



Board of the Energy Regulatory Office

Based on:

-Article 8 paragraph 1 sub-paragraph 1.6, Article 14 paragraph 2 sub-paragraph 2.7 and Article 25 of the Law on Energy Regulator (No. 03/L-185)

-Article 4, 5 and 13 paragraph 1 sub paragraph 1.2, Article 14, Article 15 paragraph 1 and Article 16 of the Regulation on Authorization Procedure for construction of New Generation Capacities;

- Decision no. V-673-2014 dated on 23 December 2014 for determination of the Feed in Tariff for electricity generation from Energy Renewable Sources;

- Application on Authorization for construction of New Generation Capacities for electricity generation from Water, in Lepenc River, for HP Sharri with an installed capacity of 5.5 MW and HP Brezovica with an installed capacity of 3.6 MW with a total of 9.1 MW, in Municipality of Shtërpca, dated on 29.03.2013 of "Matkos Group" LLC Company, having its address at "Veternik", MA Prishtinë, Republic of Kosovo;

- Decision no. V-540-2013 dated on 28 June 2013 for issuing the Decision on Notification for Preliminary Authorization to "Matkos- Group" LLC Company for construction of New generation Capacities from Water, in Lepenc River, for HP Sharri with an installed capacity of 5.5 MW and HP Brezovica with an installed capacity of 3.6 MW with a total of 9.1 MW, in Municipality of Shtërpca;

- Decision V-688-2015 dated on 20 February 2015 for Admission to the Support Scheme

-Request on extension of validity time limit of Decision V-540-2013 dated on 28 June 2015 on Notification for Preliminary Authorization for HP Sharri and HP Brezovica, Municipality of Shtërpca, for completing the application for obtaining the final authorization.

-Decision V-745-2015 dated on 16 July 2015 for extension of validity time limit of Decision on Notification for Preliminary Authorization V-540-2013, for six (6) more months, namely until 28 December 2015;

-Request/Application for conversion of Decision on Notification for Preliminary Authorization into Authorization for construction of New Generation Capacities for electricity generation from Water, in Lepenc River , for HP Sharri with an installed capacity of 6.453 MW, Municipality of Shtërpca, dated on 12 November of "Matkos-Group" LLC Company, having its address at "Veternik", MA Prishtinë, Republic of Kosovo;

-Parameters supplements and modifications of the installed capacity of 5.5 MW with a total installed power of 6.453 MW, according to technical, economical and environmental assessment carried out in the field and presented in the engineering project; and



- Contracts, permits, consents and decisions issued by the relevant institutions, as in Appendix II of this Decision,

In its session held on 28 January 2016 issued the following:

DECISION

ON GRANTING AUTHORIZATION

I. Hereby, **“Matkos-Group” LLC Company is granted Authorization** for construction of New Generation Capacities for electricity generation from Water, for HP Sharri with an installed capacity of **6.453 MW**, in Lepenc River, cadastral parcel no.2374-0, estate certificate P-72717094-02374-0, with an area of 947 m², allocated for use to the investor with the decision of Municipal Assembly no. 01-16-1623 dated on 03 March 2013, plan copy no.428/2013 CA Shtërpce according to Construction Permit issued by Municipality of Shtërpca.

Reasoning

- On 29 March 2013, ERO received from **“Matkos-Group” LLC Company** application on granting Authorization for construction of New Generation Capacities for electricity generation from Water, in Lepenc River, HP Sharri with an installed capacity of 5.5 MW and HP Brezovica with a capacity of 3.6 with a total capacity of 9.1 MW, in Municipality of Shtërpca.
- Following the ascertainment that the applicant demonstrated its suitability for construction of New Generation Capacities from Water, ERO, on 28 June 2013, issued the Decision on Announcement for Preliminary Authorization no. V_540_2013 and instructed the applicant to fulfill other legal requirements required by the applicable legislation in Kosovo.
- The Decision on Notification for Preliminary Authorization has not implied granting Authorization for Construction, until the requirements set by the Regulation on Authorization Procedure for Construction of New Capacities are fulfilled.
- The Decision on Notification for Preliminary Authorization, was issued for two (2) years and in this decision is determined that the **“Matkos- Group” LLC Company** will be granted the Authorization for Construction, if it will make a written request within this time-limit, to convert the decision on Preliminary Notification into Authorization, fulfilling all requirements set by the Rule On Authorization Procedure for construction of New Generation Capacities and the applicable legislation.
- On 24 June 2015, ERO received from **“Matkos-Group” LLC Company** the request for extension of validity time limit of decision V-540-2013 dated on 28 June 2015 on Notification for Preliminary Authorization to HP Sharri and HP Brezovica, Municipality of Shtërpca, for completing the application to obtain the Final Authorization.
- On 16 July 2015, ERO issued the decision V-745-2015 for extension of validity time limit of Decision on Notification for Preliminary Authorization V-541-2013 dated on 28 June 2013, for six (6) more months, namely until 28 December 2015, in order that the application in accordance with the applicable law shall be completed within this period.



•On 03 November 2015, ERO received from “Matkos-Group” LLC Company a request for conversion of Decision on Notification for Preliminary Authorization for construction of New Generation Capacities for electricity generation from Water into FINAL Authorization to HP Sharri with an installed capacity of 6.453 MW , in Lepenc River, cadastral parcel no. 2374-0, estate certificate P-72717094 02374-0, with an area of 947 m² allocated for use to the investor with the decision of Municipal Assembly no. 01-16-1623 dated on 03 June 2013, plan copy no. 428/2013 CA Shtërpce, Municipality of Shtërpca, attaching evidence issued by the relevant authorities for meeting all environmental requirements, the right on the use land, the right on the use of water, Construction Permit and other legal requirements related to the project in accordance with the applicable legislation.

•Following the evaluation of the attached evidence, permits, approvals and decisions issued by relevant institutions, and based on legal provisions mentioned in the introductory part of this decision, ERO decided as in the enacting clause of this decision.

II.Decision on Authorization is granted to the “Matkos- Group” LLC Company for two (2) years, and the latter is obliged to build, within this period, new Generation Plant from Water.

III.Decision shall be issued in Albanian Language and translated into Serbian. In case of any discrepancy between the versions, the Albanian version shall prevail.

IV. This Decision shall enter into force on the date of approval by the Board, and will be published in the ERO's official website of ERO.

Legal Advice: The party dissatisfied with this Decision may initiate an administrative dispute with the Competent Court, within thirty (30) days from the date of receipt of this Decision or the date of its publication in the ERO's website, whichever occurs last.

Enclosed to the Decision: Appendix I and Appendix II.

ERO Board:

Enver Halimi, chairperson

Krenar Bujupi, member

Arsim Janova, member

Qemajl Mustafa

Besim Sejfiqaj

APPENDIX I

Energy Regulatory Office (ERO) exerting its powers entrusted to it under Article 38 of the Law on Energy Regulator and in accordance with Article 16 of the Regulation on Authorization Procedure for



construction of New Generation Capacities, to “Matkos- Group” LLC Company, having its address at “Veternik” MA Prishtinë, Republic of Kosovo, on **28 January 2016**, issued the following:

AUTHORIZATION

1. For construction of New Generation Capacities for electricity generation from Water, to HP Sharri with an installed capacity of 6.453 MW, in Lepenc River , cadastral parcel no. 2374-0, estate certificate P-72717094-02374-0, with an area of 947 m², allocated for use to the investor with the decision of the Municipal Assembly no. 01-16-1623 dated on 03 March 2013, plan copy no. 428/2013 CA Shtërpce, Municipality of Shtërpca.

2. Hereby, “Matkos-Group” LLC Company, is authorized to construct New Generation Capacities in the above-mentioned location, in accordance with terms and conditions determined within this Authorization.

3. This Authorization is issued for two (2) years, starting from the day of issue. ERO, at the request of the party, may extend the validity of Authorization, pursuant to the applicable legislation.

4. The Authorized Party, during the entire validity period of this Authorization , must fulfill the following:

4.1. All conditions set out under this Authorization, and

4.2. All conditions set out under the applicable legislation in Kosovo, including those on environment.

5. Energy Regulatory Office may modify this Authorization in accordance with provisions of Article 19 of the Regulation on Authorization Procedure for Construction of New Capacities.

6. In case the Authorized party goes bankrupt prior to the authorized generation establishment will have been constructed, then this Authorization shall be suspended and shall remain as such until ERO has established that the conditions for withdrawal of suspension have been achieved. As long as this Authorization is suspended, the entire further works for constructing the generation plant are to be stopped. Otherwise, administrative measures and fines set out under the applicable legislation can be undertaken against the Authorized party.

7. The validity of this Authorization shall automatically expire upon the expiration of the time-limit set out under item II of the present Decision or upon the expiration of other time-limits set out by ERO in accordance with item 3 Appendix I of the present Authorization.

8. In case the Authorized party violates any of the conditions of the present Authorization, and the applicable legal provisions, ERO will suspend the Authorization in accordance with provisions of the Regulation on Authorization Procedure for construction of New Capacities. From the date this Authorization is suspended, the entire further works for constructing the generating establishment are to be stopped. In case of noncompliance, administrative measures and fines set out under the applicable legislation may be undertaken against the Authorized party.



9. The authorized party shall inform ERO in writing and ask for prior consent for any changes to the existing elements of generators or any addition of new elements, which are not included in the project being part of the application.

APPENDIX II

List of documents (permits, consents, decisions, contracts etc.) issued by the institutions of the Republic of Kosovo related to granting **Authorization** to “Matkos-Group” LLC Company for construction of New Generation Capacities for electricity generation from Water, for HP Sharri with an installed capacity of **6.453** in Lepenc River, cadastral parcel no.2374-0, estate certificate P-72717094-02374-0, with an area of 947 m², allocated for use to the investor with the decision of Municipal Assembly no. 01-16-1623 dated on 02 March 2013, copy plan no. 428/2013 CA Shtërpce, Municipality of Shtërpca.

-Consent on HP Constructions, to “Matkos-Group” LLC no. 06/16-854 dated on 29 March 2013 MA Shtërpce;

-Preliminary Decision on Foundation of “Objects Servitude” – Servituti Sendor no. 02-16-992 dated on 11 April 2013;

-Contract on Foundation of “Objects Servitude”- Servituti Sendor for establishment of facilities- concluded between Municipality of Shtërpca and “Matkos- Group” LLC for utilization of Municipal Parcels according to cadastral parcels mentioned in the contract.

-Decision on Environmental Consent – no. 14/3721/1-337/ DMM dated on 09 September 2014 issued by Ministry of Environment and Spatial Planning (MESP)- office of Secretary Permanent (OSP);

-Decision on Water Consent- no. 5810-3/15-ZSP-1385/2015, dated on 02 November 2015, to “Matkos- Group” LLC Company, for HP Sharri, with an installed capacity of 6.453 MW in the upper part of Lepenc River, Municipality of Shtërpca, issued by Ministry of Environment and Spatial Planning (MESP)- Office of Secretary Permanent (OSP);

-Prior agreement on construction of HP Sharri, concluded on 02 November 2015 between “Matkos-Group” LLC Company and GBS KOSOVO CORPORATION JSC. for implementation of construction works.

-Technical and Commercial Bid by SUBOR BORU SAN. Tic. A.S for HP Brezovica;

-Electricity Connection Consent- HP Shtërpce, issued by KEDS no. 5176 dated on 30 June 2015.

-Construction Permit- no. 351-6482 dated on 29 July 2015 for construction of industrial building, for HP Sharri with a total installed capacity of **6.453 MW**, in Lepenc River, cadastral parcel no. 2374-0, estate certificate P-72717094-02374-0, with an area of 947 m², allocated for use to the investor with decision of Municipal Assembly no.01-16-1623 dated on 03 June 2013 plan copy no. 428/2013 Shtërpce, Municipality of Shtërpca.



- **Investment and Technical Documentation** HP Sharri (on Water Consent).

-**Hydro Power Development Project** (Placement Plan of HP Sharri),

(Stamped with the random stamp of ERO, on): _____

(Signature (on behalf of the ERO Board): _____