



Pristina, 28 March 2019
ERO Code: V_1122_2019

The Board of Energy Regulatory Office,

Based on:

- Article 9, paragraph 1, sub-paragraph 1.7, Article 15, paragraph 1, sub-paragraph 1.15, Article 25, Article 26, paragraph 1, sub-paragraph 1.2 and Article 43, paragraph 1 of the Law on Energy Regulator (No. 05/L-084);
- Articles 19,20 and 21 of the Rule on Authorization Procedure for Construction of New Generation Capacities;
- Decision on Notice for Preliminary Authorization V_296_2010, dated on 11 November 2010;
- 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 the 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;
- Request for Modification of Final Authorization V_568_2013, dated on 24 October 2013 on modification of the installed capacity from 5.5 MW to the total installed capacity of 6.2 MW, for the hydro power plant HPP Lumëbardhi II., which is constructed in CA Deçan, Municipality of Deçan, dated on 07.12.2018 of “KelKos Energy” LLC, having its address at “Sali Çeku” No.14-51000, Deçan, Republic of Kosovo;
- Decision no. 3681-3/18-ZSP-/2018, dated on 13.11.2018 on amendment of the Decision of Water Permit with No. 1839/11- ZSP-229/13, dated on 19.03.2013 for HPP Lumëbardhi II., from N=5.5 MW to the executed capacity N=6.2 MW, issued by MESP; and
- Revised Report 3, as well as evaluation of construction, amendment of the design for construction of HPP Lumëbardhi II and the Hydrologic Cascade Project of Lumëbardhi i Deçanit,

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

DECISION ON MODIFICATION OF FINAL AUTHORIZATION

- I. APPROVAL of the request of “KelKos Energy” LLC and **MODIFICATION OF DECISION ON FINAL AUTHORIZATION V_568_2013**, dated on 24 October 2013, for construction of new generation capacities from the hydro power plant, HPP Lumëbardhi II., from the installed capacity of 5.5 MW to the total installed capacity of 6.2 MW, according to Decision no. 3681-3/18-ZSP-/2018, dated on 13.11.2018 on amendment of the Decision of the Water Permit with No. 1839/11-ZSP-



229/13, dated on 19.03.2013, for HPP Lumëbardhi II., from N= 5.5 MW to the executed capacity of N=6.2 MW, issued by the Ministry of Environment and Spatial Planning (MESP).

- II. The Decision on Modification of Final Authorization V_568_2013, dated on 24 October 2013, according to enacting clause under item I. of this Decision, modifies the amendment of the installed capacity from 5.5 MW to the total installed capacity of 6.2 MW, whereas the amendments of the project, according to the Construction Permit issued by the Ministry of Environment and Spatial Planning shall be taken into consideration following the receipt of the Certificate of Usage, issued by MESP.
- III. “KelKos Energy” LLC is **OBLIGED** to apply for the Certificate of Usage, following the finalization of construction works under item I. of this Decision, at the competent body in MESP, in line with Law on Construction.
- IV. Following the finalization of the project, according to enacting clause under item III. Of this Decision, the Generator “KelKos Energy” LLC shall commence the commercial operation, according to the Power Purchase Agreement with the Market Operator (COST), with a duration of 10 (ten) years with the Feed-in Tariff set upon Decision no. V_810_2016, dated on 19 May 2016, issued by ERO Board, within thirty (30) days following the receipt of the Certificate of Usage, issued by the competent body at MESP).
- V. “KelKos Energy” LLC shall obtain an Environmental (Ecological) Permit by MESP.

Reasoning

- ERO, on 09.08.2010, received from “KelKos- Energy” LLC the application for obtaining the authorization for construction of new generation capacities for electricity generation from Water, with an installed capacity of 23.1 MW, in the locations: HPP Lumëbardhi II. with an installed capacity of 5.5 MW, HPP Belaja with an installed capacity of 9.2 MW, and HPP Deçan with an installed capacity of 8.4 MW, all located in the Municipality of Deçan, Republic of Kosovo.
- ERO Board, following the ascertainment that the applicant has proved its compliance for development of the project for construction of new generation capacities for electricity generation from the hydro power plants, on 11 November 2010, issued the Decision on Notice for Preliminary Authorization V_296_2010, and instructed the applicant to fulfil other legal requirements, required in line with the applicable legislation in Kosovo. The Decision on Notice for Preliminary Authorization has not implied the issuance of the Final Authorization until the fulfilment of the requirements set by the Rule on Authorization Procedure for Construction of New Generation Capacities.
- ERO, on 27.09.2013, received from “KelKos Energy” LLC the request for conversion of Decision on Notification for Preliminary Authorization for construction of new generation capacities for electricity generation from Water, into Authorization for HPP Lumëbardhi II, with an installed capacity of 5.5 MW, attaching evidence issued by relevant authorities on fulfilment of all environmental requirements, the right on the use of land, the right on the use of water, Construction Permit and other legal requirements related to the nature of the project in line with the applicable legislation.



- 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 generation unit that will be placed in the location of Deçan River, in the Municipality of Deçan.
- ERO, on 21.10.2015, received from “KelKos Energy” LLC the request for extension of validity term of Decision on Final Authorization V_568_2013, dated on 24 October 2013, for HPP Lumëbardhi II, with an installed capacity of 5.5 MW, for the completion of construction for one (1) additional year.
- ERO, on 28 January 2016, upon Decision V-763-2016, to allow to “KelKos Energy” LLC the extension of validity term of Decision on Final Authorization V_568_2013, dated on 24 October 2013, for an additional period of one (1) year, namely until 24 October 2016.
- ERO, on 20.10.2016, received from “Kelkos-Energy” LLC the request for extension of validity term of Decision on Final Authorization V_568_2013, dated on 24 October 2013, extended by Decision V-763-2016, dated on 28 January 2016, for HPP Lumëbardhi II, with an installed capacity of 5.5 MW, for an additional term for extension of the period for finalization of construction for one (1) additional year.
- ERO, on 25 November 2016, decided upon Decision V-836-2016, to allow to “KelKos Energy” LLC the extension of the validity term of Decision on Final Authorization V-568-2013, dated on 24 October 2013, for one (1) additional year, namely until 24 October 2017.
- ERO, on 07 December 2018, received from “KelKos Energy” LLC the request for Modification of Final Authorization V_568_2013, dated on 24 October 2013, on Modification of Final Authorization and modification of the installed capacity from 5.5 MW to the total installed capacity of 6.2 MW, for the hydro power plant HPP Lumëbardhi II. which is constructed in the parcel CA Deçan, Municipality of Deçan.
- ERO, along with the Request for Modification of Final Authorization has received other evidence such as: Decision no. 3681-3/18- ZSP-/2018, dated on 13.11.2018 on amendment of the Decision on Water Permit with No. 1839/11-ZSP-229/13, dated 19.03.2013 for HPP Lumëbardhi., from N=5.5 MW to the executed capacity N=6.2 MW, issued by MESP, the Revised Report 3 as an evaluation of construction, amendment of the Design of construction of HPP Lumëbardhi II and the Hydrologic Cascade Project of Lumëbardhi i Deçanit. The Projects includes energy cables of 35 kW, infrastructure of the hydro power plant (plan of the tubes), main project and the infrastructure of the generator.
- *“KelKos Energy” LLC explained in its request that: the main design of the project Lumëbardhi II had to be amended based on the detailed researches on the field, due to geological and hydrological reasons. In the Revision Report (evaluation of the implementation of construction), prepared for MESP from remarkable international experts on this type of designs for hydro power plants, the amendments and their findings were analyzed referring to the technical circumstances which were confirmed in the report.*
- *Also, upon these changes in the design, a considerable loss of annual production of more than 30% had to be accepted, with the purpose of covering this loss of annual production due to different hydrological criteria, where the peak capacity of HPP Lumëbardhi II. had to be changed from 5.5 MW to 6.2 MW.*



- Also, in its request explained that based on their own research and different inspections, including the reference in the Revision Report, this modification of capacity was approved by the Ministry of Environment and Spatial Planning, namely Waters Department.
 - “KelKos Energy” LLC explained that upon Decision no. 3681-3/ZSP-/2018, dated on 13.11.2018, on amendment of the Decision on Water Permit with No. 1839/11-ZSP-229/13, dated 19.03.2013 for HPP Lumëbardhi II., from N=5.5 MW, to the executed capacity N=6.2 MW, issued by MESP, the modification of the capacity was approved, and also the amended Water Permit was issued based on the investment-technical documentation, and the amendments shall be in line with the existing capacity and the dislocation of the object shall remain in force.
 - Therefore, based on what was stated above as well as attached documents, including the Decision on amendment of Water Permit, issued by MESP as a support to the request, they requested from ERO Board, that in line with legal provisions of Article 19 of the Rule on Authorization, approve the modification of Final Authorization and allow the modification of the installed capacity from 5.5 MW to the total executed capacity 6.2 MW.
 - ERO, on 10 December 2018 addressed the Ministry of Environment and Spatial Planning, and notified that ERO received a request for Modification of Authorization from KelKos Energy LLC, along with the Decision no. 3681-3/18-ZSP-/2018 (on the amendment of installed capacity of the hydro power plant), and requested from the respective Ministry to confirm the amendment of the project, based on the Revision Report.
 - ERO, on 22 January 2019, received from the Ministry of Environment and Spatial Planning, the written response where it explained that the “modification of the Construction Permit for HPP Lumëbardhi II., was not carried out during the construction process and the only modification was carried out based on the analysis of the application from KelKos LLC and was conducted on the Water Permit issued by MESP”, therefore in order to fulfil the process related to the construction permit, required from ERO to confirm first the approval of the Modification of Authorization for the installed capacity of the generator, and after that reflect the review process of the Usage Permit following the finalization of the project’.
 - ERO Board, following the evaluation of the request for Modification of Authorization and attached evidence, evaluated them and concluded that the request for modification is well-grounded and attached evidence is sufficient to allow the Modification of Final Authorization V_568_2013, dated on 24 October 2013 and modification of the installed capacity of 5.5 MW to the total installed capacity of 6.2 MW, based on the Decision no. 3681-3/18-ZSP-2018, dated on 13.11.2018 for Modification of the Decision on Water Permit with No. 1839/11-ZSP-229/13, dated on 19.03.2013 for HPP Lumëbardhi II., from N=5.5 MW, to the executed capacity N=6.2 MW, issued to MESP, and based on legal provisions mentioned in the introductory section of this Decision, decided as in the enacting clause to this Decision.
- VI.** The Decision is issued and published on the official languages of the Republic of Kosovo.
- VII.** The Decision shall enter into force on the date of approval by the Board and will be published on 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 Sejfiqaj, Member

Selman Hoti, Member

Izet Rushiti, Member

This Decision is sent to:

- The party,
- KOSTT
- Secretary Permanent of MESP, and
- ERO Archive