



Mr. Andriy Parubiy

The Chairman of the Verkhovna Rada of Ukraine

Mr. Ostap Semerak

The Minister of Environment and Natural Resources of Ukraine

Brussels, 16 November 2017

RE: Green tariffs for waste incineration in Ukraine

Dear Mr. Chairman and Mr. Minister,

For the past two years, the Verkhovna Rada of Ukraine has been trying to introduce changes to the legislation in order to classify domestic wastes as source of alternative energy and to introduce "green tariff" for economic entities that produce electricity from incineration of domestic waste from 01.01.2017 till 31.12.2029 by applying the coefficient from 3, 0 (initial period) to 2.6 (final period). It should be noted that the proposed amendments will neither be in line with the requirements of the EU waste and renewable energy policies, which Ukraine has to transpose into domestic legislation, nor will they promote the establishment of an appropriate mechanism of waste management in Ukraine on the basis of circular economy principles for the following reasons:

1. In the European Union energy recovery from solid domestic waste in accordance with Directive 2009/28/EC is not encouraged by the state.
2. Instead, according to this very Directive 2009/28/EC on the promotion of the use of energy from renewable sources, countries should support the production of energy exclusively from renewable sources of energy. Domestic waste only partly belongs to renewable sources of energy, and the renewable parts (paper, food waste) are much lower contributors to the energy from incineration than fossil-sourced waste as plastics. Hence, incineration of mixed waste that includes a big portion of products of oil and gas processing (including plastics), leads to an increase in greenhouse gas emissions into the atmosphere - that is actually indirect incineration of fossil fuels.
3. In the EU, energy recovery from incineration of MSW is considered one of the least preferred options. The Waste Framework Directive 2008/98 prioritises prevention, reuse, recycling and composting (including anaerobic digestion) and the ongoing discussion of the Circular Economy agenda includes a further revision which will maximise material recovery targets, in a continuous quest for maximisation of material recovery. There is wide evidence of the "lock-in" effects caused by incineration, which, on account of the large investments required, and long pay back times, requires secured tonnages, which in some parts of Europe is hampering further evolution of separate collection and recycling as it would be required by the vision of Circular Economy.
4. Tariff incentives for incineration of solid domestic waste will distort markets for waste by making it comparatively cheaper to recover energy from waste than to prevent or recycle it, effectively contradicting the waste hierarchy and hindering the transition towards more sustainable waste management systems and a circular economy.
5. The proposed coefficient of green tariff is not substantiated. There are no calculations of the proposed coefficient, the payback of the equipment for production of energy from domestic waste and equipment for the purification of polluting substances, increase of the final price of electricity for consumers.
6. The proposed green tariff coefficient is one of the highest and can be compared with the coefficient for electricity generated from solar energy by electricity objects installed on roofs

and / or facades of houses, buildings and constructions (3,04 - 2,43) and is almost three times higher than for electricity generated from wind energy by wind power plants consisting of wind turbines with a single installed capacity of up to 600 kW (1,08-0,84). The latter two types of electricity generation are a priority in EU policy.

7. In order to ensure that waste incineration is on the proper level, safe for the environment and health, Directive 2008/98 / EC on waste and Directive 10/75 / EC on industrial emissions should be implemented in Ukraine. These directives contain detailed requirements for waste incineration. Implementation of these directives is foreseen by the EU-Ukraine Association Agreement. So far, these requirements have not been implemented in Ukraine.
8. The introduction of green tariff for electricity produced from waste incineration will slow down the implementation of the EU's waste management priorities (prevention of waste generation, preparation for re-use, recycling) in Ukraine. The European Commission does not prioritize waste incineration.
9. Ukraine will lose its resource potential as foreign currency will be spent annually to import secondary raw materials by processing enterprises.
10. The result of waste incineration will be production of 10-30% of ash, part of which belongs to the I-III classes of hazardous waste and requires safe disposal.
11. There are different ways of producing energy from domestic waste – waste incineration, anaerobic fermentation of biodegradable waste. The draft law does not specify the way of producing energy from waste for which the "green tariff" is proposed. However, it should be noted that these methods have different impact on the environment. The process of anaerobic fermentation of biodegradable wastes involves production of bio-methane which is fully renewable and will prevent the formation of greenhouse gases, while incineration is a source of toxic emissions (dioxins, furans, benzopyrenes), besides greenhouse gases from the fossil part of waste. Control over these toxic substances in emissions into the atmosphere is not carried out in Ukraine.
12. On January 26, 2017, the European Commission adopted the recommendation "The role of "waste-to-energy" installations in the circular economy", which recommended the revision of waste incineration activities in favor of reuse and recycling of waste. This document supports only the use of anaerobic fermentation of biodegradable waste. It also emphasizes that having signed the Paris Agreement, the EU countries, have made commitments to decarbonize the economy, which implies that during its lifetime, energy produced through incineration will replace more renewable energy and less fossil energy, which minimises the life-cycle pretended benefits of incineration. Hence the risk of closing incineration plants is possible in the future. Ukraine was among the first countries that ratified the Paris Agreement and 279 people's deputies voted for its ratification.

Taking into account the aforementioned, the introduction of green tariff for electricity production from waste incineration is ungrounded, will work against Ukraine's obligations under Annex XXX to the EU – Ukraine Association Agreement and pose a threat to the environment and health.

Yours sincerely,



Jeremy Wates

Secretary General
European Environmental Bureau



Joan Marc Simon

Executive Director
Zero Waste Europe



Olena Kravchenko

Executive director
Environment-People-Law