



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

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# NEWSLETTER

## ACTIVITIES OF THE ENERGY REGULATORY OFFICE

Energy Regulatory Office (ERO) is an independent agency, established by the Assembly of the Republic of Kosovo, pursuant to Articles 119.5 and 142 of the Constitution of the Republic of Kosovo.

ERO conducts an economic regulation of the energy sector (Electricity, District Heating, and Natural Gas).

Energy Regulatory Office in compliance with Article 25, paragraph 5 of the Law on Energy Regulator, in order to inform the public regarding its activities, prepares and publishes a Newsletter on the activities carried out and expectations for the mid-term time periods. The ERO Newsletters can be found on its website [www.ero-ks.org](http://www.ero-ks.org).



As the previous years, 2013 also was a year of challenge for the ERO, where a number of important activities were carried out for the energy sector in Kosovo. This Newsletter provides a brief summary of the activities carried out by the Energy Regulatory Office, such as:

CONTENT

I.	ERO decisions issued during the period Janary - December 2013.....	3
II.	Important international activities, Agreemens on cooperation and participation of ERO in conferences, seminars, international meetings, January - December 2013.....	7
III.	Participation of ERO in local meetings, workshops and seminars .....	11
IV.	ERO activities for the period January - December 2013 .....	166
V.	ERO planed activities for the period January - June 2014.....	17

## I. ERO decisions issued during the period January - December 2013

During the period January-December 2013 ERO Board functioned in its full composition of 5 members and it held 11 public sessions during which among other issued the following decisions:

- Decision V\_497\_2013 on Notification for Preliminary Authorization for the N.T.SH. "RIMED" enterprise, Kuqishte, Peja;
- Decision V\_501\_2013 on approval of the Transmission Development Plan 2013- 2022;
- Decision V\_502\_2013 on transferring the license of Public Electricity Supplier from the Energy Corporation of Kosovo JSC – Supply Division to the Kosovo Electricity Distribution and Supply Company (KEDS) as well as transferring (alienation) of assets from KEK JSC -Supply Division to KEDS JSC – Supply Division;
- Decision V\_503\_2013 on transferring the license of Distribution System Operator from the Energy Corporation of Kosovo JSC – Distribution Division to the Kosovo Electricity Distribution and Supply Company (KEDS) as well as transferring (alienation) of assets from KEK JSC - Distribution Division to KEDS JSC – Distribution Division;;
- Decision V\_504\_2013 – on Notification for Preliminary Authorization for "UPWIND International I GmbH" enterprise - branch in Kosovo, in the location "Wind Park - Zatriç, Rahovec;
- Decision V\_505\_2013 on approval of "Kosovo Electricity Market Design";
- Decision V\_516\_2013 on approval of the Maximal Allowed Revenues (MAR) to be covered by the licensed operator of TPP Kosova A and the licensed operator of TPP Kosova B (Regulated Generators) through charges for provision of the energies and capacities to the Public Electricity Supplier (01.04.2013 to 31.03.2016);
- Decision V\_517\_2013 on approval of Maximal Allowed Revenues (MAR) to be covered by the Distribution System Licensed Operator (DSO) through the charges for the use of the Distribution System (01.04.2013 to 31.03.2017);
- Decision V\_518\_2013 on approval of Maximal Allowed Revenues (MAR) to be covered by the Transmission System Operator and Market Operator JSC (KOSTT) through tariffs and charges (01.04.2013 to 31.03.2016);
- Decision V\_519\_2013 on approval of Maximal Allowed Revenues (MAR) to be collected by retail tariffs of electricity for regulated consumers that will be applied by the Public Supplier for the relevant (tariff) year (01.04.2013 to 31.03.2014);
- Decision V\_520\_2013 on licensing Danske Commodities Energy LLC enterprise;

- Decision V\_526\_2013 on changing the control of the Public Electricity Supply licensee granted to “Kosovo Electricity Distribution and Supply Company” JSC-Supply Division;
- Decision V\_527\_2013 on changing the control of the Distribution System Operator licensee granted to “Kosovo Electricity Distribution and Supply Company” JSC-Distribution Division;
- Decision V\_528\_2013 on approval of Regulated Prices to be applied by the licensed operator of the thermal power plant Kosova A and the licensed operator of the thermal power plant Kosova B (Regulated Generators) from 1 April 2013;
- Decision V\_529\_2013 on approval of the charges to be implemented by the Transmission System Operator and the Market in Kosovo (KOSTT) JSC as of 1 April 2013;
- Decision V\_530\_2013 on approval of charges to be implemented by the Distribution System Operator as of 1 April 2013;
- Decision V\_531\_2013 on approval of the retail electricity tariffs for regulated customers to be applied by the licensee as of 1 April 2013;
- Decision V\_532\_2013 on approval of “Methodology of Distribution Use of System Charges”;
- Decision V\_533\_2013 on approval of - “Methodology of Transmission Network Use of System (TNUOS) Charges; “Methodology of System Operator Charges; - Methodology of Market Operator Charges;
- Decision V\_534\_2013 on Licensing the enterprise “MCM COMMODITIES” LLC, on import and export of electricity;
- Decision V\_535\_2013 on Notification for Preliminary Authorization of the “Edelweiss Energy” LLC enterprise;
- Decision V\_536\_2013 on Notification for Preliminary Authorization of the “Hydro-Line” LLC enterprise in the location “Vllahi”, Mitrovica;
- Decision V\_537\_2013 on Notification for Preliminary Authorization of the “Hydro-Line” LLC enterprise in the location “Batahir”, Mitrovica;
- Decision V\_538\_2013 and Decision V\_539\_2013 on Notification for Preliminary Authorization of the “Hydro-Line” LLC enterprise in the location “Dolac”, Mitrovica;
- Decision V\_540\_2013 and Decision V\_541\_2013 on Notification for Preliminary Authorization of the “Matkos Group” LLC enterprise from Shtërpce;
- Decision V\_542\_2013 on Notification for Preliminary Authorization of the “UPWIND International II GmbH - Branch in Kosovo” enterprise, in Suharekë, Ferizaj and Shtërpce;

- Decision V\_543\_2013 Terminating the validity period of the Preliminary Authorization V\_365\_2011 from 28.04.2011, for the enterprise “Kelkos-Energy” LLC;
- Decision V\_544\_2013 on exempting all the licensees in the Energy Regulatory Office (ERO) from the annual fee payment for the period from November 01<sup>st</sup>, 2012 to April 30 2013;
- Decision V\_545\_2013 on approval of the “Distribution Code” of the District Heating Termokos JSC;
- Decision V\_554\_2013 on modifying the electricity generation license granted to the Energy Corporation in Kosovo (KEK JSC), Generation Division “TPP Kosova A”;
- Decision V\_555\_2013 on modifying the electricity generation license granted to the Energy Corporation in Kosovo (KEK JSC), Generation Division “TPP Kosova B”;
- Decision V\_556\_2013 on extending the electricity generation license for the Energy Corporation of Kosovo - Generation Division (KEK SH.A.) - TPP Kosova A;
- Decision V\_557\_2013 on Notification for Preliminary Authorization of the “Hidroenergji” LLC enterprise, in the location “Uji i Thartë”, Han i Elezit;
- Decision V\_558\_2013 on Notification for Preliminary Authorization of the “Hidroenergji” LLC enterprise, in the location “Sllatinë”, Kaçanik;
- Decision V\_559\_2013 on Notification for Preliminary Authorization of the “Era Energji” LLC enterprise in Drenas;
- Decision V\_565\_2013 on approval of the withdrawal of application for construction of the hydro power plant in the river Lepenci, HPP Shtërpce, in Shtërpce, enterprise “Triangle General Contractors” Inc., Branch in Kosovo, as well as rejection of the Preliminary Authorization;
- Decision V\_566\_2013 on approval of the withdrawal of application for construction of the hydro power plant in the river Lepenci, in Shtërpce, enterprise “Triangle General Contractors” Inc., Branch in Kosovo, as well as rejection of the Preliminary Authorization;
- Decision V\_567\_2013 on approval of the withdrawal of application for construction of the hydro power plant in the river Lumbardhë, HPP Reçan, Prizren, of the enterprise “Triangle General Contractors” Inc., Branch in Kosovo, as well as rejection of the Preliminary Authorization;
- Decision V\_568\_2013 on issuing the authorization to the enterprise “Kelkos-Energy” LLC, at the location Deçan River, Deçan;
- Decision V\_569\_2013 on issuing the authorization to the enterprise “Hydro - Line” LLC, location “Dolac”, Thanishte/Ovqar, Mitrovica;

- Decision V\_571\_2013 on rejecting the granting of the preliminary authorization for enterprise “Matkos Group” LLC, in Lepenc River, Shtërpce;
- Decision V\_572\_2013 on issuing the authorization to the “Eurokos J.H.” LLC enterprise, in Restelica River, Dragash;
- Decision V\_581\_2013 on the request of Kosovo Electricity Distribution and Supply Company (KEDS) to initiate a pilot project on reading and billing of electricity meters by Held Hand Unit (HHU) in the District of Ferizaj, starting from January 01<sup>st</sup>, 2014;
- Decision V\_582\_2013 on approval of the “Transmission Development Plan 2014 – 2023”;
- Decision V\_583\_2013 on approval of the “Distribution system planning and security standards”;
- Decision V\_584\_2013 on approval of the Tariffs of the central heating for the District Heating (DH) Termokos SH.A. for the heating season 2013/2014;
- Decision V\_585\_2013 on approval of the tariffs of the central heating for the District Heating (DH) Gjakova SH.A. for the heating season 2013/2014;
- Decision V\_601\_2013 approval of “Market rules”;
- Decision V\_604\_2013 on Notification for Preliminary Authorization of the “AIR -ENERGY” LLC enterprise;
- Decisions 408-500; 506-515; 521-525; 546-552; 560- 564; 573- 580; 588-599; 602-603 on Customer complaints and KEK/KEDS.

## II. Important international activities, Agreements of Cooperation and Participation of ERO in conferences, seminars, international meetings, January - December 2013

1. As an important activity of ERO is considered the participation of the ERO representative in the works of the Technical Group on Energy, established to support technically the dialogue between the Republic of Kosovo and the Republic of Serbia on energy related matters. The meetings regarding the technical dialogue were held in Brussels from May till December 2013.

2. On 22 February 2013 in Tirana, the ERO Board signed a Memorandum of Understanding with the Energy Regulatory Entity of Albania.

Following a few meetings in Prishtina and in Tirana, on 22 February 2013 in Tirana, supported by the Norwegian Embassy, the Energy Regulatory Entity (ERE) of Albania organized a workshop.

On this occasion a Memorandum of Understanding was signed between the ERB and ERO (Energy Regulatory Office of Kosovo).



3. On 7 November 2013, the Energy Regulatory Office of Kosovo (ERO), National Association of Regulatory Utility Commissioners (NARUC) and The Public Utility Commission (PUC) of Pennsylvania signed a Memorandum of Understanding.

This Memorandum of Understanding serves as the base for Partnership Activity between the two regulators. Through exchanges, two Regulators will share experiences, lessons learned and best practices, which are valuable for Kosovo in continuing to create and implement sound and independent regulatory framework to ensure the efficient, transparent, and stable functioning of the electricity sector and markets.



4. On 20 June 2013, IFC, a member of the World Bank Group, and ERO signed a Memorandum of Understanding between the Energy Regulatory Office and IFC on the development of the Energy Market from Renewable Resources.

Besides the feed-in tariff for the generators of photovoltaic energy, IFC will also work with ERO in preparing the standardized draft agreements on sale/purchase of electricity and





connection in the network, as well as regulation regarding the origin guarantee.

## **5. Participation of ERO in conferences, seminars, various international meetings**

Also during 2013, ERO employees represented ERO by participating in various significant international meetings. Moreover, they have attended various adequate trainings on the energy sector while exchanging experiences with the countries in the region and in Europe.

Below, we have presented briefly some of the meetings/visits made in different countries abroad:

**24 -26 January 2013** - Participation in IV meeting of the Group on energy strategy, in Vienna, Austria;

**14-15 January 2013** - Study visit on “Monitoring the Activities in the Energy Sector”, in Podgorica, Montenegro;

**17-18 January 2013** - Study visit on “Monitoring the Activities in the Energy Sector”, in Budapest, Hungary;

**24 January 2013** - Meeting with the Energy Regulatory Entity of Albania, Tirana, Albania;

**25-27 January 2013** - Training on “Managing public relations and the art of communication”, in Durres, Albania.

**03 -06 February/10-12 June/16-18 May/29 May/1 June/16-21 June/30 June/03 July/23-25 July/ 09-11 October/ 2013** - Part of the delegation in the dialogue with Serbia, regarding the energy sector, in Brussels, Belgium;

**04-07 February 2013** – Participation in the regular meeting of the working group on electricity within ECRB as well as in the Workshop on monitoring the Dry-Run regional market, in Vienna, Austria;

**06-07 February 2013**, Meeting of the Committee on Licensing and Competition of the Energy Regulators Regional Association of (ERRA), Abu Dhabi, EBA;

**11-13 February 2013** – 25<sup>th</sup> meeting of GPG and meeting of SoS Coordination Group - within the ECRB SEE ECT, Vienna, Austria;

**14 February 2013** – Regular meeting of the working group on customers within ECRB SEE ECT, Vienna, Austria;

**20-21 May 2013** – 26<sup>th</sup> meeting of the GPG and the Workshop on the Gas Networks Millennium Development Plan, Vienna, Austria;

**21 - 22 February 2013** – Round table meeting with the Energy Regulatory Entity of Albania, Tirana, Albania;

**25 - 28 February 2013** – Training “Management of property and assets in public institutions”, Istanbul, Turkey;



**26 - 28 March 2013** – Participation in the 23<sup>rd</sup> meeting of the Board of Energy Community Regulators, Athens, Greece;

**03 – 09 April 2013** – Participation in the annual conference CAMPUT, Canada;

**08 - 13 April 2013** - “Study visit in relation to RES”, Austria;

**22 April 2013** – Regular meeting of the working group on customers within ECRB ECT SEE, Vienna, Austria

**23 – 24 April 2013** – The Sixth Social Forum within the Energy Community, Belgrade, Serbia;

**23-24 April 2013** – Workshop on implementing the Directive 2009/28/EC on RES held in Vienna, Austria;

**21 – 22 May 2013** – Participation in the regular 28<sup>th</sup> meeting of the ECRB working group on electricity, and workshop on implementation of the 3<sup>rd</sup> package of the network codes, Vienna, Austria;

**22 May 2012** – Workshop for the Network Codes according to the Third Package of the European Union, Secretariat of the Energy Community, Vienna, Austria;

**25 May 2013** – Seminar on authorizations for construction of new generation capacities, Durres, Albania;

**26 – 27 May 2013** – Meeting between the Secretariat of Vienna, Norwegian Embassy and Energy Regulator of Albania and Kosovo. Vienna, Austria;

**03-07 June 2013** – Participation in the 24<sup>th</sup> meeting of ECRB and the 18<sup>th</sup> meeting of the Athens Forum, Athens, Greece;

**11 June 2013** – Regular meeting of the Working Group on Licensing / Competition of the Energy Regulators Regional Association (ERRA); Budapest, Hungary;

**11 June 2013** – Regular meeting of the Working Group on Tariffs/Prices of the Energy Regulators Regional Association (ERRA); Budapest, Hungary;

**11-12 June 2013** – Workshop on the energy efficiency within ECT, Vienna, Austria;

**20 June 2013** - Workshop on the III-rd Package of the Energy Legislation of the European Union and its implementation by the signatory countries if the Energy Community Treaty, Vienna, Austria;

**22-25 September 2013** – Training – “Recommendations of the Auditory General and addressing them before the preparation of financial statements”, Durres, Albania;

**25-26 September 2013** – 27<sup>th</sup> meeting of GPG and the 8<sup>th</sup> Forum on Gas, Ljubljana, Slovenia;

**30 September 2013** – Participation in the 29<sup>th</sup> meeting of the working group on electricity, Vienna, Austria;

**01-02 October 2013** – Participation in the regular meeting of ECRB ECT SEE, Vienna, Austria;

**09 October 2013** – Joined round table between ECRB, CEER and ERRA organized by ECRB ECT SEE, Vienna, Austria;

**10 October 2013** – Regular meeting of the working group on customers within ECRB ECT SEE, Vienna, Austria;

**18-26 October 2013** – Study visit organized by Fichner GmbH concerning the Feasibility Study on capture and storage of the CO<sub>2</sub>, Cologne, Germany;

**20-30 October 2013** – Training Program “Alternative Dispute Settlement”, Hague, Holland;

**03-06 November 2013** – Participation in regular meetings of EWG, Vienna, Austria;

**04-05 November 2013** – Participation in regular meeting of ECRB EWG and workshop on technical codes, Vienna, Austria;

**12 -13 November 2013** – 28<sup>th</sup> meeting of GPG within ECRB ECT, Vienna, Austria;

**12 November 2013** – Regular meeting of the working group on customers within ECRB ECT SEE, Vienna, Austria;

**24- 26 November 2013** – Participation in the Group on Implementing the Energy, Belgium;

**03 December 2013** – Participation in the meeting of the working Group on Electricity, Vienna, Austria;

**09 – 11 December 2013** – Participation in the Working Group on Energy, Vienna, Austria;

**10- 12 December 2013** – Participation in the 26<sup>th</sup> meeting of ECRB, Athens, Greece;

**10 December 2013** – 7<sup>th</sup> Workshop concerning the Energy Statistics: Statistics Quality, Vienna, Austria;

**11 December 2013** – 26<sup>th</sup> meeting of ECRB, Athens, Greece

### III. Participation of ERO in local meetings, workshops and seminars

Many meetings were held, both with the licensees as well as with the third parties, both by the Board and other ERO staff with regards to the sector of electrical energy, thermal energy and gas as well. It is worth mentioning that during 2013 there were many meetings with potential investors concerning investments in renewable energy as well as with the applicants for licenses or modification of the existing licenses. ERO also had almost daily meetings with different customers who addressed to ERO for various clarifications or complaints in the energy sector.

Some of the meetings of the ERO Board and staff are presented below:

**11 January 2013/20 February 2013/20 March 2013** – participation in the Working Group on Decommissioning of the TPP Kosova A - in the Ministry on Economic Development;

**21 January 2013** – Meeting of ERO working group on evaluation of applications of the enterprises UPWIND international I GmbH, Branch in Kosovo, regarding the construction of new generation capacities from Wind, Wind Park-Zatriq;

**24 January 2013** – Meeting with the representatives of KOSTT, MED and ERO regarding the final stands on the comments of the Secretariat of Energy to the Draft Laws on Energy;

**24 January 2013** – Participation in the WG on drafting of the 2<sup>nd</sup> National Action Plan on Energy Efficiency;

**30 January 2013** – Workshop organized within WB / IPF with regard to drafting policies for EE in line with the common approach of the SEE countries;

**30 January 2013** – Meeting in KEK with the representatives from KEK concerning the loss of the electricity, discussing the losses of electricity during 2012, especially those around December 2012 the reading of electricity meters during December 2012;

**31 January 2013** – Meeting with the representatives of USAID concerning the reviewing of ERO secondary legislation;

**01 February 2013** – Meeting in the Ministry for Environment and Spatial Planning regarding the Law on use, administration and maintenance of condominium, especially the discussion related to the common consumption of the electricity and establishing the boards of buildings;

**8 February 2013** – Meeting with the officials of WBIF-IPF and KfW – discussion in regard to the project development of co-generation TPP Kosova B – DH Termokos, and the newly initiated study on replacement of the fuel for the DH Gjakova;

**11 February 2013** – Participation in the working group on evaluation of the situation created in KEK, regarding the invoices of January 2013;

**11-15 February 2013** – Participation in the Committee on monitoring the review and analyzing of complaints regarding the invoices of KEK in January 2013. Based on the decision of the Ministry of Economic Development no. 01/237, dated 11.02.2013 on establishing of the Committee on monitoring the review and analyzing of complaints regarding the invoices of KEK, ERO representatives from 11.02.2013 till 15.02.2013 have taken part in the committee in the role of a observer - professional assistance;

**12 February 2013** – Monitoring visit of ERO in the District of Prishtina regarding the invoices of January 2013. Based on the concerns raised by the customers regarding the invoices of January 2013 they have visited the District of Prishtina to learn more about the complaints and the measures that the District of Prishtina has undertaken as a response to customer complaints;

**12 February 2013** – Monitoring visit of ERO in the District of Ferizaj regarding the invoices of January 2013. Based on the concerns raised by the customers regarding the invoices of January 2013 they have visited the District of Ferizaj to learn more about the complaints and the measures that the District of Prishtina has undertaken as a response to customer complaints;

**20 February/1 March 2013** – Monitoring meeting in DH Termokos – gathering of financial, technical and customer data and on the loses linked to the performance of DH Termokos in the season 2012/13;

**22 February / 7 and 13 March / 21 August 2013** – Meetings in MED regarding the drafting of a revised Strategy on Energy for the period 2013 - 2022;

**26 February 2013** – Participation in the meeting held in ERO, regarding the review of the application on transferring the license from KEK to KEDS;

**26 February 2013, 7 March 2013, 9 July and 18 December** - Participation in the meeting in MED on the Energy Strategy 2013-2022;

**27 February 2013** – Meeting of the Working Group on Evaluation of Applications on transferring the licenses and assets from KEK JSC to KEDS;

**14 March 2013** – Workshop on “Consumer Week” organized by the Ministry of Trade and Industry. The purpose of this workshop was to discuss regarding the rights of consumers as well as the Law on Consumer Protection;

**26 March 2013** – Visit to the Meteorological Institute of Kosovo within the Ministry of Trade and Industry, discussing meter calibrations by the Meteorological Institute of Kosovo;

**26 March 2013** – Participation in the workshop, in the Swiss Diamond, organized by KOSTT regarding the document “Securing Electricity Supply by 2030”;

**28 March 2013** – Monitoring meeting with KEK officials to gather information on replacing electricity meters in the District of Prishtina during 2011 and 2012 especially during December 2012. Officials of the Metrological Institute during the meeting in KEK requested information on customers whose meters have been replaced;

**10 April 2013** – Participation in the workshop organized by PIPS regarding the measures and policies on energy efficiency in Kosovo;

**19 April 2013** – Meeting within ERO on the monitoring process of the energy enterprises;

**23 April 2013** – Participation in the meeting in KOSTT to analyze the comments on the document Methodology of transmission system connection charges;

**24 April 2013** – Participation in the meeting in KOSTT together with the representatives of KOSTT, MED, KEK, Ujman, Lumbardhi etc, regarding the nominations one day before, as required by the Rules of the Market and the responsibility of balancing for the coming period where it is expected the change of supply and distribution owner;

**08 May 2013** – Participation in the meeting in KOSTT to complete the data on the Dry – Run Project, through SEEAMMS website. This is performed by entering the data directly through this electronic page;

**14 May 2013** – Participation in the preparatory meeting of DSPA together with other institutions in the Government Building, organized by the Ministry for European Integration;

**15 May 2013** – Meeting in the Prime Minister’s Office concerning the progress report in the energy sector (regulatory section presented by ERO) within the Stabilization and Association Dialogue;

**27 May 2013** – Participation in the meeting concerning the comments to the Methodology on transmission system (KOSTT) connection charges and comments of ERO on the document “Market Rules”;

**28 May 2013** – Participation in the 21<sup>st</sup> meeting of the Working Group on Governance of Technical Codes in KOSTT, reviewing the modifications in the Network Code, respectively the Connection Code;

**04 June 2013** – Meeting in KOSTT concerning the problem with the system operation and the last deviations. Participants: KOSTT, Limak-Çalik, KEK, ERO;

**05 June 2013** – Joined meeting between the representatives of SHUKOS, KEDS and ERO in regard to the requests of SHUKOS concerning the problems of water-supply stations as well as the opportunity to establish a tariff group for the water-supply companies and elimination of power demand;

**12 June / 7 November 2013** – Meeting with the officials of DH Termokos and the consultants of the co-generating project concerning the capacity building in DH Termokos for preparation of the application for the tariffs of the thermal energy and reviewing the tariff draft model;

**20 June 2013** – Participation in the meeting of the Working Group on Governance of Technical Codes in KOSTT, reviewing the modifications on the Network Code, Connection Code and the Code on Electric appliances to analyze the comments of ERO on these codes;

**27 June 2013** – Meeting of the Working Group on Evaluation of Applications for authorization of construction of new generation capacities;

**03 July 2013** – Meeting in ERO concerning the preparation of the ERO Plan of Work 2013-2017;

**05 July 2013** – Joined meeting between the representatives of the Religious Communities and ERO concerning the request of Religious Communities for the possibility to create a tariff group for the Religious Communities which would be different from the other customers;

**05, 09, 10, 11, 12, 18, 23, 24, 25, 26, 29, 30 July 2013/12, 14, 16, 22, 28 August 2013,/3, 4, 17, 27 September 2013** – Participation in the meeting of the Working Group (ERO, MED, KOSTT, KEK) on supplementing/amending the Laws of Energy Sector (according to the third package of the EU Legislation), held in KOSTT and MED;

**11 July 2013** – Meeting between the representatives of ERO and KEK concerning the issues between KEK and KEDS in relation to the invoices of May 2013;

**15 July 2013** – Meeting in KOSTT within the Task Force on Monitoring Power System;

**19 July 2013** – Meeting with USAID (workshop) in regard to the discussion on future tariff review and the dispute between KEK and KEDS concerning the invoices of May 2013;

**19 July 2013** – Participation in the meeting organized by USAID in ERO concerning: the request from KEDS on re-opening the plan of investments, disagreement between KEK & KEDS concerning the invoicing of 8 days during May 2013, review of the Rule on Charges, etc;

**25 July 2013** – Meeting between the representatives of KEDS and ERO, in regard to the request of KEDS for the possibility to allow the pilot project on reading the meters with Held Hand Units in the District of Ferizaj;

**01 August 2013** – Participation in the meeting in MED concerning the Review of the Energy Strategy;

**15 August 2013** – Participation in the meeting in ERO with the representatives of KEK and KEDS regarding the disagreements between KEK and KEDS for the invoicing of May 2013;

**16 August 2013** – Meeting with the representatives of MED concerning the drafting of the Administrative Instruction on Utilizing and Supporting the Generation of Electricity from Renewable Energy Sources;

**16 August 2013** – Meeting with the officials of MED and the ECLO consultancy on the draft Administrative Instruction on RES Promotion;

**19 August 2013** – Joined meeting with KEK and KEDS on finding an acceptable solution concerning the invoices of May 2013;

**03 September 2013** – Meeting in KEK concerning the disagreement between KEK - KEDS concerning the invoices of May 2013;

**04 September 2013** – Meeting in MED concerning the documents of the Secretariat of Energy Community;

**24 September 2013** – Meeting in ERO regarding the Program for Monitoring Energy Enterprises;

**25 September 2013 and 17 October 2013** – Meeting between the representatives of ERO and KEDS regarding the pilot project on reading electric meters with Held Hand Unit, where the purpose of this meeting was the discussions of the results of the pilot project on reading electric meters with Held Hand Unit in the District of Ferizaj;

**11 October 2013** – Regular monitoring meetings in DH Termokos concerning the preparations for the beginning of the heating season;

**11 October 2013** – Meeting between the representatives of ERO, MED, KEK, KEDS and IFC concerning the dispute between KEK and KEDS, as well as their influence in future tariff review;

**18 October 2013** – Participation in the visit of KOSTT DC, SS Ferizaj 2 and SS Prizren 2;

**30 October 2013** – Meeting in the working group on system operation, in KOSTT;

**01 November 2013** – Meeting with KEDS on HHU and other accompanying documents;

**4-7 November 2013** – Participation in the meeting within the partnership activities between ERO – PCU-NARUC – tariff review, evaluations and the methodology of determining the prices in the energy sector;

**11 November 2013** – Regular monitoring meeting in DH Gjakova concerning the preparations for the beginning of the heating season;

**12 November 2013** – Meeting between ERO and IFC concerning the Certificate of Origin;

**12 November 2013** – Meeting with the representatives of IFC concerning the documents on RES;

**20 November 2013** – Meeting with the representatives of KEDS concerning the Distribution Development Plan 2014-2023;

**27 November 2013** – Meeting in KOSTT concerning the Transmission Development Plan 2014-2023;

**29 November 2013** – Meeting with the representatives of EMRA (Regulatory Authority of Turkey);

**02 December 2013** – Meeting with the representatives of KEDS concerning the Methodology of connection and distribution charges;

**3-4 December 2013** – Participation in the workshop in MED with the officials of the Secretariat of EC regarding the transposition of the third package on energy in the Kosovo legislation on energy;



**09 December 2013** – Meeting with the Minister of MED, KEDS & IFC concerning the current problems, losses etc;

**17 December 2013** – Meeting in ERO with the consultants of Mercados - IFC concerning the draft report on the methodology on determining the solar energy prices.

#### **IV. ERO activities for the period January - December 2013**

Energy Regulatory Office carries out its functions and duties in compliance with the applicable legislation. In this regard below we have presented some of the activities carried out by the ERO departments.

- Participation in the working group on review (supplementing/amending) of the primary legislation of the energy sector: Law on Energy Regulator, Law on Energy, Law on Electricity, Law on Central Heating and Law on Natural Gas and harmonization of these laws with the third package of the European legislation, organized by the Ministry of Economic Development. The aforementioned laws shall be applicable as of January 2015;
- The engagements regarding the transfer of license of the Public Electricity Supplier from KEK to KEDS as well the transfer (alienation) of assets from KEK - Division of Supply to KEDS - Division of Supply, transferring of the License of the Distribution System Operator from KEK – Division of Distribution to KEDS as well as transfer (alienation) of assets from KEK – Division of Distribution to KEDS – Division of Distribution;
- Seventh (multi-year) electricity tariff review ETR7. The tariff review process includes determination of the Maximum Allowed Revenues (MAR) that the licensee under review is allowed to collect for the regulated services that it offers. The licensees have proposed levels of capital and operational expenses for the regulatory period of 5 years;
- The process of the electricity tariff review ETR7 (2013-2017) has resulted with temporary evaluations for all the licensees (which were presented for public consultation. ERO in this period has done consultations, meetings and additional clarifications offered by the licensees from which detailed completed reports were published and Maximum Allowed Revenues (MAR) were proposed for a period of five years for the licensee responsible for transmission and distribution, four years for the regulated generation and one year for the public supplier as well as electricity retail tariffs for regulated consumers;
- ERO during this period cooperated with the AF-Mercados EMI- Exergia consultants in the project financed by IFC (World Bank) in creating the new “Feed-in” tariff methodology for the renewable sources, as well as new Solar tariffs that come as obligations of modification of the renewable sources targets determined by the Ministry of Economic Development (MED), ERO has initiated the regular process of annual updates for the Regular Annual Adjustments of MAR which is ongoing and will be completed by April 2014;

- Review and solving complaints from the customers as well as the disputes between the licensees. Two reports concerning the invoices of electricity for January 2013;
- Following the work of ECRB for the customers, filling in the questionnaires received by the secretariat;
- Analyzing and commenting on procedures and licensee regulatory reports;
- Monitoring, time after time, the activities of distribution and supply (issue of meters, invoices) as well the Central Heating (CH) Enterprises, collection of data and information as well as analyzing them, regulatory reports, in order to perform relevant evaluation concerning the implementation of regulatory framework and fulfillment of license terms;
- Approval of tariffs for the enterprises of the central heating CH Termokos and CH Gjakova;
- Participation in the Working Group on drafting the supplementation and amendments on the Law on Natural Gas and the Law for Thermal Energy within the harmonization with the third package of energy legislation;
- Establishment and activation of ERO working groups on evaluation of applications for authorization of construction of generation capacities, following up on developments in the region in relation to energy matters and natural gas, especially within the SEE Energy Community – participation in the ECRB Working Groups on Gas, the Forum of Gas and other relevant activities organized by the SEE EC Secretariat;
- Participation in the Working Group on drafting the 2<sup>nd</sup> National Action Plan on Energy Efficiency; participation in the work of the ECT Coordination Group on efficiency.
- Participation in the meeting concerning the comments on the Methodology on Transmission Network Connection Charges (KOSTT). Comments of ERO on the document “market rules” and analyzing of comments of EnCS concerning this document;
- Analysis and comments upon the following documents: Network Code – all section, Code of electrical appliances, Transmission Development Plan 2014-2023, Security Standards and Distribution System Planning and presenting them before the Board for approval;
- Analysis and comments on the following documents: Market Design, Market Rules and derogations in the Network Code and License of the KOSTT and presenting them before the Board for approval.
- Analysis of the impact of invoices on the losses in distribution in December 2012 and for the entire 2012 with different scenarios;
- Work on the Methodology of Tariffs of KOSTT: TNUOS, OST, MO;
- Commenting the document “Response to the Claim in the Basic Court”, “Administrative Instruction on RES”, as well “Report on implementation of the Network Code”;
- Analysis of the contracts of KEDS on electricity import and export;

- Preparation of the report of KEK exchanges for July 2013, summary reports by KOSTT based on daily reports, KEK reports on monthly basis;
- Analysis of documents such as the Transmission Development Plan 2013 – 2022, where additional data were requested regarding several projects and investments which KOSTT had presented in its plan of investments 2013 – 2017. Then a report was prepared concerning the exchanges of KEK in 2012, report on the energy flow and losses.
- Document on Securing the Supply in Kosovo (electricity, natural gas and petroleum) and proofreading of the version in Albanian and in English language;
- Comments and contributions given in regard to the document Energy Strategy 2013-2022;
- Completing the questionnaires for ECRB, such as: Price reporting for Electricity and SED electricity-template.
- Completing the data on monitoring the Regional Market for the website SEEAMMS together with KOSTT;
- Commenting on the reports of KEK on the Security in TPP Kosova A and TPP Kosova B;
- Engagement on completing the questionnaire of the Energy Community on regulatory incentive measures (PECI) – in the sector of electricity and gas;
- Processing the document “Network Code – Load Frequency Control and Reserves prepared by ENTSO;
- Drafting the document Draft Network Code on Forward Capacity Allocation, prepared by ENTSO;
- Analysis of the document of KOSTT -“ Manual Guide to Market Rules”;
- Preparation of quarterly report for the period January - March 2013 for the energy flows: generation, transmission, consumption, losses, import, export etc, and comparing it with the Balance of 2013 and 2012.
- Commenting and analysis of the Agreement on purchase of energy for Wind and Small Hydro Generator, drafted by KEK;
- Commenting on the Manual on Reporting for the Energy Sector in Kosovo;
- Analysis of the documents of ENTSO - Network code - Balance code.

## V. ERO planned activities for the period January - June 2014

ERO planned activities for the period January – June 2014 are as follows.

- Participation in the Working Group on harmonizing the primary legislation of the energy sector with legislation according to the third package of the European Union legislation (Law on Energy Regulator, Law on Energy, Law on Electricity, Law on Thermal Energy and Law on Natural Gas).
- Evaluation of applications for licensing of the activities in the energy sector.
- Evaluation of applications for authorization on construction of new capacities.
- Analyzing, commenting and evaluation of the relevant documents (Codes, Rules, Procedures, etc) submitted by the licensees for approval by the ERO Board.
- Analyzing, commenting and preparing for approval the Methodology on Distribution Network Connection Charges and Distribution Development Plan 2014 – 2023.
- Preparation of the annual report on the energy sector 2013.
- Preparation and drafting of quarterly reports on the flows of electricity 2014.
- Completing different questionnaires covering the energy sector.
- Engagement in the activities of the Secretariat of Energy Community, as a member of ECRB EWG and other activities deriving from the Energy Community;
- Continuous monitoring of energy enterprises: generation, transmission, distribution of electricity, consumption, export, import, transit and losses of electricity, and monitoring of energy enterprises in the field of customer protection;
- Regular monitoring of the financial and technical performance of the central heating enterprises as well as monitoring of the fulfillment of terms of licenses and requirements deriving from the rules issued by ERO;
- Completing the Regulative framework of the thermal energy sector – final drafting of the Rule on pricing of the thermal energy and the tariff methodology where it is included also the component of co-generation;
- Follow up on the implementation of the project on co-generation TPP Kosova B - CH Termokos – in this aspect the main focus lies on the Agreement on supply with thermal energy from TPP Kosova B to CH Termokos and the methodology in determining the price for thermal energy by TPP Kosova B;
- Participation in the mechanisms of SEE ECT on the matters related natural gas – Working Group on Gas of ECRB, the Forum on Gas and other relevant activities; Analyzing, commenting and preparation of the documents related to the Natural Gas and the work of ECRB WGG - ECT, such as the questionnaires, reports and other relevant documentation;
- Participation in the activities of ECT in regard to the energy efficiency, such as in the Coordination Group on energy efficiency and meetings treating the subject of energy efficiency and the implementation of the national plan on efficiency.

- During the next period ERO (respectively CPD) shall continue to deal with the issue of customer protection, reviewing and solving the complaints of customers as well the disputes between the licensees.
- Receiving parties in direct discussions, to inform them about their rights in the energy sector.
- Active participation in mechanisms of SEE ECT on the matters related to customer protection – Working group on customers of the ECRB, Social Forum and other relevant activities; Analyzing, commenting and preparation of the documentation related to the protection of customers and the work of CWG of ECRB - ECT, such as questionnaires, reports and other relevant documents;