Project Example in Ukraine

Project Summary:

Purpose: Improve reliability and efficiency of energy supply to facilitate smooth operation of the energy market both domestically and internationally.

Project period: 2011 – 2016

IBRD Financing: US$200 million

Project ID: P096207

Mitigation: Increased efficiency in electricity transmission

Power Transmission Project in Support of the Energy Sector Reform & Development Program

Despite significant surplus in installed generating capacity, some regions of Ukraine are experiencing difficulties covering their peak load due to inadequate power transmission capacity. This is due to congestion in the main transmission networks and poor reliability of the existing transmission infrastructure. Users resort to diesel-powered back-up generators, which cause additional CO2 emissions. With demand for energy increasing, combined with outdated equipment supporting the country’s major power grids, UkrEnergo, Ukraine’s transmission system operator, cannot supply energy efficiently to both Ukraine and the EU.

The World Bank funded Power Transmission Project helps mitigate greenhouse gas emissions by improving the transmission infrastructure and helping UkrEnergo reduce Ukraine’s energy intensity by 10%. It also will help increase UkrEnergo’s revenue through more electricity trade with the EU. The project’s activities include:

- replacing high voltage equipment with cleaner energy systems in the eastern part of Ukraine;
- upgrading existing transmission lines and associated substations to an optimal voltage level; and,
- establishing a Management Information System in Ukraine for the auditing and implementation of energy regulations across the country.

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