s employees.”

The detailed information about financial and operational results can be found [here](#).