



The Board of the Energy Regulatory Office,

Based on:

- Article 8 paragraph 1 subparagraph 1.6 , Article 14 paragraph 2 subparagraph 2.7 and Article 25 of the Law on Energy Regulator (No. 03/L-185);
- Article 4 , 5 and 13, paragraph 1, subparagraph 1.2 , Article 14 , Article 15 paragraph 1 and Article 16 of the Rule on Authorization Procedure for Construction of New Capacities;
- Request / application for the construction of new generation capacities for generation of electricity from water, with an installed capacity of 23.1 MW consisting of three (3) generating units to be placed in the following 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 in the municipality of Deçan, dated 09.08.2010, by the enterprise "Kelkos -Energy" LLC;
- Decision on Notification for Preliminary Authorization No. V\_296\_2010, dated November 11<sup>th</sup>, 2010;
- Request for conversion of the Decision on Notification for Preliminary Authorization into Authorization for construction of new generation capacities for generation of electricity from water, HPP Lumëbardhi II., with an installed capacity of 5.5 MW, generating units to be placed in the location of Deçan River, Municipality of Deçan, dated 27.09.2013, by the enterprise "Kelkos - Energy" LLC, having its address at Zagreb street ("Arbëria" Dragodan) no. 19/22 Prishtina, Republic of Kosovo; and
- Contracts, permits, consents and decisions issued by the responsible institutions, as specified in Appendix II . to this decision,

In the session held on October 24<sup>th</sup>, 2013, issued the following:

## D E C I S I O N O N I S S U I N G T H E A U T H O R I Z A T I O N

- I. **Issuing the AUTHORIZATION** to the enterprise "Kelkos-Energy" LLC, for construction of the new electricity generation capacities from water, HPP Lumëbardhi II., with an installed capacity of **5.5 MW**, generation capacity to be placed in the location of Deçan River, Municipality of Deçan.

### Justification

- o ERO on 09.08.2010 received from the Enterprise "Kelkos -Energy " LLC, a request / application for the construction of new generation capacities for generation of electricity from water, with an installed capacity of 23.1 MW consisting of three (3) generating units to be placed in the following 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 in the municipality of Deçan.

- ERO, after ascertaining that the applicant has proved its suitability for the construction of new generation capacities from water, on November 11<sup>th</sup>, 2010 issued the Decision on Notification for Preliminary Authorization No. V\_296\_2010, and instructed the applicant to fulfil the other legal requirements required by the legislation in force in Kosovo.
- Decision on notification for preliminary authorization, did not imply the issuance of Authorization, until the requirements set out in the Rule on Authorization Procedure for the Construction of New Capacities are not fulfilled.
- Decision on Notification for Preliminary Authorization was issued for a two (2) years timeline, and this Decision sets out that the enterprise "Kelkos-Energy" LLC. will be granted with Authorization for Construction, if within this timeline it makes a written request for conversion of the Decision on Notification for Preliminary Authorization into an Authorization, upon satisfying all the requirements prescribed by the Rule on Authorization Procedure for Construction of New Generation Capacities and the legislation in force.
- ERO on 29.02.2012 received a request for conversion of the Decision on Notification for Preliminary Authorization for the construction of new generation capacities for generation of electricity from water into an Authorization for two (2) generation units HPP "Belaja" with an installed capacity of 9.2 MW, and HPP "Deçan" with an installed capacity of 8.4 MW, attaching the evidences issued by the relevant authorities regarding the fulfilment of all environmental requirements, the right on the use of land, water use rights, construction permit and other legal requirements related to the nature of the project in accordance with the applicable legislation.
- On 15.06.2012 the Board of the Energy Regulatory Office, through the decision V\_402\_2012 decided to issue to the enterprise "Kelkos-Energy" LLC, the Authorization for construction of new generation capacities, for generation of electricity from water, with an installed capacity of 17.6 MW, consisting of two (2) generation units to be placed in the following locations: HPP "Belaja" with an installed capacity of 9.2 MW and HPP "Deçan" with an installed capacity of 8.4 MW , in the municipality of Deçan. While regarding the unit "Lumëbardhi II" with a capacity of 5.5 MW, which is part of the application, it will be reviewed and decided upon after providing the Water Permit and Construction Permit.
- On 09.11.2012 ERO received from the enterprise "Kelkos-Energy" LLC, the request for the extension of validity of Decision on Notification for Preliminary Authorization V\_296\_2010 dated November 11<sup>th</sup>, 2010, for the generation unit HPP "Lumëbardhi II" with a capacity of 5.5 MW for another three (3) months , until **February 11<sup>th</sup>, 2013**.
- On 30.11.2012 the Board of the Energy Regulatory Office, through the decision V\_402\_2012 decided to extend to the enterprise "Kelkos-Energy" LLC, the validity period of the Decision on Notification for Preliminary Authorization V\_296\_2010 dated November 11<sup>th</sup>, 2010, for an additional six (6) months , respectively until May 11<sup>th</sup>, 2013.



- On 28.05.2013 ERO received from the Ministry of Environment and Spatial Planning notification that the process related to Lumëbardhi II. by the enterprise "Kelkos-Energy" LLC, is in the final stage, where the MESP recently has issued a Water Permit and Urban Permit and that soon will be issued also the Construction Permit, which will complete the procedure for obtaining the authorization from ERO.
  - On 27.09.2013 ERO received from the enterprise "Kelkos-Energy" LLC , a request for conversion of the Decision on Notification for Preliminary Authorization into an Authorization for the construction of new generation capacities for generation of electricity from water, for the generation units: HPP Lumëbardhi II .
  - ERO, after evaluating the evidences attached and receiving the other supplementary evidences, required by ERO, and based on the provisions mentioned in the introduction to this decision, has decided as in the enacting clause of this decision.
- II. The Decision on Authorization is issued to the enterprise "Kelkos-Energy" LLC, for two (2) years, and it is obliged within this period to construct the new generation plants from water.
- 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: Appendix I and Appendix II.*

#### **ERO Board**

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Enver Halimi, chairperson

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Përparim Kabashi, member

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Blerim Koci, member

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Merita Kostari, member

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Krenar Bujupi, member



## APPENDIX I

Energy Regulatory Office (ERO), exercising the powers conferred by Article 38 of the Law on the Energy Regulator in accordance with Article 16 of the Rule on Authorization Procedure for the Construction of the New Capacities, to the enterprise "Kelkos-Energy" LLC., having its address at Zagreb Street ("Arberia" Dragodan) no. 19/22 Prishtina, Republic of Kosovo, **issues the following:**

### AUTHORIZATION

1. **For construction of generating capacities for generation of electricity from water, for the generation unit to be placed at the location: HPP "Lumëbardhi II" with an installed capacity of 5.5 MW, in the Deçan River, Municipality of Deçan.**
2. This authorization authorizes the enterprise "Kelkos-Energy" LLC., to construct generation capacities at the location specified above, in accordance with the terms and conditions set forth in this Authorization.
3. This authorization shall be valid for two (2) years, from the date of issuance. ERO, at the request of the party, may extend the validity of the Authorization in accordance with the legislation in force.
4. The Authorized Party, during the entire period of validity of this authorization, must fulfil:
  - 4.1. all the requirements set out by this Authorization,
  - 4.2. all the requirements set out by the legislation in force in Kosovo, including the environment related ones.
5. Energy Regulatory Office can modify the Authorization in accordance with the provisions of Article 19 of the Rule on Authorization Procedure for the Construction of the New Capacities.
6. If the Authorized Party goes bankrupt before the construction of the authorized generation plant, this Authorization will be suspended and will remain such until the ERO determines that satisfactory arrangements have been reached that could affect the withdrawal of the suspension. While the Authorization is suspended, all further works for the construction of the authorized generation plant must stop. If the contrary occurs, against the Authorized Party might be undertaken administrative measures and penalties prescribed by the legislation in force.
7. The validity of this Authorization shall automatically terminate upon the expiry of the period specified in point II. of this authorization, or upon the expiry of the other deadline set by the ERO in accordance with point 4 of this Authorization .
8. If the Authorized Party violates any of the terms of this Authorization, legal provisions in force or provisions of the Rule on Authorization Procedure for the Construction of the New Capacities,



ERO may suspend this Authorization in accordance with the provisions of Rule on Authorization Procedure for the Construction of the New Capacities. From the date of suspension of authorization, all further works for the construction of the authorized generation plant must stop. If the contrary occurs, against the Authorized Party might be undertaken administrative measures and penalties prescribed by the legislation in force.

9. The authorized party must notify ERO in writing and seek prior approval for any change to any part of the existing elements of generators or for addition of new elements, which were not included in the project that forms a part of the application.
10. Upon the completion of construction of new generation plants and before commissioning of the generation units, the enterprise "**Kelkos-Energy**" LLC., must apply for license in accordance with Article 18 of the Rule on Authorization Procedure for the Construction of the New Capacities.



## APPENDIX II

List of documents (permits, consents, decisions, contracts, etc.), issued by the institutions of the Republic of Kosovo related to obtaining the **Authorization** for the construction of new generation capacities from water, with an installed capacity of 17.6 MW, consisting of two (2) generation units, to be placed at the location: HPP "Lumëbardhi II" with an installed capacity of 5.5 MW, in Deçan River, Municipality of Deçan:

- **Contractual Agreement between the Municipality of Deçan and Kelkos-Energy LLC.** – concluded on 16.03.2012 for the use of real property of the Municipality of Deçan in accordance with the Contract on easement for the construction and operation of hydropower generation units ("Belaja", "Deçan" and "Lumbardhi II");
- **Contract on easement** – concluded on 16.03.2012 between the Municipality of Deçan and "Kelkos-Energy" LLC;
- **Decision on granting the consent** - to develop the project for the construction of new generation capacities from water, which will be placed at the locations "Lumbardhi II", "Belaja" and "Deçan", in the Municipality of Deçan, issued on 25.02.2011 by the MA Deçan;
- **Consent on temporary use of forest land** - for the generation of electricity from water, no. Ref:KE-62/12 dated 02.02.2012 issued by the Kosovo Forest Agency, MAFRD to the enterprise "Kelkos -Energy" LLC;
- **Contract on temporary use of forest land** - for the generation of electricity from water, no. Ref:KE-63/12 dated 02.02.2012 concluded between "Kelkos -Energy" LLC and Kosovo Forest Agency – Ministry of Agriculture, Forestry and Rural Development (MAFRD);
- **Consent by the Deçan Monastery**, dated 30.01.2011;
- **Recommendation by the ICO**;
- **Consent on fire protection measures** - dated 10.01.2012, issued by the Emergency Management Agency / Ministry of Internal Affairs;
- **Decision on Environmental Consent**-no. 11/445/3-ZSP-41/12 dated 02.03.2012 issued by the Ministry of Environment and Spatial Planning (MESP), Office of the Permanent Secretary (OPS);
- **Decision on water permit**-no. 1839/11, dated 19.03.2013, to "Kelkos-Energy" LLC, for the use of water for small hydropower plant "Lumbardhi II" with Dam, with a capacity of 5.5 MW, the Deçan River, issued by the Ministry of Environment and Spatial Planning (MESP) - Office of the Permanent Secretary (OPS);



- **Urban Permit** - no. ZSP-474/2013 dated 28.05.2013 for HPP "Lumëbardhi II. with Dam, issued by the Ministry of Environment and Spatial Planning (MESP), Office of the Permanent Secretary (OPS);
- **Construction Permit** - no. ZSP-732/13 dated 09.08.2013 for the construction of the facility SHPP "Lumëbardhi II." with a capacity of 5.5 MW on the immovable property P-70505021-8-0, and 0-7430378,606 and 4716100,239; P-7430402,616 and 4716110,814, Q-7430401,224 and 4716091,974, R7430373,956 and 4716090,390 CZ Deçan, Municipality of Deçan, issued by the Ministry of Environment and Spatial Planning (MESP), Office of the Permanent Secretary (OPS).

*(Stamped with the common stamp of the ERO on):*

*(Signature (on behalf of the ERO Board)*

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