

# Project overview:

main insights from the project  
and recommendations for  
Ukraine's biomass market

The changes in the geopolitical situation is an illusion

For biomass market transformation is necessary:

- Transparency
- Invariability of the rule in a middle of the game.
- Clear signals for market participants.

Private business can be engaged in oligopolistic business, but the market needs to be overseen by a strong regulator.

## Strong biomass market must have:

- Many biomass sellers;
- Small barriers to enter market;
- Equal rules for all participants.
- Buyer has to buy biomass, but not an additional services.
- Biomass quality research and dispute resolution must be provided by third party.
- Market participants has to participate in creation of market processes.

## Advices in very beginning:

- Study is needed on how much biomass is available at the fair price.
- Ukraine have geographical differences. Study must cover it.
- Biomass for big price is't suitable for this project.
- Sustainability task must be evaluated from the beginning.

# Comments to law draft:

The requirements of part four of this article do not apply if it is impossible in the system to purchase the required amount of solid biofuels of the relevant type or part thereof or the price of solid biofuels is **economically unviable** than the price at which the participant can purchase it outside the system.

## **Cabinet of Ministers of Ukraine approves only the Rules of the solid biofuels electronic trade with:**

- ◆ The procedure for holding electronic auctions;
- ◆ Peculiarities of concluding;
- ◆ Form of a model contract for purchase and sale of solid biofuels;
- ◆ Conditions of access to the electronic trading system;
- ◆ **Requirement to price economical unviability.**

Article 8<sup>5</sup>. The participant confirms <...> the price at which the purchase was made in the **quarterly/monthly** report.

**Maximum contract duration 1 year.**

# Comments to law draft:

**Article 8<sup>5</sup>. Business entities shall purchase solid biofuels in the solid biofuels electronic trade system as following:**

- ◆ in 2021 – not less than 20 %;
- ◆ in 2022 – not less than 40 %;
- ◆ in 2023 – not less than 60 %;
- ◆ in 2024 and subsequent years – **100 %**.



Which prices will be compared?





**Thank you**

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