

Republika e Kosovës Republika Kosova - Republic of Kosovo

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



Pristina, 13 April 2018 ERO Code: V_970_2018

The Board of Energy Regulatory Office

Based on:

- Article 9, paragraph 1, subparagraph 1.7, Article 15, paragraph 1, subparagraph 1.15, Article 25, Article 26, paragraph 1, subparagraph 1.2 and Article 43, paragraph 1 of Law on Energy Regulator (No. 05/L-084);
- Article 14, paragraphs 6 and 7 of Rule on Authorization Procedure for Construction of New Generation Capacities;
- Decision on Notification for Preliminary Authorization V_898_2017, dated on 16 March 2017, issued to "Monten" LLC, upon which it proved the suitability for development of the project for construction of new generation capacities for electricity generation from hydro power plant HPP Llapi 2, located at CA Brecë, with an installed capacity of 0.80 MW, Municipality of Podujeva, Republic of Kosovo, and
- Request for extension of validity time limit of Decision on Notification for Preliminary Authorization for construction of new generation capacities for electricity generation from hydro power plant, HPP Llapi 2, located at CA Brecë, with an installed capacity of 0.80 MW, Municipality of Podujeva, dated on 08.03.2018, of "Monten" LLC, having its address at: St. "Architect Karl Gega", 10000, Pristina, Republic of Kosovo,

in its session held on 13 April 2018 issued the following:

DECISION

- I. On APPROVAL of the request of "MONTEN" LLC, and EXTENSION of validity time-limit of Decision on Notification for Preliminary Authorization V_897_2017, dated on 16 March 2017, for completion of application for obtaining Final Authorization, for construction of HPP Llapi 2, located at CA Brecë, with an installed capacity of 0.80 MW, Municipality of Podujeva, for an additional period of six (6) months, namely until <u>16 September 2018</u>.
- **II. "Monten" LLC.** is obliged to make a written request within this time-limit for conversion of Decision on Notification for Preliminary Authorization into Final Authorization for construction of new generation capacities for electricity generation from the hydro power plant , HPP Llapi 2, located at CA Brecë, with an installed capacity of 0.80 MW, Municipality of Podujeva, namely





until <u>**16 September 2018**</u>, meeting all legal requirements determined by the Rule on Authorization Procedure for Construction of New Capacities and applicable legislation.

III. Following the expiry of the time-limit mentioned under item I. of the enacting clause, Decision on Notification for Preliminary Authorization V-897-2017, dated on 16 March 2017, <u>shall be automatically repealed and it will not be reviewed by ERO Board.</u>

Reasoning

- ERO, on 31.01.2017, received from "Monten" LLC. the application on obtaining the authorization for construction of new generation capacities for electricity generation from the hydro power plant, HPP Llapi 2, located at CA Brecë, with an installed capacity of 0.80 MW, Municipality of Podujeva, Republic of Kosovo.
- ERO, following the ascertainment that the applicant has proved its compliance for construction of new generation capacities from the hydro power plant, on 16 March 2017, issued the Decision on Notification for Preliminary Authorization V_897_2017, and instructed the applicant to meet other legal requirements required by the applicable legislation in Kosovo.
- The Decision on Notification for Preliminary Authorization V_897_2017 has not implied granting the authorization until the requirements set by Rule on Authorization Procedure for Construction of New Capacities are fulfilled.
- Notification on Decision for Preliminary Authorization determines the targets availability and the applicant's admission to the Support Scheme and automatic guarantee of Feed-in Tariff.
- The Notification on Decision for Preliminary Authorization determines that the applicant is guaranteed the bond of Power Purchase Agreement with Public Suppliers for a ten (10) years period, which shall be concluded at least thirty (30) days before the date of commencement of generating operation.
- Decision on Notification for Preliminary Authorization is issued for one (1) year period and this decision determines that "Monten" LLC. will be granted Authorization if within this time-limit it makes a written request for conversion of Decision on Preliminary Notification into Authorization, meeting all terms and conditions set by Rule on Authorization Procedure for construction of new capacities and applicable legislation.
- The applicant "Monten" LLC, on 08.03.2018 submitted the request on extension of validity term of Decision on Notification for Preliminary Authorization, and in its request explained that: upon the receipt of preliminary authorization, they completed the required documentation and applied for Urban Criteria and Construction Permit in Municipality of Podujeva, with their conceptual and implementation projects of HPP Llapi 2, however the municipality, due to the lack of staff for reviewing the application, so far have not provided a written response even though verbally they agreed on issuance of permits and are looking forward to the issuance of the written decision on obtaining the permit by Municipality of Podujeva.





- It also emphasized that they have conducted all budgetary preparations and planning for starting the construction, as soon as they obtain the Construction Permit and the Final Authorization. They have negotiated with the producer of the turbines and reached an agreement for supply, installation and release of HPP Llapi 2; they negotiated with the pipes factory and reached a pre-agreement for supply with pipes, and also selected the company which shall construct the facility of the hydro power plant and the offtake.
- The reason for extension of the request of validity term of Preliminary Authorization V_897_2017, dated on 16 March 2017, is that the Municipality of Podujeva, following the Local Elections, has still not consolidated the directorates and has not selected the directors of the departments in order to issue the construction permits and despite the verbal approvals on the realization of the project in question, they are expecting the issuance of the construction permit.
- Therefore, taking into account what was stated above, they require from ERO Board to support them on extension of validity term of preliminary authorization for an additional period of six (6) months, in order that the company can ensure the construction permit from Municipality of Podujeva, and following the issuance of Final Authorization for construction of these capacities, the company shall execute the projects within the foreseen legal term.
- ERO Board, following the analysis of the request of "Monten" LLC and attached evidence on extension of validity term of Decision on Notification for Preliminary Authorization, evaluated it and concluded that due to the justifications provided on the complexity on obtaining the permits issued from relevant institutions, and based on legal provisions mentioned the introductory part of this decision decided as in the enacting clause of this decision.
- I. The Decision is issued and published in official languages of the Republic of Kosovo.
- **II.** This Decision shall enter into force on the date of approval by the Board and shall be published on ERO's official website.

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

ERO Board

Arsim Janova, Acting-Chairman





Besim Sejfijaj, Member

Selman Hoti, Member

Izet Rushiti, Member

This Decision is sent to:

- The party
- Municipality of Podujeva,
- Secretary General of MESP and
- ERO Archive