



The Board of the Energy Regulatory Office

Based on:

- Provisions of Article 8, paragraph 1, sub-paragraph 1.6, Article 14, paragraph 2, sub-paragraph 2.17 and Article 25 of the Law on Energy Regulator (No.03/L-185);
- Provisions of Article 2, paragraph 3.4 of the Rule on Licensing of Energy Activities in Kosovo, and Article 4 of the Transmission System Operator License;
- Request of KOSTT JSC for derogation from the implementation of some provisions of the Grid Code and Transmission System Operator License dated 05 December 2012;

in the session held on 28 December 2012, issued the following:

DECISION

- I. KOSTT JSC is **allowed** to derogation from the implementation of some provisions of the Articles of the **Grid Code** and **Transmission System Operator License**, as in the annex to this decision.
- II. **KOSTT JSC is allowed** to derogation of Article 25 “Insurance Obligation” of the Transmission System Operator License until **31.12.2013**.

JUSTIFICATION

- Energy Regulatory Office on 05 December 2012 has received a request of KOSTT JSC for derogation from the implementation of some provisions of the Grid Code and Transmission System Operator License. Following the evaluation of the request and given the current situation of the transmission system, ERO considered it as reasonable to allow derogation from implementing the provisions of the Articles of the Grid Code and the Transmission System Operator License during the time periods set out as in the Annex of this decision.
- ERO allowed the derogation of Article 25 of the TSO license, as in item II of the enacting clause of this decision even though it was not a part of KOSTT JSC request for derogation. This relates to the Board's Decision No. D_114_2008 issued on 15.08.2008 concerning derogation from the request of Article 24 “**Insurance Obligation**” of the Transmission System Operator License (old license), which was for an indefinite time period, now Article 25 (“**Insurance Obligation**”) of the Transmission System Operator License.
- All the other provisions of the Grid Code and Transmission System Operator License will remain in force.



III. The Decision shall be issued in Albanian language and will be translated into Serbian and English. In the event of any discrepancy between the versions, the Albanian version shall prevail.

IV. This Decision shall enter into force on the date of approval by the Board, and shall 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 the Decision or the date of its publication in the ERO website, whichever occurs last.

**Enclosed the document with the provisions for which the derogation was allowed.*

ERO Board

Enver Halimi, chairman

Përparim Kabashi, member

Blerim Koci, member

Merita Kostari, member

Krenar Bujupi, member



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

Derogations Report_Grid Code and Transmission System Operator License

December 2012



No .	GRID CODE	ARTICLE	Paragraph	Required Derogation Period (month/year)	Valid Derogation Period	Reason for Derogation Request
1	Planning Code	4. Transmission Planning Standards and Criteria	4.1.1.2	1. 2 years 2. 2 years 3. 2 years 4. 2 years 5. 3 years	01.11.2011 31.12.2010 31.12.2011 31.12.2012 31.12.2013	Based on the Transmission Development Plan, (N-1) criteria cannot be fulfilled yet for elements of the system as follows: - ATR in SS Peja 3 (for 400 yearly hours not fulfilled) - Line 110 kV 1809 SS Prizren 2 -SS Rahovec, related to the Malisheva package project.
2	Operational Planning Code	3.8 Reserve Requirements	3.8.1.1	1. 3 years 2. 1 year 3. 1 year 4. 1 year 5. 1 year 6. 2 years	27.08. 2010 30.06.2011 31.12.2011 30.06.2012 31.12.2012 31.12.2013	In the absence of the regulatory units this provision will not be implemented until there will be entered into a KOSTT agreement with companies from neighboring countries for spin reserve.



			3.8.1.2			The secondary regulation currently is provided according to the technical agreement from EMS. KOSTT in January 2010 signed an Ancillary Services Agreement with TPP Kosova B, and its implementation will start by creating the conditions, whereas ASA KOSTT-KESH was signed in March 2010, which will be implemented after insuring the necessary technical infrastructure and final definition how to operate with these ancillary services.
		4.4.6 Bids and Offers	4.4.6.1	1. 3 years 2. 3 years 3. 1 year 4. 1 year	01.11.2010 31.12.2011 30.06.2012 31.12.2012	During the transitional period of implementation of Market Rules, Bids and Offers will not be applied. Since we do not have yet a balancing market, we do not have nor bids neither offers
			4.4.6.3	5. 1 year	31.12.2013	
3	Balancing Code	2.4.4 Balancing Arrangements	2.4.4.1	1. 3 years 2. 2 years 3. 2 years 4. 1 year 5. 1 year	01.11.2010 31.12.2011 30.06.2012 31.12.2012 31.12.2013	Currently KOSTT is in the final stage of modification of Electricity Market Rules, where it is planned the Balancing mechanism also. Until the approval and functioning of the Market Rules, KOSTT will try to balance the system using the available generation, imports, and power cuts according to the reduction plan ABC.
			2.4.4.2			



		3.9 Voltage Schedule	3.9.1.3	<ol style="list-style-type: none"> 1. 6 months 2. 1 year 3. 1 year 4. 1 year 5. 1 year 6. 1 year 7. 2 years 	<p>01.05.2008</p> <p>01.11.2008</p> <p>01.11.2009</p> <p>31.12.2010</p> <p>31.12.2011</p> <p>31.12.2012</p> <p>31.12.2013</p>	Characteristics of current generation units do not enable implementation of this point.
		4.4.5 Time Control	4.4.5.1	<ol style="list-style-type: none"> 1. 1 year 2. 1 year 3. 1 year 4. 2 year 	<p>31.12.2010</p> <p>31.12.2011</p> <p>31.12.2012</p> <p>31.12.2013</p>	Until we do not become full members of ENTSO-E, we cannot fulfill this requirement.
			4.4.5.2			
4	Operation Code	5.5.3 Grid Stability and Overloading	5.5.3.2	<ol style="list-style-type: none"> 1. 1 year 2. 1 year 3. 3 years 4. 2 years 5. 2 years 6. 3 years 	<p>01.11.2008</p> <p>01.11.2009</p> <p>31.12.2010</p> <p>31.12.2011</p> <p>31.12.2012</p> <p>31.12.2013</p>	Item 3 of this article Criteria N-1 is not met for the system elements referred to as article 4.1.1.2 of the Planning Code.



			<ol style="list-style-type: none">1. 6 months2. 6 months3. 1 year4. 2 years	31.12.2011 30.06.2012 31.12.2012 31.12.2013	Following the Government's decision to change the border respectively to transfer some assets from KEK to KOSTT, a new analysis to set the underfrequency protection in the secondary side of Transformers was carried out. Currently we are at the stage of identifying transformer fields having relay protection with underfrequency protection function. Based on the verification in the field it results that out of 49 transformers fields 44% have underfrequency protection and 56% do not have this feature. In the fields where we have this feature, we will put it in function as soon as we the conditions for changing the parameters and their testing during 2013 are in place. Whereas for transformers fields that do not have this feature, it will be done through investment in the coming years.
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<p>5.8.11 Black Start Test</p>	<p>5.8.11</p>	<ol style="list-style-type: none"> 1. 2 years 2. 1 year 3. 1 year 4. 6 months 5. 1 year 6. 2 years 	<p>01.11.2009 31.12.2010 30.06.2011 31.12.2011 31.12.2012 31.12.2013</p>	<p>Based on the fact that KOSTT should have an interconnection agreement with other TSOs for the implementation of the simulation of the start from zero, where the supply of domestic consumption must be secured for a period of at least several hours, because the “voltage” work of KEK generation units cannot be ensured, currently it is not possible, due to the fact that the interconnection capacity management is still not carried out by KOSTT, which means remaining without supply of domestic consumption until the time when the domestic generation units return into normal operation, which would cause high financial costs, and inability to justify such an action.</p>
<p>8 System Testing</p>	<p>8.4.1.2</p>	<ol style="list-style-type: none"> 1. 1 year 2. 1 year 3. 16 months 4. 2 years 5. 1 year 6. 1 year 7. 1 year 	<p>27.08.2009 27.02.2010 31.12.2010 30.06.2011 31.12.2011 31.12.2012 31.12.2013</p>	<p>KOSTT considers that in the present circumstances of the Kosovo’s power system, there is no opportunity for the testing mentioned in item two and four of this provision.</p>



No.	License	Article	Paragraph	Required Derogation Period (month/year)	Valid Derogation Period	Reason for Derogation Request
	TSO License	10. Availability and Maintenance of Data	10.3	1. 1 year 2. 6 months 3. 1 year 4. 1 year 5. 1 year 6. 1 year 7. 1 year 8. 1 year 9. 1 year 10. 1 year	24.11.2008 24.06.2009 24.11.2009 30.06.2010 31.12.2010 30.06.2011 31.12.2011 30.06.2012 31.12.2012 31.12.2013	<p>Maintaining of data information about the cross-border capacities is made but the publication for cross-border capacities, functioning of interconnectors, congestion, generation capacity dispatching, use of ancillary services, and functioning of balancing market.</p> <p>Now, we have the necessary hardware for calculation of load flow, but the proper software needs to be developed. All of this are being conducted through PSSE software, but yet they won't be valid without the exchange of neighboring TSOs models and this is as a consequence of KOSTT not being part of regional mechanisms like ITC/CBT and membership in ENTSO-E, as well as illegal and unauthorized actions of EMS in allocating KOSTT interconnections capacities.</p>



		12. System Operation	12.1 12.2 (2.4 and 2.8)	<ol style="list-style-type: none"> 1. 1 year 24.11.2008 2. 1 year 24.11.2009 3. 2 years 30.06.2010 4. 13 months 31.12.2010 5. 2 years 31.12.2011 6. 1 year 30.06.2012 7. 1 year 31.12.2012 8. 1 year 31.12.2013 	Under the current circumstances, KOSTT do not manage with the interconnection capacities and cannot be anticipated the imports and exports in interconnection lines (item 2.4). Because that balancing mechanism is not included in the (transitional) Market Rules, the item 2.8 of this Article cannot be implemented.
		13 Economic purchasing of assets, services and ancillary services	13.1 and 13.2	<ol style="list-style-type: none"> 1. 3 years 01.11.2009 2. 2 years 30.06.2010 3. 2 years 31.12.2010 4. 2 years 30.06.2011 5. 2 years 31.12.2011 6. 1 year 30.06.2012 7. 1 year 31.12.2012 8. 1 year 31.12.2013 	Due to actual circumstances in Kosovo Power System, Tertiary Regulation cannot be ensured in accordance to the conditions foreseen by the Grid Code as well as in tariffs it cannot be covered.

End of the Document