



Republika e Kosovës
Republika Kosova - Republic of Kosovo

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



Pristina, 27 November 2019
ERO Code: V_1196_2019

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 16, paragraphs 4 and 5 of Rule on Authorization Procedure for Construction of New Generation Capacities;
- Decision on Notice for Preliminary Authorization V_981_2018, dated on 13 June 2018, issued to "SOWI KOSOVO" LLC, for construction of new generation capacities for electricity generation from WIND, located at "Wind Park SELAC 2", with an installed capacity of 34.5 MW, ca Kaqandollë and Bajgorë, Municipality of Mitrovica; and
- Request for extension of validity term of 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), with an installed capacity of 34.47 MW, CA Kaqandollë and Bajgorë, Municipality of Mitrovica, dated on 30.09.2019, of "SOWI KOSOVO" LLC, having its address at "Mujo Ulqinaku", no.12, Pristina, Republic of Kosovo,

in its session held on 27 November 2019 issued the following:

DECISION

- I. On **APPROVAL** of the request of "SOWI KOSOVO" LLC, and **EXTENSION of validity term of 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), with an installed capacity of 34.47 MW, CA Kaqandollë and Bajgorë, Municipality of Mitrovica, for an additional period of 2 (two) years, namely **until 13 June 2022 for finalization of the project.**

Reasoning



- ERO, on 14.07.2013 received from “SOWI KOSOVO” LLC. the application on obtaining the authorization for construction of new generation capacities for electricity generation from WIND, with an installed capacity of 35 MW, located at Wind Park- SELAC 2, Municipality of Mitrovica, Republic of Kosovo.
- ERO, following the ascertainment that the applicant has proved its compliance for construction of new generation capacities from Wind, on 25 November 2016 , issued the Decision on Notice for Preliminary Authorization V_866_2016, and instructed the applicant to meet other legal requirements required by the applicable legislation in Kosovo.
- ERO, on 06.11.2017 received from “SOWI KOSOVO” LLC the request for extending the validity term of the Decision on Notice for Preliminary Authorization, V_865_2016, dated on 25 November 2016, for an additional legal term for completing the application for obtaining the Final Authorization.
- ERO, on 29 March 2018 issued the Decision no. V_941_2018 on extension of validity term of Decision on Notice for Preliminary Authorization V_866_2016, dated on 25 November 2016, for an additional period of 6 (six) months, namely until 25 May 2018.
- ERO, on 25.05.2018, received from “SOWI KOSOVO” LLC the request for conversion of Decision on Notice for Preliminary Authorization into FINAL Authorization for construction of new generation capacities for electricity generation from WIND, located at “Wind Park- SELAC 2”, with an installed capacity of 34.5 MW, Municipality of Mitrovica, attaching evidence issued by relevant authorities on fulfilment of all environmental requirements, the right on the use of land, Construction Permit issued by MESP, and other legal requirements related to the nature of the project according to legislation in force.
- ERO, on 13 June 2018 issued the Decision on Final Authorization V_981_2018, to “SOWI KOSOVO” LLC for construction of new generation capacities for electricity generation from Wind Turbines, located at “Wind Park- SELAC 2”, with an installed capacity of 34.5 MW, CA Kaqandoll and Bajgorë, Municipality of Mitrovica.
- ERO, on 03 June 2019, received from “SOWI KOSOVO” LLC the request for Modification of Final Authorization for modification of Wind Turbines from 10 turbines as were authorized to 9 turbines, and the installed capacity of 34.47 MW, CA Kaqandoll and Bajgorë, Municipality of Mitrovica.
- ERO, on 10 July 2019, issued the Decision on Modification of Final Authorization V_1165_2019 on approval of the request of “SOWI KOSOVO” LLC for Modification of Final Authorization V_981_2018, dated on 13 June 2018, from 10 (ten) wind turbines as were initially approved to 9 (nine) wind turbines and the installed capacity of 34.47 MW, CA Kaqandoll and Bajgorë, Municipality of Mitrovica.
- ERO, on 30 September 2019, received from “SOWI KOSOVO” LLC, the request for extension of validity term of Decision on Final Authorization V_981_2018, dated on 13 June 2018, modified by Decision V_1165_2019, for the project Wind Park- SELAC 2, with an installed capacity of 34.47 MW, CA Kaqandoll and Bajgorë, Municipality of Mitrovica, **for finalization of the project**



for an additional period of 2 (two) years, namely until 13 June 2022.

- *The company "SOWI KOSOVO" L.L.C., in its request clarified that: despite the difficulties, during this time significant progress has been made in the execution of works for construction of the wind park. The reason for requiring the extension of the validity term of the authorization for construction of the wind park is that, despite continued efforts to complete the implementation of this project, it could not be realized within the initial deadline set by the ERO Board, due to obstacles, technical difficulties of the site and the fact that there were difficulties and delays in securing financial means for the implementation of the project.*
- *The SOWI KOSOVO L.L.C. project, is a large-scale generation project in a specific and difficult location (including mountain terrain, 1500 m above sea level, difficult access, severe climatic conditions, etc.), with a long distance grid line to be built and weather restrictions on when the construction works can be carried out (only for a few months during the summer and part of the spring and fall). In addition to this, the complexity of the various permit requirements (land rights, environmental protection, several construction permits) as well as the expropriation process for the grid lines have significantly affected the time required to finalize the full execution of the Project SELAC 2.*
- *Also taking into account the request of the turbine manufacturer, we had to start the process of modifying the final authorization, which again had to go through a long process until a decision on amendment of the construction permit by MESP was made, and only after this process, the approval by ERO was obtained, whereby on 10 July 2019 the Modification of Final Authorization for the installed capacity was allowed by decision V_1165_2019.*
- *In addition to this, they clarified and informed that taking into account the discussions of ERO with the Economic Bank for Reconstruction and Development (EBRD) the company SOWI KOSOVO L.L.C. has also signed the Power Purchase Agreement (PPA) with KOSTT, where with the signing of the PPA, which has already been accepted by the EBRD, there are only a few remaining steps before they can conclude the first financial agreement in Kosovo, which is guaranteed only with the PPA to fund the project. Funding of projects through EBRD loan is in the final stage of approvals by EBRD managing bodies.*
- *It was also clarified that they have already been qualified with the status of the Strategic Investor, and in the process of applying for strategic investments, ERO has notified the Strategic Investment Commission established by the Government of Kosovo, the SOWI Company and the EBRD, that there has been no case for refusal at ERO for extension of the legal deadlines set by the Rule on Authorization Procedure, and the main reason for this request is that now, prior to the EBRD's final review of credit financing, which is expected to expire in December this year (2019), they attempt to extend this deadline for two (2) years until 13 June 2022, since being granted the extension is a prerequisite for funding, as it ensures that regulatory approvals accept the timeline of project implementation.*
- *Therefore, based on what was stated above, they request from ERO Board, that based on the legal provisions of Article 16, paragraph 4 (for the possibility of extension of a one-year period), as well as paragraph 5 (for the possibility of extension for a one-year period) of the*



Rule on Authorization Procedure for Construction of New Generation Capacities, to approve the request for extension of validity term of Decision on Final Authorization V_981_2018, dated on 13 June 2018, for continuing the construction for an additional period of two (2) years, in order to finalize this project of high importance for generation of electricity from Renewable Sources. Whereas, according to Project's Dynamic Plan, all works are expected to be executed by 13 June 2022.

- ERO Board, following the analysis of the request of "SOWI KOSOVO" LLC and attached evidence on extension of Final Authorization for construction of new generation capacities from Wind, Wind Park-SELAC 2, with an installed capacity of 34.47 MW, evaluated them and concluded that the request is well-grounded, taking into consideration and also evaluating the request of EBRD, that the extension of the term of Final Authorization is a prerequisite for funding the project, and also taking into account that the construction of these projects is quite difficult due to terrain, climate conditions and the complexity of these projects, therefore based on legal provisions mentioned in the introductory section of this Decision, has decided as in the enacting clause to 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 Mitrovica,
- Secretary General of MESP and
- ERO Archive