



Republika e Kosovës
Republika Kosova - Republic of Kosovo

ZYRA E RREGULLATORIT PËR ENERGJI
REGULATORNI URED ZA ENERGIJU
ENERGY REGULATORY OFFICE



Pristina, 20 January 2017

ANNOUNCEMENT

First Session of ERO Board in 2017

The Board of Energy Regulatory Office approved the Guideline on Liberalization of Electricity Market in Kosovo, assessed competition in the market, set Principles on Tariff Determination for the Use of System and Connection Charges for TSO and DSO, and also recommended to all operators to increase their efforts for improvement of services and accuracy in their regulatory reporting.

The Board of Energy Regulatory Office (ERO), in its first session in 2017, held on 18 and 19 January, approved the Guideline for Liberalization of Electricity Market in Kosovo. This Guideline comes as a result of legal changes and as a need of adjusting secondary legislation with new energy laws, adopted by the Assembly of Kosovo in July 2016, which are in accordance with the Third Package of European Union Directives and stipulate the functioning of a free market in energy sector.

The Guideline, except functioning as a guide for actions to be undertaken by all participants towards functioning of free electricity market, also defines the manner, criteria and timing of electricity market opening in Kosovo, at electricity generation and supply level. The defining of criteria by this Guideline shall serve to support the amendment and supplement of secondary legislation, which is currently being carried out by ERO.

The Board also reviewed the Report on Assessment of Competition in Electricity Market in Kosovo. The Report identified that there are currently three (3) licensed suppliers to supply retail electricity market, however two of them are not fully active and therefore KESCO has 100% of market share. Due to lack of effective competition, with the aim of protecting customers and preventing the abuse of dominant position regarding electricity supply, the Board decided that ERO shall set out Public Service Obligations for suppliers providing electricity Universal Service.

The Board also reviewed recommendations of reports from monitoring of licensed operators. The recommendations, which the Board decided to forward to licensees, despite stressing the improvements, also emphasize the need for higher commitment by licensees on improvement of services and accuracy of provided data. The Board decided to inform the licensees that recommendations from reports are mandatory and required immediate measures to be undertaken regarding their fulfilment, whereas with respect to relevant issues, the Board decided that they shall be part of tariff review in order to ensure that customers pay only for real cost of services provided by regulated operators.

In this session, the Board also approved Principles on Tariff Determination for the Use of System and



Connection Charges for TSO and DSO. These documents set out the principles based on which TSO and DSO shall compile the Methodology of Tariff Determination for Use of System and Connection Charges for the TSO and DSO.

In this session, following the review, the Board also approved the request/application of “2 Korriku” LLC. for conversion of Preliminary Authorization into Final Authorization for construction of HPP “Soponica” MA Kaçanik, with an installed capacity of 1.3 MW.

All decisions of the Board and documents reviewed in this meeting will be published on ERO’s official website www.ero-ks.org.