

MEMORANDUM OF UNDERSTANDING

on Cooperation

in the field of Energy Efficiency and Renewable Energy

between



the State Agency on Energy Efficiency and Energy Saving of Ukraine

Muzeiny Lane, 12
Kyiv, Ukraine 01001

and



Orkustofnun, the National Energy Authority of Iceland

Grensasvegur 9,
108 Reykjavik, Iceland

Orkustofnun (OS) and State Agency on Energy Efficiency and Energy Saving of Ukraine (SAEE), have identified utilisation of geothermal energy as a common area of interest.

DESIRING to establish identified geothermal cooperation between Icelandic and Ukraine entities with the aim to develop and promote geothermal activities;

CONSIDERING the need to strengthen cooperation in the area of geothermal undertakings as was stressed at meeting between Mr. Gunnar Bragi Sveinsson, Minister for Foreign Affairs in Iceland and SAEE management, 16th of July 2014, in Kiev, according to information from SAEE and the Icelandic Ministry for Foreign Affairs.

ACKNOWLEDGING the importance of developing renewable energy solutions that meet actual needs, increasing security of energy supply, harnessing natural resources, reducing greenhouse gas emissions, improving economic savings and quality of life.

RECALLING that promotion and strengthening scientific and technical exchange and cooperation between scientists, representatives of business, authority and local authorities in the fields of energy efficiency and renewable energy will further these goals;

have reached the following understanding:

The State Agency on Energy Efficiency and Energy Saving of Ukraine (hereinafter referred to as SAEE) - is the central executive authority, which is directed and coordinated by the Cabinet of Ministers of Ukraine through the Vice-Prime-Minister of Ukraine - Minister for Regional Development, Building and Housing of Ukraine. Its main tasks are to ensure implementation of state policy in the areas of efficient utilization of fuel and energy resources, energy saving, renewable energy sources and alternative fuels;

and

Orkustofnun, the National Energy Authority of Iceland, is a government agency under the Ministry of Industries and Innovation. Its main responsibilities are to advise the Government of Iceland on energy issues and related topics, license and monitor the development and exploitation of resources in the ground and sea floor, regulate the electricity sector and promote energy research. Orkustofnun operates the National Energy Fund, hosts the United Nations University – Geothermal Training Programme and operates the Energy Agency in Iceland. Orkustofnun takes part in various international energy cooperation, especially in the field of geothermal.

The SAEE and Orkustofnun (hereinafter referred to as the "Parties"); have agreed as follows:

Article 1

Purpose

The purpose of this Memorandum is to ensure:

1.1.1. Development of co-operation between the countries for mutual realization of events and projects by Ukrainian and Icelandic organizations and companies in the areas of energy efficiency, energy saving and renewable energy sources;

1.1.2. Evaluation of opportunities and potential for geothermal energy development in Ukraine based on analysis of resources and technically achievable aspects in energy potential of geothermal energy in the regions of Ukraine identified as the most advantageous and prospective for the above mentioned;

Article 2

Goals

- 2.1. The goals of the co-operation in the framework of this Memorandum shall be as follows:
- 2.1.1. Improve collaboration within institutional level towards implementation of strategy for increasing the energy efficiency, and support sustainable development of geothermal energy;
 - 2.1.2. Assistance in the implementation of the projects in the area of geothermal energy for its use, development and resource management in Ukraine, Iceland and Third Countries involvement of which shall be agreed beforehand by the Parties;

Article 3

Forms of co-operation

- 3.1. The forms to conduct the above mentioned co-operation are the following:
- 3.1.1. The information exchange on latest achievements and statistics between the Parties regarding an efficient energy use and sustainable development of geothermal resources; identifying the most advantageous and beneficial regions, joint research reports and other documents writing on sharing the information;
 - 3.1.2. Evaluation of economic benefits and influence of geothermal energy on the environment;
 - 3.1.3 Participation in research, exploitation and operation of geothermal settings and systems;
 - 3.1.4. Realization of joint projects on development of geothermal resources in Ukraine, including suggestions to improve legislation and other mechanisms in order to implement the results of the above mentioned researches;
 - 3.1.5. Formulation of legal acts necessary for the efficient use and sustainable development of geothermal resources, finding the ways of financing the projects as well as other mechanisms of state support, including regional and municipal levels;
 - 3.1.6 Exchange of profound knowledge and experience between the experts of both Parties through the seminars and study visits;
 - 3.1.7. Fields of cooperation might be changed or amended by mutual agreement of the Parties.

Article 4

The priority projects

- 4.1. The Parties confirm their intention to promote realization the projects in the fields of energy efficiency and renewable energy, particularly paying attention to the following points:
- 4.1.1. Evaluate the potential and determine areas of projects realization on development of geothermal energy in Ukraine by identifying the most favorable and promising regions for mentioned above, in particular, the ones with a potential possibility of implementation period within 5 years;

4.1.2. Create projects on development of geothermal resources in Ukraine at different levels such as: governmental, municipal, non-governmental organization and etc., including the projects where a Public-Private Partnership mechanism is used;

4.1.3. Knowledge exchange regarding the latest technologies in energy efficiency and renewable energy taking into consideration provisions of paragraph 3.1.6;

4.1.4. Introduction of mechanisms of financing the projects on energy efficiency and renewable energy including a Public-Private Partnership as well as institutional uphold for development of ESCO (Energy Service Companies);

Article 5

Parties' intentions

5.1. In accordance with this Memorandum the Parties intend:

5.1.1. Exchange information between the Parties on implementation of the projects, which comply with requirements of antimonopoly legislation, not violating the confidentiality conditions of each Party, which act under existing or future agreements;

5.1.2. Assist in finding a financial support locally and internationally in order to conduct tasks mentioned above;

5.1.3. Hold a meaningful dialogue on possibility of supplementary agreements regarding implementation of this Memorandum.

Article 6

Other conditions

6.1. This Memorandum shall not create rights and obligations in accordance with the international law. It is not considered to be an international agreement.

6.2 This Memorandum will become effective on the date of signature and will remain in force during five years. Both Parties should make a decision of an intention to prolong a term of Memorandum.

6.3. This Memorandum may be amended and supplemented only by mutual written consent of the Parties and shall be signed by the appropriate representatives of the Parties, which will constitute an integral part of this Memorandum.

Done in Kyiv, Ukraine and Reykjavik, Iceland, March __ 2015, in two originals, each in the Ukrainian and English languages, each Party shall receive its original.

**For the State Agency
on Energy Efficiency
and Energy Saving of Ukraine**

**Mr. Serhiy Savchuk
Head of the State Energy
Efficiency Agency of Ukraine**

**For Orkustofnun, the National Energy
Authority of Iceland**

**Dr. Guðni A. Jóhannesson
Director General of Orkustofnun**