

# EBRD lends €80 million to Ukrnafta to install small generation units across Ukraine

December 9, 2024



The European Bank for Reconstruction and Development (EBRD) on 6 December announced an €80 million loan to Ukrnafta, a Ukrainian state-owned oil and gas company, to finance the supply and installation of a total of about 100 MW of small-scale gas-fired distributed power and co-generation capacities around the country. The project aims to boost the resilience of the power sector despite this year's heavy Russian attacks.

The sovereign-guaranteed EBRD loan will be co-financed by parallel investment grants of €9.5 million from the Netherlands and €12.5 million from the United States of America, channelled through the EBRD's Crisis Response Special Fund.

*"Decentralising its energy system is a key priority for Ukraine, which is*

*operating at about one-third of its pre-war generating capacity as a result of the Russian attacks. Ukrainians are currently living with rolling blackouts that disrupt the lives of millions of people,”* said an EBRD press release.

The project will see small generation units of up to 10 MW capacity each installed at selected sites in Western and Central Ukraine, in locations with severe deficits of energy and heat. *“Because Ukrnafta is Ukraine’s largest oil and gas producer and the operator of the country’s largest fuel retail chain, it can power the generators using its own gas and ease pressure on the national grid,”* EBRD explained in the press release.

At a later stage, the EBRD said, the same equipment could be used to support Ukraine’s plan to increase the share of renewables in its energy mix, with the gas engines then being used to balance intermittent renewable energy input.