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



Introduction to the 15th Bulletin of ERO



Arsim Janova
Acting-Chairman of ERO Board

During the 6-month period which is covered in this Bulletin, the ERO Board has held 7 sessions in which 58 decisions have been taken.

ERO has shown full transparency in the exercise of its duties by holding Board sessions open to the public and publishing all decisions. Part of these decisions has been the approval of development plans for regulated companies and the approval of electricity and thermal energy balances. These documents ensure proper planning of the development of the sector and stability of energy supply.

ERO has also carried out the tariff review process for thermal energy tariffs. The tariffs reflected by Maximum Allowed Revenues of Public District Heating Enterprise Termokos JSC. for the heating season 2019-2020 have been reduced at an average value of 3.85%. Whereas the tariffs of the District Heating of Gjakova shall remain the same until the next review.

In addition to this, in order to improve services in the energy sector and increase efficiency, ERO continuously monitors the performance of operators and reviews customer complaints. During July - December 2019, ERO has resolved 153 customer complaints.

With respect to international cooperation, ERO, in addition to its regular activities, has signed cooperation agreements with the Energy Regulatory Commission of North Macedonia and the Energy Regulatory Entity of Albania. These agreements reiterate ERO's determination on developing the energy market and strengthen the cooperation with other regional and international regulatory institutions.

The Bulletin also contains all decisions taken during this period by ERO Board.

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Developments in Electricity Sector

During the period July-December 2019, ERO continued its activities on monitoring the electricity market, compiled some documents required for regulation of the sector, developed activities on merging Kosovo-Albania markets and the establishment of a joint stock exchange and also carried out analysis, commenting and approval of documents submitted from the licensees related to development of the network and energy supply.

Electricity flows have been continuously monitored, including electricity generation, imports, exports and losses, as well as power system balancing etc.

ERO has compiled the document *Statement on Security of Supply in Kosovo* (electricity, natural gas, oil) which is published on ERO's official website. The document on Assessment of Competition in the electricity market and the Rule on Own-Generation Customers are also in the drafting process. In addition to this, with the support of the consultancy, ERO is in the process of preparing the following documents: The Impact of Competition on Electricity Price, Calculation of Reference Price for RES, and Methodology on Security of Supply.

ERO has analyzed, commented on and approved the Electricity Balance 2020, and is undergoing the process of analyzing and preparing the approval of TSO and DSO Development Plans for the period 2020 - 2029 and the DSO Loss Reduction Plan for 2020.

Within the activities related to the coupling of Kosovo - Albania markets and the establishment of the Stock Exchange, joint meetings of representatives including members of the working groups of the two countries were held in preparation of required documents for these activities.



Activities in Thermal Energy Sector

Developments in the sector

Public Enterprise “Termokos” JSC

In the second half of 2019, the implementation of the European Commission IPA 2015 Project: Rehabilitation of substations network, as well as network expansion and new substations continued.

Main components of this ongoing project are presented below:

- Rehabilitation of distribution network (replacement of old pipes with new pre-insulated pipes) - 3.28 km of track respectively 6.5 km of pipeline; The rehabilitation includes the following regions: Center: 1 km track, Dardani: 0.79 km track, Sunny Hill: 1.18 km track, Ulpiana 0.24 km track and Kalabria a very short segment of only 0.07 km.
- Rehabilitation of 100 thermal substations - Dardania: 26, Center: 9, Ulpiana: 21, Sunny Hill: 8, UCCK: 5 and other various institutions: 31 thermal substations. Rehabilitation includes the installation of 100 differential pressure regulating valves.
- Expansion of the network in a total of 3.96 km of track respectively 7.92 km of new pipeline - Center: 0.66 km of track, Sunny Hill: 0.048 km of track, 0.574 km of track, Dardania: 0.617 km of track, Kalabria: 1.028 km of track and Mati: 1.035 km of track. route
- 51 New Thermal Substations - Center: 9, Ulpiana: 4, Kalabria: 31, Mati: 5
- and 1 Thermal Substation of the facility of Kosovo Customs Directorate.

The finalization of this project aims to reduce thermal energy losses and improve the heating quality in some of the most problematic areas. The expansion of the network will increase the number of customers benefiting from thermal energy supply (district heating), respectively the increase of heating area of the premises covered by Termokos district heating supply service.

District Heating JSC Gjakova

The realization of the Project for construction of the new heating plant and cogeneration unit with biomass fuel started at the end of 2019. This project which is worth around € 13.5 million is financially supported by the European Commission - Office in Kosovo through IPA 2015 funds. Main data:

- 2 units for production of thermal energy (heating) only with a capacity of $2 \times 5.5 \text{ MW}_{\text{TH}}$;
- 1 cogeneration unit of electricity and thermal energy with a thermal capacity of 4 MW_{TH} ; and electric capacity: $1.2 \text{ MW}_{\text{EL}}$
- Total thermal capacity: $15 \text{ MW}_{\text{TH}}$ and electrical capacity $1.2 \text{ MW}_{\text{EL}}$

The project includes, among others, the installation of the relevant equipment of the new heating plant and the connection to the thermal energy network, namely electricity network.

This project will enable the operational and financial sustainability of the N.P. District Heating JSC Gjakova, where the main impact is the replacement of fuel – heavy fuel oil (which is largely subsidized by the Kosovo Budget due to high costs) with biomass. In addition to providing high quality heating to customers, this project also has a positive impact on increasing energy efficiency and protecting the environment.

On 27 November 2019, ERO Board has issued the Final Authorization for construction of energy generation capacities, which also includes the inclusion in the Support Scheme (Feed-in Tariff) of the electricity generation capacity of $1.2 \text{ MW}_{\text{EL}}$ as part of the cogeneration unit which was inaugurated on 10 December 2019.

REVIEW OF THERMAL ENERGY TARIFFS (DISTRICT HEATING)

On 2 July 2019, ERO started reviewing thermal energy (district heating) tariffs for NP Termokos JSC for the heating season 2019/2020. Following the submission of the application, ERO carried out a comprehensive analysis and evaluation of the submitted data and information. Following the tariff review, in the session held on 14 October 2019, the Board also approved the Maximum Allowed Revenues (MAR) for District Heating Enterprise DH “Termokos” JSC for the period 2019-2020, in the amount of EUR 6,472,902.

The tariffs reflected from MAR of DH Termokos JSC for the heating season 2019-2020 have been reduced in an average amount of 3.85%- tariffs according to metered consumption have been reduced for 6.8 %; whereas tariffs according to heating area (for m²) have been reduced for 2.37%.

With respect to thermal energy tariffs of District Heating JSC Gjakova, ERO Board, in the session held on 27 November 2019, following the review of the request of NP District Heating JSC Gjakova and respective evaluation of ERO’s professional staff decided that the thermal energy tariffs of District Heating JSC Gjakova for the season 2019-2020 shall remain the same as the ones from the previous year until the next tariff review.



For the heating season 2019-2020, thermal energy tariffs of NP “Termokos” have been reduced in an average value of 3.85% whereas the tariffs for DH “Gjakova” shall remain the same until the next tariff review.



ERO Board Session

Customer Care / Review of Complaints

ERO is responsible for review of complaints and disputes between customers and licensees, as well as in relation to third parties access to transmission or distribution network of electricity, thermal energy or natural gas, as well as transmission, cross-border flows of electricity and natural gas.

During the period July-December 2019, ERO has registered 25 complaints of customers who have used their right to contradict the responses issued from the Supplier. It also returned for review 79 complaints to the Supplier and the Distribution System Operator. ERO, in addition to the registered and resolved customer complaints, also provided support on informing, explaining and providing verbal consultation, through electronic mail and phone calls to all energy customers.

During the period July-December 2019, ERO resolved 153 customer complaints, including the complaints which were returned for review to the Supplier and the Distribution System Operator. From the overall 73 % have been resolved, 4.56 % are partly approved, whereas 22.43 % have been refused as ungrounded.

ERO, in addition to complaints registered during the period July- December 2019, has also held 952 meetings and 696 phone conversations with the parties including the electronic communication, who addressed the office for various contractual issues issued between the customer and the energy enterprise. During the communication with the customers, ERO has notified and instructed them on the rules, procedures and their rights and obligations regarding electricity supply.



All the complaints reviewed by the operators, which have been proceeded to the Regulator, were reviewed once more by the Regulator with the aim of ascertaining the full resolution of complaints according to customer requirements and the respective customers have been notified. In all reviewed cases, the customers have agreed with the offered solutions.

During this period, ERO has also received 5 customer complaints through mail. Despite the fact that they had to address the licensees or the courts, their insistence was to address the Regulator to resolve their complaints. The nature of these complaints has mainly been about unauthorized use of electricity and damage compensation. ERO, within its competencies, responded in writing to customers instructing them on further procedures regarding their complaints.

Pursuant to the Rule on Resolution of Complaints and Energy Sector, the customers and licensees have the right to appeal against the decision of the Customer Protection Department (CPD) as a first instance to the Regulator's Board as a second instance.

During the period July - December 2019, customers have filed 4 complaints addressed to the Regulator's Board against the decisions of the Customer Protection Department. The supplier KESCO during July - December 2019 has filed 15 complaints to the Regulator's Board against CPD decisions. The Regulator's Board during July - December 2019 has reviewed 2 recommendations issued by ERO's Customer Protection Department related to complaints of commercial and industrial customers, whereby the Board has approved all of these recommendations.

International Activities and Regional Cooperation

Participation in Energy Community

Within the framework of international commitments, ERO experts participate in different meetings and working groups, where many aspect of energy sector regulation are discussed.

On 22.10.2019, within the regular meetings of the ECRB Working Group on Customers, attended by ERO representatives, the final report on the Regulatory Framework of Prosumers or Own-Consumption Generators was presented by ECRB member states.

Professional staff also participated in the Working Group on Customers and Retail Market within the Energy Community and during 2019 led the sub-working group ('Task Force'-TF-4). The purpose of this TF was to present and assess the acceptable level of capacity for household and small commercial customers in order to qualify them in the category of prosumers as well as legal framework developed by the Contracting Parties (primary and secondary legislation) and provide guidance and recommendations on the required steps that shall be undertaken to support and handle small "prosumers" generators that are connected to the distribution network.

Cooperation with NARUC / Addressing the issue of vulnerable customers

The protection of vulnerable customers in energy sector has been the topic of the workshop held in August 2019, part of the partnership activity between ERO and National Association of Regulatory Utility Commissioners (NARUC). The partnership between ERO and NARUC has been supported by United States Agency for International Development (USAID) since 2008. Taking into account the fact that the Regulator has an important role in handling the protection of customers in energy sector, as part of its partnership with NARUC, ERO has been engaged in understanding better the degree to which the vulnerable customers shall be affected by the removal of cross subsidies, the methods for categorizing these customers, and the opportunities for available policies in Kosovo to address this issue. As part of this activity, on 20 August another workshop was held with other involved stakeholders, in order to handle this issue on a broader institutional level.



Workshop on vulnerable customers - August 2019 - Pristina

Cooperation and New Agreements with Regional Regulators

On 19 November 2019, ERO signed a cooperation agreement with the Energy and Water Services Regulatory Commission (ERC) of the Republic of North Macedonia. The signing of this Agreement expresses the mutual interest of both institutions to cooperate in fulfilling their obligations for regulation of energy sectors of both countries. By signing this agreement, the two regulatory authorities have agreed to exchange information on the practices applied while fulfilling obligations that are in the public interest of both countries. Exchange of experiences will be applied in the field of Regulatory policies in the energy sector, experiences in monitoring licensed activities, methodologies applied in setting the tariffs for energy activities, construction of new RES generators and different ways of supporting RES projects as well as other applied practices that will help build the professional capacity of both institutions.



regional and bilateral levels.

In addition to this, ERO, on 13 December 2019, signed a Cooperation Agreement with the Energy Regulatory Entity (ERE) of the Republic of Albania. This is the second Agreement, following the agreement signed in 2013, that both regulators are signing with the purpose of strengthening the cooperation and adjusting to the new circumstances in the energy sector. With this agreement, the two regulators have highlighted the opportunities to focus their joint efforts on developing a sustainable regulatory structure in the electricity and gas sectors at the



Representatives of ERO and ERE in the Cooperation Agreement Signing Ceremony

ERO's Involvement in the Association of Women in Energy Sector

In cooperation with the Kosovo Association of Women in the Energy Sector (AWESK), ERO has provided technical and professional support in the implementation of the AWESK project "Supporting young girls for orientation in STEM fields through Career Development Centers".

The project was funded by the Ministry of Economic Development/MED and included, in addition to ERO representatives, other representatives from public sector institutions and enterprises. This project is designed to inspire young generations, especially girls, by setting as an example the professional and life experience of women in the sector in order to orient them to study STEM / (Science, Technology, Engineering, Mathematics) subjects.

The co-operators from ERO have provided support on this project to promote diversity and gender inclusion in the energy sector and promote the professional development of young women and girls.



Decisions of ERO (July -December 2019)

[V 1215 2019](#) –Decision on refusal of KESCO-s compliant against CPD’s Decision for the customer B.B

[V 1216 2019](#) - Decision on refusal of KESCO-s compliant against CPD’s Decision for the customer I.N

[V 1217 2019](#) - Decision on the refusal of the complaint against CDP’s Decision for the customer I.M

[V 1218 2019](#) - Decision on refusal of KESCO-s compliant against CPD’s Decision for the customer I.M

[V 1219 2019](#) - [REFUZOHE](#)T - Decision on refusal of KESCO-s compliant against CPD’s Decision for the customer B.B (applicant N.D)

[V 1220 2019](#) – [REFUZOHE](#)T - Decision on the complaint of the customer B.E.

[V 1221 2019](#) - [APROVOHE](#)T –Decision on the complaint of the customer G.T.

[V 1222 2019](#) - [APROVOHE](#)T –Decision on the complaint of the customer B.P.



[V 1212 2019](#) –Decision on approval of the request of the applicant “Drena” LLC for construction of new generation capacities for solar panels/photovoltaic, in Municipality of Skenderaj;

[V 1211 2019](#) –Decision on issuance of FINAL AUTHORIZATION to “Bondcom Energy point” LLC for construction of new generation capacities for electricity generation from WIND, WIND PARK-BUDAKOVA-1, located in Budakova, in Municipality of Suhareka;

[V 1210 2019](#)- Decision on approval of Thermal Energy Annual Balance, submitted by District Heating Termokos;

[V 1209 2019](#) –Decision on approval of the Thermal Energy Annual Balance, submitted from N.P District Heating JSC Gjakova;

[V 1205 2019](#) –Decision on Obliging the Kosovo Electricity Distribution Company KEDS JSC, on immediate termination of carrying out the activities which cause the violation of obligations and conditions foreseen in the DSO License;

[V 1204 2019](#) –Decision on Determination of Feed-in Tariffs for generation of electricity from solar panels/photovoltaic;

[V 1203 2019](#) –Decision on Approval of Compliance Program of Transmission System Operator (TSO) KOSTT JSC.

V 1202 2019 –Decision on approval of the request of “Matkos Group” LLC and EXTENSION of validity term of Final Authorization V_660_2014, dated on 11 November 2014, for construction of the hydro power plant HPP Vica, CA Drekoc, Municipality of Shtërpca;

V 1201 2019 - Decision on approval of the request of the applicant Nexhat Kryeziu for construction of new generation capacities for own-consumption from solar panels/photovoltaic, in Municipality of Malisheva;

OV 1200 2019 - Decision on approval of the request of the applicant Sabri Arifaj for construction of new generation capacities for own-consumption from solar panels/photovoltaic, in Municipality of Gjakova;

V 1199 2019 - Decision on approval of the request of the applicant “Agroprodukt” LLC for construction of new generation capacities for own-consumption from solar panels/photovoltaic, in Municipality of Istog;

V 1198 2019 - Decision on approval of the request of the applicant “Ballkan Petrol” LLC for construction of new generation capacities for own-consumption from solar panels/photovoltaic, in Municipality of Ferizaj;

V 1197 2019 Decision on approval of the request of “SOWI KOSOVO” LLC and EXTENSION of validity term of the DECISION ON FINAL AUTHORIZATION V_982_2018, dated on 13 June 2018, modified by Decision V_1166_2019, dated on 10 July 2019, for construction of new generation capacities from Wind Turbines (Wind Park-SELAC 3), CA Kaqandollë and Rzhane, Municipality of Mitrovica;

V 1196 2019 - Decision on approval of the request of “SOWI KOSOVO” LLC and EXTENSION of validity term of the DECISION ON FINAL AUTHORIZATION V_981_2018, dated on 13 June 2018, modified by Decision V_1165_2019, dated on 10 July 2019, for construction of new generation capacities from Wind Turbines (Wind Park-SELAC 2), CA Kaqandollë and Rzhane, Municipality of Mitrovica;

V 1195 2019 - Decision on approval of the request of “SOWI KOSOVO” LLC and EXTENSION of validity term of the DECISION ON FINAL AUTHORIZATION V_980_2018, dated on 13 June 2018, modified by Decision V_1164_2019, dated on 10 July 2019, for construction of new generation capacities from Wind Turbines (Wind Park-SELAC 1), CA Kaqandollë and Rzhane, Municipality of Mitrovica;

V 1194 2019 –Decision on issuance of FINAL AUTHORIZATION of the company “District Heating” JSC GJAKOVA, for construction of new generation capacities for electricity generation from BIOMASS, in Municipality of Gjakova;

V 1193 2019 –Decision on Approval of thermal energy tariffs for final customers of the District Heating (NQ) Gjakova jsc., for the heating season 2019/2020;

V 1192 2019- Decision on Approval of the “Heating Supply Agreement” bonded on 24.12.2014, no.252, between Kosovo Energy Corporation KEK JSC. and DH Termokos JSC.

V 1191 2019 –Decision on the refusal of the complaint of the customer A.Sh.



V 1190 2019 –Decision on refusal of KESCO-s compliant against CPD’s Decision for the customer S.Z.

V 1189 2019 - Decision on refusal of KESCO-s compliant against CPD’s Decision for the customer F.T.

V 1188 2019 –Decision on approval of thermal energy tariffs for final customers of the District Heating (DH) Termokos JSC., for the heating season 2019/2020

V 1187 2019 –Decision on approval of MAXIMUM ALLOWED REVENUES (MAR) for DH Termokos JSC to be collected by thermal energy (heating) tariffs for final customers for the season 2019/2020.

V 1186 2019 –Decision on approval of the request of KOSTT JSC. on appointment of the Compliance Officer of the Transmission System Operator (KOSTT JSC)

V 1185 2019 –Decision on extension of electricity generation license for Kosovo Energy Corporation- Generation Division (KEK JSC)- TPP Kosova A

V 1184 2019 –Decision on the issuance of the TEMPORARY license for electricity generation from renewable energy sources from the hydro power plant “Deçani”, to the enterprise “KelKos Energy”;

V 1183 2019 - Decision on the issuance of the TEMPORARY license for electricity generation from renewable energy sources from the hydro power plant “Belaje”, to the enterprise “Kelkos Energy”;

V 1182 2019 - Decision on the issuance of the TEMPORARY license for electricity generation from renewable energy sources from the hydro power plant “Lumbardhi II”, to Kelkos Energy” LLC;

V 1181 2019 –Decision on approval of the request of the applicant Arbër Rushiti for construction of new generation capacities for own-consumption from solar panels/photovoltaic;

V 1180 2019 - Decision on approval of the request of the applicant “OBRICO” LLC for construction of new generation capacities for own-consumption from solar panels/photovoltaic;

V 1179 2019 - Decision on approval of the request of the applicant DONI FRUTIS LLC for construction of new generation capacities for own consumption from solar panels/photovoltaic;

V 1178 2019 - Decision on approval of the request of the applicant N.T.P “AMG”, for construction of new generation capacities for own-consumption from solar panels/photovoltaic;

V 1177 2019 –Decision on refusal of KESCO-s compliant against CPD’s Decision for the customer N.T from Pristina;



V 1176 1 2019 - Decision on refusal of KESCO-s compliant against CPD's Decision for the customer N.B ;

V 1176 2019 - Decision on refusal of KESCO-s compliant against CPD's Decision for the customer F.I and N.I;

V 1175 1 2019 - Decision on refusal of KESCO-s compliant against CPD's Decision for the customer I.R;

V 1175 2019 - Decision on refusal of KESCO-s compliant against CPD's Decision for the customer L.B;

V 1174 1 2019 –Decision on Approval of the request of the applicant B.K for construction of new generation capacities for own-consumption from solar panels/photovoltaic, CA Zllatar, Municipality of Pristina;



V 1174 2019 - Decision on refusal of KESCO-s compliant against CPD's Decision for the customer B.M;

V 1173 1 2019 –Decision on Approval of the request of the applicant R.B for construction of new generation capacities for own-consumption from solar panels/photovoltaic, CA Orllat, in Municipality of Drenas;

V 1173 2019 - Decision on refusal of KESCO-s compliant against CPD's Decision for the customer Sh. G.

V 1172 2019 –Decision on Approval of the request of KOSTT JSC for Derogations of Provisions;

V 1171 2019 –Decision on the Approval of the document_ System Development Plan 2019-2029;

V 1170 2019 - Decision on Approval of the request of the company Kelkos Energy LLC and extension of the term of Decision V_1120_2019, dated on 28 March 2019, for an additional period of ninety (90) days, from the date of issuance of this Decision;

V 1169 2019 –Decision on approval of the request of the company “Bondcom Energy Point” LLC and extension of validity term of the Decision on Notice for Preliminary Authorization V_987_2018, dated on 13 June 2018, for completion of the application for obtaining the Final Authorization, located at CA Budakovë, Municipality of Suhareka;

V 1168 2019 - Decision on Approval of the request of the applicant “BESIANA-G” LLC for construction of new generation capacities for own-consumption from solar panels/photovoltaic, CA Prelez, in Municipality of Ferizaj;

V 1167 2019 - Decision on Approval of the request of the company “EKO ENERGIJ” LLC and extension of validity term of the Authorization V_737_2015, dated on 15 June 2015, for construction of the hydro power plant HPP Binça, located at CA Binça, Municipality of Viti;

V 1166 2019 - Decision on the Approval of the request of the company "SOWI KOSOVO" LLC and modification of the Decision on FINAL AUTHORIZATION V_982_2018, dated on 13 June 2018, for construction of new generation capacities CA Kaqandollë and Rzhanë, Municipality of Mitrovica;

V 1165 2019 - Decision on Approval of the request of "SOWI KOSOVO" LLC and MODIFICATION OF THE DECISION ON FINAL AUTHORIZATION V_981_2018, dated on 13 June 2018, for construction of new generation capacities, CA Kaqandollë and Bajgorë, Municipality of Mitrovica;

V 1164 2019 - Decision on Approval of the request of "SOWI KOSOVO" LLC and MODIFICATION OF THE DECISION ON FINAL AUTHORIZATION V_980_2018, dated on 13 June 2018, for construction of new generation capacities, CA Kaqandollë and Bajgorë, Municipality of Mitrovica.

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