



Pristina, 28 March 2019
ERO Code: V_1121_2019

The Board of Energy Regulatory Office,

Based on:

- Article 9, paragraph 1, sub-paragraph 1.7, Article 25, Article 26, paragraph 1, sub-paragraph 1.2 of the Law on Energy Regulator (No.05/L-084);
- Decision on Issuance of Final Authorization V_568_2013, dated on 24 October 2013, issued to "KelKos Energy" LLC, for construction of new generation capacities for electricity generation from hydro power plant, HPP Lumëbardhi II. in the stream of Deçan river, with an installed capacity of 5.5 MW, CA Deçan, Municipality of Deçan;
- ERO's Notice, No. 016/18, dated on 19.01.2018, related to the project for construction of the new generator from RES/water, HPP Lumëbardhi II., authorized by ERO's Decision No. V_568_2013, dated on 24.10.2013,
- KOSTT's Notice, No. 234/01, dated on 05.03.2018 on violation of the Connection Agreement, Grid Code, Market Rules,
- KOSTT's Notice No. 328/07, dated on 27.03.2018, on non-elimination of the violation of the Connection Agreement, Grid Code, Market Rules, and
- KOSTT's Notice, No. 611/01, dated on 17.05.2018, on violation of the Connection Agreement, Grid Code and Market Rules,

in the session held on 28 March 2019 issued the following:

D E C I S I O N

- I. TERMINATION AND DISCONNECTION-** from the Transmission Network System (KOSTT), the Generator HPP Lumëbardhi II, of Kelkos Energy LLC, constructed in line with the Decision on Final Authorization V_568_2013, dated on 24 October 2013, until the completion of the legal requirements, required by legislation in force.
- II.** Transmission System Operator KOSTT is obliged to undertake the required actions to exclude it from the Market Rules, to set restrictions towards trading activities to prevent the increase of debt, suspend the right for submission of nominations and for receipt of market reports and market data. In addition to this, the de-energizing of the power plants of HPP Lumëbardhi II, until the fulfilment of legal requirements is **REQUIRED**.



- III. The Decision shall remain in force until the submission of the Certificate of Usage and Environmental Permit issued by Ministry of Environment and Spatial Planning, and until the licensing for generation of electricity based on Rule on Licensing of Energy Activities in Kosovo, issued by ERO Board.

Reasoning

- ERO, on 09.08.2010, received from “KelKos- Energy” the application for obtaining the authorization for construction of new generation capacities for electricity generation from Water, HPP Lumëbardhi II., with an installed capacity of 5.5 MW, Municipality of Deçan, Republic of Kosovo.
- ERO Board, on 11 November 2010, issued the Decision on Notice for Preliminary Authorization V_296_2010, and instructed the applicant to fulfil other legal requirements, in line with the legislation in force in Kosovo.
- The Board of Energy Regulatory Office, on 24.10.2013 decided to issue to “Kelkos-Energy” LLC the Authorization V_568_2013 for construction of new generation capacities for electricity generation from Water, for HPP Lumëbardhi II, with an installed capacity of 5.5 MW, the generating unit to be placed in the location of Deçan River, in Municipality of Deçan.
- ERO, on 07.12.2017, was informed from the representative of “KelKos Energy” LLC that starting from 01.12.2017, the hydro power plant has started the testing phase. ERO was notified that the installed capacity for HPP Lumëbardhi II. has changed.
- ERO, on 19 January 2018, through an official letter informed the applicant, COST, KEDS, KESCO and MESP that the generator HPP Lumëbardhi II. cannot start the operation until the fulfilment of legal criteria such as: Modification of Decision on Final Authorization No. V_568_2013, dated on 24.10.2013 (change of capacity from 5.5 MW to the installed capacity of 6.2 MW), amendment of the Water Permit according to the capacity proposed by MESP and submission of the Certificate of Usage.
- ERO, on 21.12.2018, received from KelKos Energy LLC, the request for obtaining the Electricity Generation License. Following the evaluation of the application, it concluded that the Certificate of Usage and Environmental Permit issued by MESP were not submitted, and since that it, they have been waiting for their submission from the application, in order to be able to issue the formal license, in line with ERO’s Rule on Licensing.
- ERO, on 01.03.2019, received from the Minister of the Ministry of Environment and Spatial Planning the “Information for ERO” upon which it notified that *“The Economic Operator KelKos Energy LLC has not finished yet all the administrative-legal procedures at MESP, for the project “Construction of power plants in Lumëbardhi i Deçanit”, therefore **the legal criteria for operator have not been fulfilled.***
- MESP stated in its letter, that during the construction of PPs, the Inspectorate of MESP has continuously followed the works, and explained that KelKos Energy LLC is not equipped with the Usage Permit or Environmental Permit from MESP, because there were no applications from the investor, and consequently the item 5 and 6 of “Information for ERO” have not been fulfilled.



- ERO Board, following the evaluation and analysis of all letters and requests of MESP, decided as in the enacting clause of this Decision.

IV. “Kelkos Energy” LLC shall obtain the Usage Permit and Environmental Permit issued by MESP, then within the regular legal terms, ERO Board shall issue the Electricity Generation License, therefore the Generator HPP Lumëbardhi II may start the operation.

V. The Decision is issued and published in official languages of the Republic of Kosovo.

VI. The Decision shall enter into force on the date of approval by the Board and will be published in the official website of ERO.

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:

- KOSTT,
- KelKos Energy LLC.,
- Secretary General of MESP, and
- ERO Archive.