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Republika Kosova - Republic of Kosovo

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



ERO/Rule No. xxx 2022

draft RULE ON PROSUMERS OF RENEWABLE SOURCES

xx November 2022



The Board of the Energy Regulatory Office, pursuant to the authority given in accordance with Article 9, paragraph 1, subparagraph 1.7, Article 26 of the Law on Energy Regulator No. 05/L-084, and in compliance with Article 15 of the Law on Energy No. 05/L-081, in the session held on [xx] [November] 2022, approved the following:

draft RULE ON PROSUMERS OF RENEWABLE SOURCES

CHAPTER I GENERAL PROVISIONS

Article 1 Purpose and scope

1. This rule defines the principles and the regulated mechanism for supporting electricity customers that wish to generate electricity at their own premises based on renewable technology for their own use.
2. The construction of the prosumer self-generating facility may take place only if the applicant obtains the Decision on issuance of the Authorization in line with the requirements of the Rule **No. XX/2022** on the Authorization Procedure for Construction of New Capacities, approved by ERO.
3. This rule:
 - 3.1. Sets the principles of supporting prosumers and the application procedure to become prosumers;
 - 3.2. Defines the Net-Billing Support Scheme;
 - 3.3. Defines the prosumers fee as an adequate contribution in reducing their impact on the power system cost;
 - 3.4. Sets the minimal technical requirements for the prosumers renewable technology installations;
 - 3.5. Regulates the jointly-acting prosumers mechanism for the collective housing/buildings.

Article 2 Definitions

1. The following terms are used in this rule and have the following meanings:
 - 1.1. “Applicant” – means the electricity customer wishing to become a self-generator for self-consumption from renewable sources according to this rule;



- 1.2. “Self-customer of renewable sources” (hereinafter “Prosumer”)–means the final customer operating within its premises located within confined boundaries, who generates renewable electricity for its own consumption, and who may store or sell self-generated renewable electricity, provided that, for a non-household self-customer of renewables sources, these activities do not constitute its primary commercial or professional activity;
- 1.3. “The facility of self-customers from renewables” – means the generation facility installed at a final customers’ premises and connected to customer’s internal installations, located within confined boundaries, who generate renewable electricity for their own consumption, and who may store such energy in their own facility for storage or to sell the energy generated from renewable sources from them;
- 1.4. "ERO“ – means the Energy Regulatory Office of the Republic of Kosovo;
- 1.5. “Decision” – means a formal written document issued by ERO Board, which ascertains the successful fulfillment from the applicant of all the requirements deriving from this rule;
- 1.6. “Authorization” – means the decision issued by ERO which confirms that the applicant has submitted all the documentation required in accordance with the Rule on Authorization for Construction, based on which the applicant may commence the construction of the power project and obtaining or not the prosumer status;
- 1.7. “Net-billing Support Scheme" - means the billing mechanism that allows a prosumer to receive a monetary credit calculated on the basis of netting the value of electricity consumed from the network and the value of electricity fed into the network within a billing period;
- 1.8. “Jointly-acting Prosumers” – means a group of at least two jointly-acting prosumers who are located in the same building or multi-apartment block and have agreement to share the right on electricity generated by the common prosumer self-generating facility;
- 1.9. “Prosumer Support Scheme” – means the scheme to support prosumers based on the net-billing mechanism as defined under this rule;
- 1.10. “Prosumer fee” – means the fee that is imposed to prosumers in order to provide an adequate contribution in reducing their impact on the cost of the power system and network.
- 1.11. “Threshold” – means the maximum of total installed capacity of the prosumer self-generating facility, eligible to participate in Support Scheme as defined under this rule.
- 1.12. “Supplier” – means the company licensed by the ERO to supply electricity to final customers;
- 1.13. “Total installed capacity” - means the sum of all installed capacities of built-in solar panels, or in the case of another renewable technology, the sum of all installed capacities of the prosumer self-generating facility;



- 1.14. “Billing Period” - is the monthly period between two readings of the meter at the prosumer’s site, on the basis of which the invoice for that period is generated by the supplier.
2. Any term not defined under this rule should be interpreted in compliance with the law on Energy Regulator No. 05/L-084, Law on Energy No. 05/L-081 and Law on Electricity No. 05/L-085.

CHAPTER II ELIGIBILITY CRITERIA AND PROSUMER SUPPORT SCHEMES

Article 3 Eligibility Criteria

1. Any electricity customer, connected to the distribution or to the transmission network, is eligible to become a prosumer.
2. ERO, following the written request of the customer, according to Appendix 2 of the Rule on Authorization issues the authorization for construction and determines the status of the prosumer regardless whether it is below or above the threshold.
3. The electricity customer obtains the prosumer status if:
 - 3.1. The customer has the network operator’s existing consent;
 - 3.2. It generates electricity applying renewable generating technology with new equipment, with zero hours of operation, with the exception of the already installed renewable self-generating facilities which are under operation at the time of entry into force of this rule;
 - 3.3. The customer’s renewable self-generating facility is connected to internal installations of the customer;
 - 3.4. The total installed capacity of the customer’s self-generating facility is equal to or less than the customer’s contracted connection capacity;
 - 3.5. The annual quantity of electricity surplus injected into the network is lower than the amount of electricity withdrawn from the network during the calendar year. This provision does not apply in the first partial calendar year.

Article 4 Application to become a prosumer



1. ERO issues the decision on authorization for construction and for approval or refusal of the status of prosumer to the customers fulfilling or not the requirements under Article 3, paragraph 3 of this Rule.
2. The decision by the ERO is taken within thirty (30) days from the application date.
3. Prosumers can apply at any time for modification of the authorization of their status if technical terms are changed, such as: change of contracted connection capacity, change of consumption, etc.
4. The ERO regularly notifies the public regarding the achievement of self-consumption targets.
5. The prosumers outside the support scheme, after obtaining the authorization for construction shall submit to ERO the contract signed with the supplier for the sale of surpluses.

Article 5

The criteria for inclusion in Support Schemes

1. Electricity customers are entitled to install integrated solar panels, or in case of any other renewable energy which are constructed for self-consumption and have ownership and usage rights, they can choose to retain the status of prosumers, through a Support Scheme for self-consumption, specified in this rule.
2. Electricity customers connected to the low voltage of the distribution network (0.4kV), who are household customers are entitled to place generating capacities for self-consumption with an installed power of the generation unit based on the consumed energy and based on the Electro-energetic Consent that does not exceed 7 kW.
3. Electricity customers connected to the low voltage of the distribution network, who are non-household customers are entitled to place generation capacities for self-consumption with an installed power of the production unit based on the consumed energy and based on the Electro-energetic Consent that does not exceed the threshold of 100 kW.
4. Whenever the engaged power calculated based on the annual consumption data for customers connected to the voltage level of 0.4 kW, results to be lower than the contracted power, the authorization for the allowed capacity for the prosumer status shall be granted based on the calculated power according to the data on annual consumption.
5. Electricity customers connected to the medium voltage of the distribution network (10kW and 35kW) and the transmission network, who are non-household customers are entitled to place generating capacities for self-consumption with an installed power of the production unit based on the average engaged power during the 12 months period and based on the Electro-energetic Consent that does not exceed the threshold of 200 kW.
6. Notwithstanding par. 2 of this Article, for new customers, despite the voltage level, the allowed power is granted as 50% of the allowed power according to the Electro-energetic Consent, with the possibility that in the future years the customer can apply for review based on the activity.



7. The Support Scheme for electricity customers of low and medium voltage of the distribution and transmission network, according to par. 2, 3 and 4 of this Article will be with net-billing.
8. The prosumers who during the calendar year produce more than 10% than consumed, will lose the prosumer status at the moment of its verification by the distribution or transmission operator, depending on the connection level.

Article 6 **The Methodology of Calculation of Allowed Capacity for the Support Scheme**

The calculation of allowed power for household customers to obtain the prosumer status:

$$P_{mest} = \frac{\sum_{t=1}^n W_t}{n * C}$$

The calculation of the allowed power for non-household customers at 0.4 kV to obtain the prosumer status:

$$P_{mest} = \frac{\sum_{t=1}^n W_t}{n}$$

Where:

- P_{mest} is the average engaged power - kW
- W consumed energy - kWh
- n – number of hours in a year – 8760
- C – the coefficient of production of PV – 0.156
- t – is an hour in the actual year

For the household and non-household customers connected to the 0.4 kV, whenever:

$$P_{mest} < P_{pelqim}$$

The authorization is granted for $P_{average}$ otherwise the authorization is granted according to P_{pelqim}

The calculation of engaged power for non-household customers connected to 10kV, 35kV and at the transmission level to obtain the prosumer status:

$$P_{mesvj} = \frac{\sum_{i=1}^{12} P_{max_i}}{m}$$

Where

- P_{mesvj} is the average annual engaged power – kW
- P_{max} maximum power registered in maxi-graph in a month - kW
- m – months during the year – 12
- i – is the respective month during the year.



Article 7 **Net-billing Support Scheme**

1. In order to fulfill all the criteria under Article 3, paragraph 3 of this Rule, and if the total installed capacity of the self-generating facility is up to and equal to the threshold, the electricity customer is entitled to be accepted under the Net-billing Support Scheme as defined under this Rule.
2. A prosumer within the Net-billing Support Scheme:
 - 2.1. has the right to sign the supply contract for prosumers within Net-billing Support Scheme with its supplier;
 - 2.2. is entitled to remuneration for the surplus of electricity as defined in Article 9 of this Rule.
3. Electricity customers who have obtained the status of the prosumer and are admitted under other support schemes, such as net-metering, have the right to apply and be accepted under the Net-billing Support Scheme as defined under this Rule.
4. Electricity customers that have already installed self-generating facilities but wish to enter into the Net-Billing Support Scheme according to this rule, need to apply for the authorization for construction, in line with the requirements of the Rule on Authorization Procedure for Construction of New Generation Capacities. Upon positive completion of the authorization process, such electricity customers obtain or not the status of the prosumer in accordance with the requirements of this rule.
5. The electricity customer with the status of the prosumer under the Net-billing Support Scheme signs the contract with the supplier under terms and conditions specified under this rule.
6. The Power Purchase Agreements have a duration of twelve (12) years, for prosumers who obtain such status.
7. The supplier(s) is obliged within thirty (30) days from the entry into force of this rule to submit for approval to ERO a template supply contract for prosumers within Net-billing Support Scheme.

Article 6 **Prosumers outside the Net-billing Support Scheme**

1. Prosumers outside of the Net-billing Support Scheme, are:
 - 1.1. Prosumers with the total installed capacity of the self-generating facility above the threshold;
 - 1.2. Prosumers with the total installed capacity of the self-generating facility up to and equal to the threshold but do not wish to be under the Net-billing Support Scheme;
 - 1.3. Prosumers who have already exercised the right to other support schemes;
 - 1.4. Electricity customers with the status of prosumer within the Net-billing Support Scheme and who



have decided to leave the Net-billing Support Scheme or any other support scheme.

2. A Prosumer outside of the Support Scheme:

- 2.1. Is not entitled to remuneration for the surplus of electricity through a monetary credit;
- 2.2. Can sell the electricity to the supplier based on a mutual contract.
- 2.3. For the electricity customers connected to the low voltage (0.4kV) of the distribution network, the allowed capacity for authorization for self-consumption is evaluated based on the consumed energy and based on the Electro-energetic Consent.
- 2.4. For the electricity customers connected to the medium voltage of the distribution network (10kV and 35kV) and to the transmission network, the allowed capacity for authorization for self-consumption is evaluated based on the average engaged power during the 12-month period and based on the Electro-energetic Consent.
- 2.5. In order to obtain the status of the prosumer, the customer, following the obtaining of the authorization for construction shall submit to ERO the contract signed with the supplier in relation to the management of surpluses.

3. The ERO may, if deemed appropriate and for the purpose of electricity market development, temporarily regulate the price of electricity surpluses of prosumers outside the Net-billing Support Scheme.

CHAPTER III **NET BILLING SUPPORT SCHEME and other costs**

Article 7 **Net-billing Support Scheme calculation**

1. The electricity surplus not consumed by the prosumer under the Net-billing Support Scheme shall be overtaken by the supplier, with whom the prosumer has a supply contract for prosumers within the Net-billing Support Scheme.
2. The amount of withdrawn electricity and the amount of electricity surplus are determined on the basis of readings of metering devices at the metering point.
3. Prosumers are entitled to remuneration for the electricity surplus through a monetary credit in EUR. The remuneration shall be calculated on the basis of netting of the monetary value of electricity, the energy components only, withdrawn from the network and monetary value of the surplus of electricity fed into the network within a Billing Period which will be taken into account when preparing electricity bills from the Supplier.
4. The price for determination of the monetary value of the electricity surplus fed into the network shall be price of the energy component and shall be calculated for each tariff period according to the following formula:



$$P_{excess}^{TP} = C \times P_{supply}^{TP}$$

where:

- P_{excess}^{TP} – Price for surplus of electricity during the tariff period TP and within the billing period;
- P_{supply}^{TP} – Price of electricity supply during the tariff period TP (only the energy component of the price of electricity supply, without the tariff and any other fees and taxes) within the billing period.
- C – Price reduction coefficient. The value of the coefficient is 0,85 for the customers connected at the voltage level 0.4 kV, whereas 0.80 for the customers connected at the medium voltage network and transmission. Such coefficients are applied for the regulated customers with the purpose of managing administrative costs and imbalance costs from USS. The value of the coefficient C shall be periodically reviewed by ERO (at least every two years). Any possible change of the coefficient shall be carried out with a decision of ERO, within the determinations of this Rule.

For unregulated consumers, energy surpluses can be negotiated between the customer and suppliers.

5. If the monetary value of the electricity surplus is greater than the monetary value of the component of energy withdrawn from the network for the same billing period, the monetary credit in EUR calculated on the basis of netting of two previous values of electricity, will be transferred to the next billing period. The monetary credit should be utilized by the prosumer within a period of six (6) months, and at the end of such period the monetary value is reset to zero (0).
6. The monetary credit, according to paragraph 5 of Article 9, will be reset on January 1st and July 1st of every year.
7. If the equipment of the prosumer start working after the commencement of the accounting period, which in that case is shorter than six months, it will last until the end of the accounting period from paragraph (6) of this article.
8. The value of the network charge of the electricity bill and the value of other charges is not netted, and the basis for their calculation is the sum of injected electricity.
9. The supplier issues the invoice to the prosumer where all items such as: reduced energy component; non-reduced network charge; non-reduced fee component, will be clearly and transparently presented.
10. The supplier is obliged to publish on its website the standard request form for concluding a supply contract for prosumers within Net-billing Support Scheme no later than thirty (30) days from the day this rule enters into force.

Article 10 **Prosumers Costs for the Use of Network**

1. Prosumers shall adequately compensate the cost of impact on power system and network.



2. The Prosumer fee is paid by all prosumers, regardless whether or not they are part of the Support Scheme, in order to adequately reduce their negative impact on power system and network costs.
3. The prosumers fee that shall be applied towards the energy injected to the network shall be in line with the tariff component for distribution connected generation according to the tariff structure of TSO/MO.
4. The prosumers shall pay the costs for the energy injected for the System Operator Tariff (SOT) and Market Operator Tariff (MOT) including the DSO margin of 3%. This margin is related to reading services for customers connected to the DSO.
5. The costs that customers have paid to the DSO, for SOT and MOT shall be transferred to the TSO/MO in their monthly billings between DSO and TSO/MO, not including the costs resulting from the application of the margin.
6. The TSO/MO tariff will be adjusted during tariff reviews by the Regulator.

Article 11 **Network operators obligations**

1. Network operators shall take appropriate steps to develop the network infrastructure to allow secure operation in view of absorption of energy from prosumers.
2. The review of the application from the prosumers is given priority by the network operator, but not longer than 30 days from the application date.
3. The general criteria for access and use of the network apply for the relationship between the customer and the electricity distribution system operator.
4. Upon receiving the request for technical acceptance of the self-generating facility, the network operator shall carry out the technical acceptance and issues a certificate of acceptance within the period of fifteen (15) days.

Article 12 **Minimum technical requirements for prosumers**

1. A disconnection switch shall be installed next to the or at the point of connection to the network, which enables the disconnection of the renewable self-generating facility from the parallel operation with the network for safety reasons.
2. The operation of the prosumers self-generating facility in the island mode is forbidden. Shutdown of the prosumers self-generating facility in case of loss of network voltage must be automatic, and



appropriate protection devices must be in place.

3. At the connection point of a prosumer, the bi-directional meter to record electricity injection in the network and electricity flow from the network shall be installed.
4. In addition to the bi-directional meter, one or more electricity meters must be placed at the prosumer, depending on the way the prosumer is connected to the network, to record the overall production of electricity.
5. Meter installation costs are borne by the prosumer.
6. If the negative impact on the network is above the permitted limits, the network operator is fully entitled to request the immediate shutdown of the prosumer`s self-generating facility. In the event the negative impact continues to prevail, the network operator shall switch off and disable further parallel operation of the prosumer`s self-generating facility with the network until such reasons for disconnection are eliminated in accordance with relevant definitions provided in the relevant network code. The decision for such disconnection shall be justified with technical reasoning and shall be immediately delivered in a written form by the network operator to the prosumer.
7. The network operator shall have full and unrestricted access to the disconnection switch and its associated equipment.
8. The Prosumer is obliged to generate electricity that meets all quality requirements for electricity defined by the relevant network codes for the power system of Kosovo.
9. The jointly-acting prosumers must ensure that all internal installations of self-generating facilities are carried out in accordance with Kosovo`s relevant legislation and applicable technical standards.

Article 13

Cost for network connection

1. The prosumer shall bear the cost of the installation of the necessary metering devices.
2. Network operators are obliged, within thirty (30) days from the approval of this rule, to submit to the ERO the price list for the metering devices (meters) and labor cost for connecting prosumer self-generating facilities. The list is updated on a yearly basis and shall be available on the network operator`s website.

CHAPTER IV JOINTLY ACTING PROSUMERS

Article 14

Instalment of renewable technology in multi-apartment buildings

1. Any two or more final customers located in the same multi-apartment block or building can become



authorized jointly-acting prosumers, if they meet the following requirements:

- 1.1. be the owners of connection points located in the same building or multi-apartment block;
 - 1.2. not to carry out the production and exchange of electricity as a main commercial or professional activity;
 - 1.3. have signed a contract among themselves with a defined methodology for sharing the collective production of electricity;
 - 1.4. having given a mandate to the representative person/subject for managing the authorization of all subjects belonging to the jointly-acting prosumers, and for requesting and obtaining the benefits provided by the support scheme;
 - 1.5. the installed capacity of jointly-acting prosumers' self-generating facilities cannot not be greater than the total sum of connection capacities of all individual jointly-acting prosumers.
2. The rights and obligations of the final customers remain intact, and the members of the jointly-acting prosumers are not subject to unjustified or discriminatory conditions and procedures preventing their participation in joint production.
 3. Jointly acting prosumers retain their rights and obligations as the individual buyers.
 4. The distribution system operator and the entity representing jointly-acting prosumers shall conclude a contract and agree in relation to meter reading, electricity sharing and electricity accounting.
 5. The distribution system operator collects all the necessary billing data and submits such data to the supplier with whom jointly acting prosumers have a contract.
 6. The billing of every member of the jointly-acting prosumers shall be conducted by the supplier in the same way as for any individual prosumer.

CHAPTER V FINAL AND TRANSITIONAL PROVISIONS

Article 15 Existing applications

1. If an application for obtaining the authorization of the prosumer status is received by ERO, according to Rule No.10/2017 on the Support Scheme, prior to entry into force of this rule, such an application shall be reviewed in accordance with the rule in force at the time of application.



2. Any application after the entry into force of this rule, will be reviewed by ERO in accordance with this rule.

Article 16

Data collection

1. The Distribution System Operator shall submit to ERO the data on electricity generated and consumed by the prosumers.
2. The ERO shall establish a register of renewables self-customers, which shall include, *inter alia*, the following information on the:
 - 2.1. Prosumer's name and address;
 - 2.2. Category of prosumer;
 - 2.3. Type of technology used in the self-generating facility;
 - 2.4. Location of the self-generating facility;
 - 2.5. Total installed capacity of the prosumers self-generating facility;
 - 2.6. Contracted customer connection capacity.

Article 17

Amendment/Supplement

1. ERO may amend or modify any provisions of this rule.
2. The procedures for modification or amendment of this rule will be the same as for its approval.

Article 18

Interpretation

In case of any uncertainty regarding the provisions of this Rule, the Board will issue explanatory information.

Article 19

Repeal



This rule repeals Articles 18, 19 and 20 of the Rule No. 10/2017 on Support Scheme.

Article 20
Entry into force

1. This rule enters into force on the date of approval by ERO Board.
2. This rule is published in the Official Gazette of the Republic of Kosovo.

Board of the ERO

Ymer Fejzullahu, Chairman

Izet Rushiti, Member

Selman Hoti, Member

Lutfije Dervishi, Member

Gani Buçaj, Member