

NGO Ecoaction's comments and suggestions of to the draft Law of Ukraine "On Amendments to Certain Laws of Ukraine Regarding the Implementation of EU Legislation in the Field of Renewable Energy Sources"

Content of the provisions proposed in the draft law	Proposed changes	Reasoning
Law of Ukraine "On Alternative Energy Sources"		
<p>Article 9-8. Renewable Energy Community A renewable energy community is created in accordance with the Law of Ukraine "On Public Associations" or the Law of Ukraine "On Associations of Co-Owners of an Apartment Building" or as a legal entity of another organizational and legal form, which, in accordance with the regulatory legal acts establishing the requirements for such organizational and legal form, is a non-profit organization and which, in accordance with the constituent agreement, charter or other constituent documents of the legal entity, may consume energy produced from renewable energy sources and has the right 48 to produce energy produced from renewable energy sources, sell, aggregate, and store energy.</p>	<p>Article 9-8. Renewable Energy Community A renewable energy community is created in accordance with the Law of Ukraine "On Public Associations" or the Law of Ukraine "On Associations of Co-Owners of an Apartment Building" or as a legal entity of another organizational and legal form, which, in accordance with the regulatory legal acts establishing the requirements for such organizational and legal form, is a non-profit organization and which, in accordance with the constituent agreement, charter or other constituent documents of the legal entity, may consume energy produced from renewable energy sources and has the right 48 to produce energy produced from renewable energy sources, sell, aggregate, and store energy.</p>	<p>1. The requirement to be an exclusively non-profit organization directly contradicts the definition of a renewable energy community set out in Article 1 of the same draft law, which directly transposes (translates) the provisions of Directive (EU) 2018/2001. Article 1 states that "<u>the main purpose of the activity</u> is to satisfy the environmental, economic and social interests of its members (participants) and/or local communities", which is not identical to the tax status of a non-profit organization and should highlight the satisfaction, first of all, of the public interests of its members (participants). But this does not and cannot limit such communities exclusively to the status of a non-profit organization.</p> <p>2. Directive (EU) 2018/2001 does not stipulate at all that renewable energy communities must be purely non-profit. Neither Article 2 (Definitions) nor Article 22 (Renewable energy communities), which Art.</p>

		<p>9-8 of the draft law partially duplicates, contain any relevant references.</p> <p>3. Leaving the requirement for non-profitability will create an additional tax burden and complicate bureaucratic procedures: if a renewable energy community is a non-profit organization, but has carried out transactions for the supply of goods/services worth more than 1 million hryvnias during the last 12 calendar months (which, in fact, is a very small amount in terms of participation in the electricity market), then it must register as a VAT payer in accordance with clause 181.1, article 181 of the Tax Code of Ukraine.</p> <p>In addition, the issues of tariff formation and licensing are intertwined with the mandatory non-profit status, because non-profit organizations, knowing the limitations of their tax status, will be deprived of any incentives to implement larger-scale projects that would encompass more than a few adjacent buildings.</p> <p>4. Leaving the requirement of non-profitability means that energy cooperatives will not be able to be recognized as a renewable energy</p>
--	--	--

		<p>community and be participants in such communities (the possibility of this is embedded in the definition itself in Article 1 of the draft law), because according to Article 1 of the Law of Ukraine “On Alternative Energy Sources”, energy cooperatives can be created for the purpose of making a profit.</p> <p>The proposed definition of renewable energy communities complicates regulatory regulation (in essence, another form is created that exists in parallel) and theoretically creates a legal conflict that will need to be eliminated over time: in EU countries, an energy cooperative is one of the possible forms of a citizen energy community and a renewable energy community, which act as framework concepts.</p>
<p>Article 9-10. Zones of accelerated development of renewable energy sources.</p> <p>The plan(s) defining zones for accelerated development of renewable energy sources should identify available land plots, water areas (water space) of water bodies, where the implementation of renewable energy facilities using various types of renewable energy sources will not have a significant impact on the environment, taking into account the characteristics of the selected territory, and at the same time:</p>	<p>Article 9-10. Zones of accelerated development of renewable energy sources.</p> <p>The plan(s) defining zones for accelerated development of renewable energy sources should identify available land plots, water areas (water space) of water bodies, where the implementation of renewable energy facilities using various types of renewable energy sources will not have a significant impact on the environment, taking into account the characteristics of the selected territory, and at the same time:</p>	<p>1. We propose to replace “degraded lands unsuitable for agriculture” with “lands subject to conservation”. This definition is more correct and includes both degraded and technogenically polluted land plots. Land subject to conservation is defined in Art. 51 of the Law of Ukraine “On Land Protection”. It is also important to exclude risks related to the development of areas with steppe or meadow vegetation cover.</p>

<p>give priority to artificial and built-up surfaces, such as roofs and facades of buildings, transport infrastructure and adjacent areas, parking lots, farms, landfills, industrial sites, mines, artificial inland bodies of water, lakes or reservoirs, and, where appropriate, urban wastewater treatment plants and degraded lands unsuitable for agriculture, and exclude Emerald Network areas, main migratory routes of birds and marine mammals, and other areas identified on the basis of biodiversity “sensitivity maps”, with the exception of artificial and built-up surfaces, such as roofs, parking lots or transport infrastructure, located in these areas;</p> <p>use tools and datasets to identify areas where the location of renewable energy facilities will not have a significant impact on the environment, including the Emerald Network areas, and information on habitats and bird species protected under the requirements of environmental legislation.</p>	<p>1) give priority to artificial and built-up surfaces, such as roofs and facades of buildings, transport infrastructure and adjacent areas, parking lots, farms, landfills, industrial facilities, mines, artificial inland water bodies, lakes or reservoirs, and, where appropriate, urban wastewater treatment facilities and land subject to conservation.</p> <p>2) exclude territories and objects of the nature protection areas, territories of the Emerald Network, main migratory routes of birds and marine mammals, as well as other territories identified on the basis of biodiversity “sensitivity maps” and the tools specified in paragraph 3, with the exception of artificial and built-up surfaces, such as roofs, parking lots or transport infrastructure, located in these areas;</p> <p>3) use tools and datasets to identify areas where the location of renewable energy facilities will not have a significant impact on the environment, including mapping biodiversity sensitivity taking into account data available during the development process territories of the Emerald Network, and information on habitats and bird species protected in accordance with the requirements of environmental legislation.</p>	<p>2. The following concepts are used in the provisions of the Directive: “...excluding Natura 2000 sites and areas designated under national protection schemes for nature and biodiversity conservation...”. The highlighted part is omitted in the draft law, so we propose to include it, which will fully comply with the provisions of the Directive.</p> <p>2. The construction of renewable energy facilities within the territories and objects of the nature protection areas may negatively affect the condition of natural complexes and objects and therefore will be considered an inappropriate use of their territory, thus violating the requirements of the Law of Ukraine “On the Nature Reserve Fund of Ukraine”. Therefore, we consider it appropriate to add to the text of the draft law a reference to the exclusion of the territories of the NRF from possible areas of accelerated development of renewable energy sources.</p> <p>It is worth following the example of the Directive, the part “exclude territories and objects of the nature protection areas, territories of the Emerald Network...” - to</p>
--	---	---

	<p>The procedure for conducting biodiversity sensitivity mapping is approved by the Cabinet of Ministers of Ukraine.</p>	<p>highlight as a separate subparagraph, and not include it in the first one.</p> <p>3. We propose to expand “on the basis of biodiversity “sensitivity maps” and the tools specified in paragraph 3”, which is in line with the provisions of the Directive.</p> <p>It is also worth considering that such sensitivity maps identify areas where the deployment of renewable energy sources may negatively impact wildlife.</p> <p>Since biodiversity sensitivity mapping is a complex process, we ask that you add the development and approval of the Procedure for Biodiversity Sensitivity Mapping in accordance with the Practical Recommendations for Planning the Use of Renewable Energy Sources in the European Union.</p> <p>Source: The wildlife sensitivity mapping manual - Publications Office of the EU</p>
<p>... Criteria for climate change mitigation measures in zones of accelerated</p>	<p>... Rules for climate change mitigation measures in zones of accelerated development of</p>	<p>We propose to align the definition of “criteria” used with the definition used in the Directive, in particular “appropriate rules for</p>

<p>development of renewable energy sources, applicable to renewable energy projects, including together with co-located energy storage facilities, as well as the connection of relevant power plants to electricity networks, shall be approved by the Cabinet of Ministers of Ukraine.</p>	<p>renewable energy sources, applied to renewable energy projects, including together with co-located energy storage facilities, as well as the connection of relevant power plants to electricity networks, are approved by the Cabinet of Ministers of Ukraine.</p> <p>Rules for climate change mitigation measures in zones of accelerated development of renewable energy sources should take into account the specifics of the specific territory, the type or types of renewable energy technologies, as well as the identified environmental impact.</p>	<p>the renewables acceleration areas on effective mitigation measures”.</p>
<p>The plan(s) defining zones of accelerated development of renewable energy sources shall be subject to strategic environmental assessment in accordance with the procedure established by the Law of Ukraine “On Strategic Environmental Assessment”.</p>	<p>The plan(s) defining zones of accelerated development of renewable energy sources shall be subject to strategic environmental assessment in accordance with the procedure established by the Law of Ukraine “On Strategic Environmental Assessment”, and if they may have a significant impact on the Emerald Network territory, then an assessment of the impact on the Emerald Network territory.</p>	<p>According to the original Directive, it is defined as:</p> <p>"2. Before their adoption, the plans designating renewables acceleration areas shall be subject to an environmental assessment pursuant to Directive 2001/42/EC of the European Parliament and of the Council (^{*16}), and, if they are likely to have a significant impact on Natura 2000 sites, to the appropriate assessment pursuant to Article 6(3) of Directive 92/43/EEC."</p> <p>Despite the fact that currently in Ukraine there is no appropriate procedure for impact</p>

		assessment in the territory of the Emerald Network, its omission contradicts the provisions of the Directive. Therefore, we propose to take it into account and, accordingly, actively promote the development of regulatory legal acts for conducting the appropriate assessment.
<p>Article 9-10. Zones of accelerated development of renewable energy sources</p> <p>The Cabinet of Ministers of Ukraine, taking into account the territories determined in accordance with Article 9-9 of this Law, shall approve a plan(s) defining zones of accelerated development of renewable energy sources for one or more types of renewable energy sources, including technologically neutral zones of accelerated development of renewable energy sources.</p> <p><i>Missing</i></p>	<p>Article 9-10. Zones of accelerated development of renewable energy sources</p> <p>Zones of accelerated development of renewable energy sources exclude the possibility of hydropower development.</p>	<p>We propose to identify the types of renewable energy sources that cannot be included in the zones of accelerated development of renewable energy. According to the Directive, such a possibility is outlined, in particular, “Member States may exclude biomass combustion and hydropower plants”.</p> <p>The issue of hydropower development will directly cause significant damage to the ecosystem, so simplifying any procedures for the development of this type of energy cannot be justified or simplified in any way.</p>
<p>Article 9-12. Areas for implementing projects for the development of network infrastructure and energy storage facilities necessary for the integration of renewable energy sources into the unified energy system of Ukraine.</p>	<p>Article 9-12. Areas for implementing projects for the development of network infrastructure and energy storage facilities necessary for the integration of renewable energy sources into the unified energy system of Ukraine.</p>	<p>1. We propose to coordinate the interaction between the plans in accordance with the text of the Directive, in particular in the part “The aim of such areas shall be to support and complement the renewables acceleration areas”.</p>

<p>In order to support and accelerate the development of renewable energy sources, the Cabinet of Ministers of Ukraine shall approve a plan(s) for determining individual areas for the implementation of projects for the development of network infrastructure and energy storage facilities necessary to facilitate the integration of renewable energy sources into the unified energy system of Ukraine, if such projects do not involve a significant impact on the environment or if such impact can be mitigated. Such plan(s) shall be developed by the central executive body responsible for the formation and implementation of state policy in the electricity sector, taking into account Ukraine's obligations under the Treaty establishing the Energy Community and the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand, and may take into account areas for the accelerated development of renewable energy sources, determined in accordance with Article 9-9 of this Law.</p> <p>The plan(s) for defining individual implementation areas for projects to develop</p>	<p>In order to support and accelerate the development of renewable energy sources, the Cabinet of Ministers of Ukraine shall approve a plan(s) for determining individual zones for the implementation of projects for the development of grid infrastructure and energy storage facilities necessary to facilitate the integration of renewable energy sources into the unified energy system of Ukraine, if such projects do not involve a significant impact on the environment or if such impact can be mitigated. Such plan(s) shall be developed by the central executive body responsible for the formation and implementation of state policy in the electricity sector, taking into account Ukraine's obligations under the Treaty establishing the Energy Community and the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand, and shall support and complement the zones for the accelerated development of renewable energy sources, determined in accordance with Article 9-9 of this Law.</p> <p>The plan(s) for defining individual implementation areas for projects to develop</p>	<p>2. It is proposed to replace references to “nature conservation zones”, which have no official interpretation in Ukrainian legislation, with “territories and objects of the nature protection areas”, the procedure for the creation and functioning of which is clearly regulated by the Law of Ukraine “On the Nature Reserve Fund of Ukraine”.</p> <p>3. The part “determine measures to mitigate the environmental impact of grid infrastructure projects and energy storage facilities” should be aligned with the provisions of the Directive, in particular <i>“establish appropriate and proportionate rules, including on proportionate mitigation measures to be adopted for the development of grid and storage projects in order to avoid adverse effects on the environment that may arise, or, where it is not possible to avoid such effects, to significantly reduce them”</i>.</p> <p>4. According to the original Directive, it is defined: “(d) be subject to an environmental assessment pursuant to Directive 2001/42/EC and, where applicable, to an assessment pursuant to Article 6(3) of Directive 92/43/EEC”.</p>
--	--	---

<p>network infrastructure and energy storage facilities should include:</p> <ol style="list-style-type: none"> 1. exclusion of the placement of network infrastructure in the territories of the Emerald Network and in nature conservation areas in the absence of substantiated alternative solutions; 2. exclusion of energy storage facilities in the territories of the Emerald Network and in nature conservation areas; 3. relationship with the plan(s) defining zones for accelerated development of renewable energy sources; 4. identify environmental mitigation measures for grid infrastructure projects and energy storage facilities. <p>Such plan(s) shall be subject to strategic environmental assessment in accordance with the procedure established by the Law of Ukraine "On Strategic Environmental Assessment".</p>	<p>network infrastructure and energy storage facilities should include:</p> <ol style="list-style-type: none"> 5. exclusion of network infrastructure placement in the territories of the Emerald Network and in nature conservation areas within the territories and objects of the nature protection areas in the absence of reasonable alternative solutions; 6. exclusion of energy storage facilities in the Emerald Network territories and in nature conservation areas within the territories and objects of the nature protection areas; 7. relationship with the plan(s) defining zones for accelerated development of renewable energy sources; 8. identify relevant and proportionate environmental mitigation measures for grid infrastructure projects and energy storage installations, with a view to preventing adverse environmental impacts that may arise or, where such impacts cannot be prevented, to significantly reduce them. 	<p>Despite the fact that currently in Ukraine there is no appropriate procedure for impact assessment in the Emerald Network territory, its omission contradicts the provisions of the Directive. Therefore, we propose to take it into account and, accordingly, actively promote the development of regulatory legal acts for conducting the appropriate assessment.</p>
--	---	--

	<p>Such plan(s) shall be subject to strategic environmental assessment in accordance with the procedure established by the Law of Ukraine "On Strategic Environmental Assessment", and if they may have a significant impact on the Emerald Network territory, then an impact assessment on the Emerald Network territory.</p>	
<p>Article 14-5. Permit procedures in zones of accelerated development of renewable energy sources</p> <p>...</p> <p>Renewable energy projects, including those with co-located energy storage facilities, retrofitting, and connection of relevant power plants to power grids in zones of accelerated development of renewable energy sources, are exempted from the obligation to conduct a separate environmental impact assessment in accordance with the Law of Ukraine "On Environmental Impact Assessment", provided that the criteria established for zones of accelerated development of renewable energy sources are met, except for renewable energy projects that have a significant impact on states that are likely to</p>	<p>Article 14-5. Permit procedures in zones of accelerated development of renewable energy sources</p> <p>...</p> <p>Renewable energy projects, including those with co-located energy storage facilities, retrofitting, and connection of relevant power plants to power grids in zones of accelerated development of renewable energy sources, are exempted from the obligation to conduct a separate environmental impact assessment in accordance with the Law of Ukraine "On Environmental Impact Assessment", provided that the criteria established for zones of accelerated development of renewable energy sources are met, except for renewable energy projects that have a significant impact on states that are likely to</p>	<p>1. The part "Renewable energy projects are not subject to environmental impact assessment in the territories of the Emerald Network, provided that the established criteria are met " sounds general and without any reference. To avoid incorrect interpretation and repetition, we suggest providing a reference to the relevant part of this article.</p> <p>2. In order to ensure the transparency of the process and avoid any conflicts that violate human rights, we ask that the public have access to information on the assessment of renewable energy projects, the possibility of submitting proposals and their appropriate consideration by the responsible body.</p>

be affected by transboundary environmental impacts of the renewable energy project. **Renewable energy projects are not subject to environmental impact assessment in the territories of the Emerald Network provided that the established criteria are met.**

The central executive body that ensures the formation and implementation of state policy in the field of environmental protection shall conduct an assessment of renewable energy projects specified in part six of this article in order to identify renewable energy projects that may cause significant unforeseen negative impacts on the environment, taking into account the environmental sensitivity of the geographical areas of their location, which were not determined during the assessment when developing the plan defining zones for the accelerated development of renewable energy sources.

be affected by transboundary environmental impacts of the implementation of the renewable energy project.

Renewable energy projects **defined in Part 5 of this Article are not subject to environmental impact assessment in the territories of the Emerald Network**, provided that the established criteria are met.

The central executive body that ensures the formation and implementation of state policy in the field of environmental protection shall conduct an assessment of renewable energy projects specified in part six of this article in order to identify renewable energy projects that may cause significant unforeseen negative impacts on the environment, taking into account the environmental sensitivity of the geographical areas of their location, which were not determined during the assessment when developing the plan defining zones for the accelerated development of renewable energy sources.

The central executive body, which ensures the formation and implementation of state policy in the field of environmental protection, ensures informing the public about the assessment of renewable energy projects and takes into account the

	comments and suggestions submitted by the public within the deadlines specified in the Procedure for the Assessment of Renewable Energy Projects.	
<p>Article 14-6. Licensing procedures outside zones of accelerated development of renewable energy sources</p> <p>...</p> <p>Environmental impact assessment of renewable energy projects located outside the zones of accelerated development of renewable energy sources is carried out in accordance with the requirements of the Law of Ukraine "On Environmental Impact Assessment".</p> <p>The specifics of the impact of renewable energy projects on natural habitats and populations and species of natural fauna and flora are determined by environmental legislation.</p>	<p>Article 14-6. Licensing procedures outside zones of accelerated development of renewable energy sources</p> <p>...</p> <p>The impact assessment of renewable energy projects on the territory of the Emerald Network is carried out in accordance with the requirements of the legislation.</p>	<p>The part "The specifics of the impact of renewable energy projects on natural habitats and populations and species of natural fauna and flora are determined by environmental legislation" sounds very general, although the text uses the definition of the Emerald Network territory. Therefore, we propose to use the appropriate definition for assessing the impact of renewable energy projects on the Emerald Network territory in order to avoid incorrect interpretations.</p>
Law of Ukraine "On Environmental Impact Assessment"		
<p>Article 1. Definition of terms</p> <p>1. In this Law, the following terms are used in the following meaning:</p> <p>...</p> <p>2-1) overriding public interest—reasons of a social or economic nature that will allow the activity to be carried out despite the negative results of the environmental impact</p>	<p>Article 1. Definition of terms</p> <p>1. In this Law, the following terms are used in the following meaning:</p> <p>...</p> <p>2. The term "Single State Electronic System in the Field of Construction" in this Law is used in the meaning given in the Law of Ukraine "On Regulation of Urban Planning Activities".</p>	<p>We propose not to define separate definitions regarding "overriding public interest", but to make a corresponding reference to the article of the Law of Ukraine "On Alternative Energy Sources".</p>

<p>assessment and in the absence of alternative solutions, subject to the application of compensatory measures;</p> <p>...</p> <p>2. The term "Single State Electronic System in the Field of Construction" in this Law is used in the meaning given in the Law of Ukraine "On Regulation of Urban Development Activities". The term "renewable energy project" is used in this Law in the meaning given in the Law of Ukraine "On Alternative Energy Sources"</p>	<p>The term "renewable energy project" is used in this Law in the meaning given in the Law of Ukraine "On Alternative Energy Sources".</p> <p>Relations concerning the overriding public interest of renewable energy projects are regulated taking into account the specifics of Article 14-10 of the Law of Ukraine "On Alternative Energy Sources".</p>	
<p>Article 9. Conclusion on environmental impact assessment</p> <p>...</p> <p>A planned activity, as having an overriding public interest, cannot be declared inadmissible for implementation in the event of a negative impact on the environment, provided that appropriate compensatory measures are foreseen.</p>	<p>Article 9. Conclusion on environmental impact assessment</p> <p>...</p> <p>Planned activities related to the overriding public interest of renewable energy projects are regulated taking into account the specifics of Article 14-10 of the Law of Ukraine "On Alternative Energy Sources".</p>	<p>The wording specified in the draft Law does not contain any mention or reference to the prevailing public renewable energy project, which greatly expands the scope of action, which does not meet the goals of the draft law.</p> <p>To avoid any incorrect interpretations, we suggest making an appropriate reference to the article of the Law of Ukraine "On Alternative Energy Sources".</p>
Law of Ukraine "On the Electricity Market"		
<p>Article 58-2. Citizen energy community</p> <p>1. The activities of a citizen energy community are based on the voluntary and open participation of its members (participants). A citizen energy community is established in accordance with the Law of</p>	<p>Article 58-2. Citizen energy community</p> <p>1. The activities of a citizen energy community are based on the voluntary and open participation of its members (participants). A citizen energy community is established in accordance with the Law of</p>	<p>1. The requirement to be an exclusively non-profit organization directly contradicts the definition of a citizen energy community given in Article 1 of the same draft law.</p>

<p>Ukraine “On Public Associations” or the Law of Ukraine “On Associations of Co-Owners of an Apartment Building” or as a legal entity of another organizational and legal form, which, in accordance with the legislation establishing the requirements for such organizational and legal form, is a non-profit organization and which, in accordance with the constituent agreement, charter or other constituent documents of the legal entity, has the right to consume electric energy, produce electric energy, in particular from renewable energy sources, supply electric energy, carry out aggregation activities, energy storage, provide energy efficiency services and/or services for charging electric energy storage systems (batteries) of electric vehicles, or provide its members (participants) with other services related to activities in the electric power industry.</p>	<p>Ukraine “On Public Associations” or the Law of Ukraine “On Associations of Co-Owners of an Apartment Building” or as a legal entity of another organizational and legal form, which, in accordance with the legislation establishing the requirements for such organizational and legal form, is a non-profit organization and which, in accordance with the constituent agreement, charter or other constituent documents of the legal entity, has the right to consume electric energy, produce electric energy, in particular from renewable energy sources, supply electric energy, carry out aggregation activities, energy storage, provide energy efficiency services and/or services for charging electric energy storage systems (batteries) of electric vehicles, or provide its members (participants) with other services related to activities in the electric power industry.</p>	<p>2. Directive (EU) 2019/944 does not provide that such communities must be purely non-profit. Neither Article 2 (Definitions) nor Article 16 (Citizen energy communities), which Article 58-2 of the draft law partially duplicates, contain any relevant references.</p> <p>On the contrary, paragraph 44 of the preamble to Directive (EU) 2019/944 specifically states that citizen energy communities may take different legal forms: both those created for profit and those without such a purpose (associations, cooperatives, partnerships, non-profit organizations, SMEs, etc.). “Non-profit organization” is listed through a comma, and not as the only and main form.</p> <p>3. Leaving the requirement for non-profitability will create an additional tax burden and complicate bureaucratic procedures: if a citizen energy community is a non-profit organization, but has carried out transactions for the supply of goods/services worth more than 1 million hryvnias during the last 12 calendar months (which, in fact, is a very small amount in terms of participation in the electricity market), then it must register as a VAT payer in accordance</p>
--	---	--

		<p>with clause 181.1, article 181 of the Tax Code of Ukraine.</p> <p>4. In addition, Part 4, Article 58-2 states that “non-discriminatory, fair, proportionate and transparent procedures shall be applied to citizen energy communities, in particular regarding <u>licensing and the establishment of economically justified tariffs</u>”, and Part 7 of the same article stipulates that “ citizen energy communities <u>shall bear financial responsibility</u> for electricity imbalances in accordance with market rules and taking into account the features established by this Law”.</p> <p>The issues of tariff formation and licensing are intertwined with the mandatory non-profit status, because non-profit organizations, knowing the limitations of their tax status, will be deprived of any incentives to implement larger-scale projects that would encompass more than a few adjacent buildings.</p> <p>5. Leaving the requirement of non-profitability means that energy cooperatives will not be able to be recognized as a citizen energy community, because according to Article 1 of the Law of Ukraine “On Alternative Energy Sources”,</p>
--	--	---

		<p>energy cooperatives can be established for the purpose of making a profit.</p> <p>The proposed definition of citizen energy communities complicates regulatory regulation (in essence, another form is created that exists in parallel) and theoretically creates a legal conflict that will need to be eliminated over time: in EU countries, an energy cooperative is one of the possible forms of a citizen energy community, which acts as a framework concept.</p>
--	--	---