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Belarus Energy Digest for April 2024

Key events

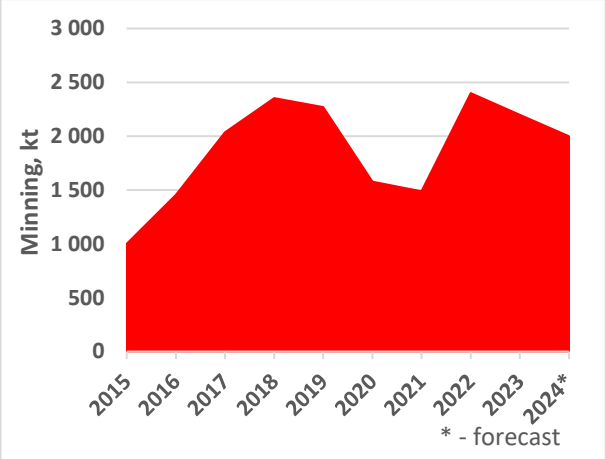
On April 2, quotas were established for the installation of renewable energy sources for the period from 2025 to 2029. The total capacity allocated amounted to 43.186 MW[1]. Further details on the development of renewable energy sources in Belarus are provided in the "Topic of the Issue" section.

As a consequence of stormy weather on April 2, power supply disruptions affected 256 settlements. This included an outage of a 110 kV power line originating from the Uritskaya substation, resulting in the Uritskoye settlement (population - 1000 people) being left without electricity. The line outage led to a short circuit and subsequent fire. The adverse weather primarily impacted settlements in the Gomel region.

Furthermore, adverse weather conditions were observed on April 19, predominantly affecting the Grodno and Vitebsk regions.

The peat extraction season has commenced. By April 15, three organizations have initiated peat extraction activities. It is anticipated that the remaining 14 will begin extraction shortly. The objective for 2024 is to extract 2 million tons of peat, with one million allocated for fuel production and an additional 140 thousand tons for non-fuel products.[2].

It appears that peat extraction is being scaled back due to a decline in demand. In 2022, the target was to extract 2.3 million tons, but the actual extraction exceeded this, reaching 2.4 million tons. In 2023, the target remained the same, but only 2.2 million tons were extracted.



On April 22nd, the delayed coking unit at Naftan OJSC achieved a milestone by producing its one millionth ton of petroleum coke. The unit, which was launched in 2022, took slightly over two years to reach this production milestone. With a capacity of 200 tons of raw material per hour, the unit has been operating consistently to achieve this significant output.

The reconstruction of the 220 kV open switchgear at the Svetlogorsk Combined Heat and Power Plant (CHP) has been successfully concluded. This accomplishment is part of the larger project titled "Reconstruction of the 220 kV Switchgear," which involves the replacement of air circuit breakers VVB-220 kV "AT-4," "Svetlogorsk-220," "Miradino," "SHS-220 kV," and "AT-3" with gas-insulated switchgear. Following the completion of this phase, efforts have commenced towards implementing the second phase of the project at the Svetlogorsk CHP branch[3].

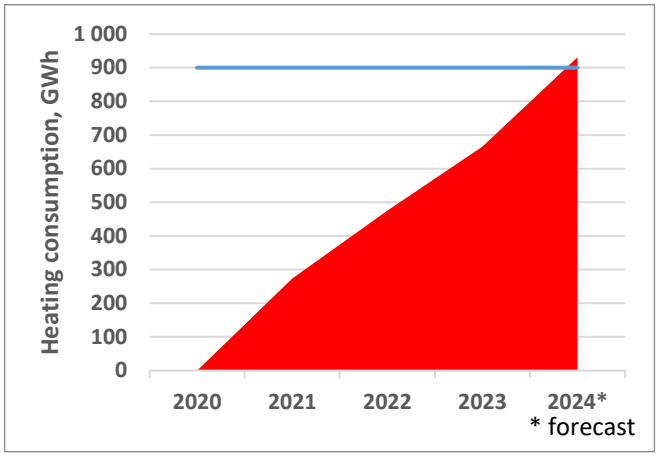
In the Bragin district, the construction of the 35 kV overhead power transmission line "Khrakovichi - Komarin" has been successfully completed. The power line spans a length of over 30 kilometers[4].

[1] https://t.me/Minenergo_by/1939
[2] https://t.me/Minenergo_by/1497
[3] https://t.me/gomelenergo_by/5923
[4] https://t.me/Minenergo_by/1958

Statistics and data

In the first quarter of 2024, the volume of electricity consumed by the population for electric heating increased by 1.4 times compared to the same period in 2023[5]. maintaining a trend of 40% for the year[6]. In 2023, consumption for these purposes amounted to **657.4 GWh**. Assuming this trend continues in 2024, consumption for electric heating will exceed **920 GWh**, surpassing the planned volume for 2025, which was set at 900 GWh[7].

Subsidies for such electricity supply amount to 7.3 cents per kWh. The volume of subsidies reached $48 million and is projected to reach **$67.2 million** in 2024.

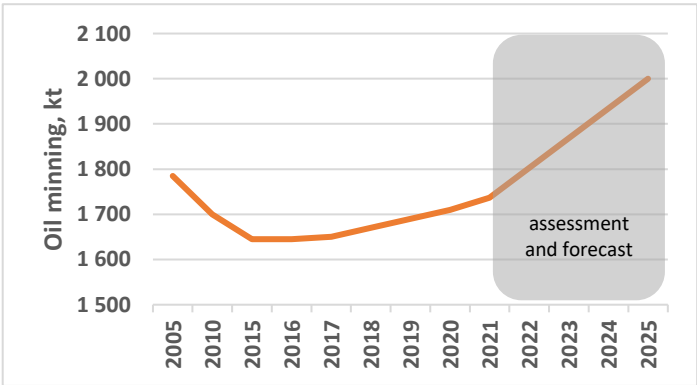


From the commissioning of the nuclear power plant (NPP) until April 22, 2024, it has already generated 28.5 TWh of electricity. As of December 28, 2023, the NPP had generated 22.3 TWh of electricity. Therefore, over the course of 116 days, production amounted to 6.2 TWh. The average power output was 2.23 GW, indicating the continuous operation of two units at a capacity close to nominal.

The well fund of "Belorusneft" company has been enriched with new assets. In March, experts from the Svetlogorsk Drilling Operations Management completed the drilling of seven new wells. Three wells were constructed at the Rechitsa field, and one each at the Dubrovitskaya, Severo-Domanovichskaya, Nurgaleevskaya, and Marmovichskaya sites.

Statements

"When it comes to the Ministry of Natural Resources and Environmental Protection, we recently held a significant meeting on this issue. Let me be clear: **we need to dig and search**. Additionally, you must ensure that everyone works towards this goal. I don't believe that our subsoil lacks what we need. If you manage to address this task to some extent, monuments could be erected anywhere," said Lukashenko to the new Minister of Natural Resources and Environmental Protection upon his appointment.



At another meeting on "the state and development of the mineral resource base of the Republic of Belarus"[8] the goal for oil production volume in 2025 has been set at 2 million tons.

As a result of these tasks, active drilling commenced, and immediately, reports came in about three drilling records within four months. In February 2024, a record daily drilling value of 820 meters was achieved.

[5] https://t.me/Minenergo_by/2000
[6] https://t.me/Minenergo_by/1763
[7] https://minenergo.gov.by/press/glavnye-novosti/utverzhdena-programma-uvelicheniya-elektropotrebleniya-dlya-nuzhd-otopleniya-i-goryachego-vodosnabzh/
[8] https://president.gov.by/ru/events/soveshchanie-o-sostoyanii-i-razvitii-mineralno-syrevoy-bazy-v-belarusi

Topic of the Issue: RES development

In this edition, we have chosen the topic of renewable energy development, as quotas for the commissioning of new installations were determined in April [9].

Type of RES	Capacity, MW
Biogas	10
Wind	3
Solar	1
Hydro	1
Wood	15
Geothermal	13,186

During the period 2025-2026, the plan is to commission **43,186 MW** of renewable energy capacity. This will increase the share of renewable energy sources (RES) in the installed capacity structure by **0.38 percentage points**, resulting in a share of solar, wind, and hydro energy at the level of **3.3%**. This decision effectively hinders the development of RES until the end of the decade.

The development of the renewable energy regulation system can be divided into two periods:

- 2010–2015 – During this period, the legislation was governed by Law No. 204-З dated December 27, 2010, titled "On Renewable Energy Sources." This law introduced an escalating tariff and mandated the state monopoly "Belenergo" to procure electricity from renewable energy sources (RES). This timeframe witnessed a low volume of RES construction due to their limited economic appeal.
- 2015-present - This period has been marked by a progressive tightening of legislation aimed at constraining the development of renewable energy sources (RES). In this timeframe, the construction of RES became economically feasible, prompting the Ministry of Energy to impose administrative constraints on their capacity expansion.

In 2015, the Decree on the Use of Renewable Energy Sources was enacted. This Decree introduced quotas for the installation of renewable energy sources (RES), granting the government authority to determine the volume of new RES installations. Subsequently, feed-in tariffs underwent multiple revisions, leading to reductions. Presently, in some cases, RES can only sell electricity at a price equivalent to 10% of the tariff for industrial consumers. Quotas for the period 2021-2024 were set at zero. Additionally, another decree was adopted, enabling the limitation of RES generation within the framework of regulating daily load. Furthermore, the Law of the Republic of Belarus dated December 30, 2022, No. 230-Z "On Amending Laws on Taxation Issues," abolished VAT exemptions for the import of RES installations, components, and spare parts upon entry into the territory of the Republic of Belarus, effective January 1, 2023[10].

Electricity generated by RES installations without quotas is not compensated when fed into the grid. Additionally, the obligation of the state enterprise "Belenergo" to purchase electricity from RES has been revoked.

The volume is restricted by regulatory acts, and there are no guarantees for the purchase of their energy. They can be constructed for self-consumption purposes, but owners do not receive payment for the electricity fed into the grid. Regulatory authorities have set the development of RES at a level of 43 MW for 10 years.

There is no justification for such a regulatory approach, as renewable energy sources (RES) are capable of generating electricity at a lower cost than the average in the power system. They do not negatively impact the reliability of the power system since they are subject to dispatch control. The only explanation is the reluctance of the state-owned enterprise "Belenergo" to allow energy sources onto the market that can generate electricity at a lower cost than their own capacities.

Currently, legal proceedings have commenced regarding the nationalization of Belarus's largest solar power station, which was seized by the state from the private British company "Cameliaside." Simultaneously, the government is endeavoring to locate a buyer for the station at a mere third of its book value. The nationalization of Belarus's largest solar station further diminishes hopes for normal development in Belarus in the near future.

[9] https://www.minenergo.gov.by/press/lenta/ustanovleny-kvoty-na-sozdanie-ustanovok-po-ispolzovaniyu-vozobnovlyaemykh-istochnikov-energii-na-202/

[10] https://energoeffect.gov.by/news/news_2023/20230209_news6