



Pristina, 10 December 2020
ERO Code: V_1321_2020

The Board of Energy Regulatory Office

Based on:

- Article 9 paragraph 1 sub-paragraph 1.7, Article 25, Article 26 paragraph 1 sub-paragraph 1.2 of the Law on Energy Regulator (No. 05/L-084);
- Article 9 paragraph 1 of the Rule No.10/2017 on the Support Scheme for the Generators of the Renewable Energy Sources, issued by the Board of ERO;
- Article 3 paragraph 1 sub-paragraph 1.6 of the Administrative Instruction no. 05/2017 on Renewable Energy Sources Targets until 2020, issued by Ministry of Economic Development;
- Conclusions of the 15th Meeting of the Council of Ministers of the Energy Community, dated on 14 December 2017

in the session held on 10 December 2020 issued the following:

DECISION

- I. **TERMINATION**– of the Application of the Support Scheme with Feed-in Tariffs to support the construction of new generation capacities for generation of electricity from renewable energy sources (RES).
- II. **Termination**- of the receipt of applications for construction of new generation capacities, to be handled under the “Feed-in Tariff” from the Renewable Energy Sources, upon the entry into force of this Decision.
- III. Until the date of entry into force of this Decision, all applications received and registered at ERO and which are within the RES targets until 2020, will be handled according to the legal/regulatory framework in force at the time of application.
- IV. Decisions on Preliminary or Final Authorization for the construction of new generating capacities that have been issued before the entry into force of this Decision, will be handled according to the legal provisions of Rule no. 10/2017 on the Support Scheme and Decision V_810_2016 dated 19 May 2016 issued by the Board of ERO.
- V. Applicants who are provided with Preliminary Authorizations and who are included in the pending list as “pending” applications, beyond the RES targets, will not be handled with feed-in tariffs by the Energy Regulatory Office.
- VI. Decision no. V_1204_2019, dated on 27 November 2019, issued by the Board of ERO, is not applied due to the suspension by the Court, until the review of the main case with a



Meritorious Judgment by the competent court and Decision no. 17/2020 of 24 December 2020 of the State Aid Commission, which found it as a prohibited state aid and did not authorize it, in accordance with Article 14 (1.3) of the Law on State Aid.

- VII. ERO in accordance with legal obligations and in cooperation with the Institutions of the Republic of Kosovo, will undertake actions for the development of projects from Renewable Energy Sources for the targets 2021-2030 through various forms of auctions, in the selection of beneficiaries from other supporting forms through Premium Tariffs or similar, in accordance with best practices in favour of the public interest.

Reasoning

- ERO has estimated that the development of technologies for the generation of energy from renewable energy sources has developed a lot during the last decade and the trend of their development will continue in the future.
- ERO has also evaluated that the trends of general developments in the energy sector should be followed and adapted to the policies of significant transformation in the electricity market in the region and beyond. Undoubtedly, one of the most important transformations is the development of RES technologies, especially solar and wind, thus drastically reducing the cost of investments in this sector, as well as increasing the efficiency of the use of technologies in question.
- Also, as a result of these technological developments, ERO has concluded that supporting investments in renewable energy through feed-in tariffs ("Feed - in") is no longer necessary compared to several years ago, taking into account developments in many European and regional countries, where the feed-in tariff ("Feed-in"), as a dominant measure is now excluded from support schemes, being replaced by new models which approximate energy prices from RES with the market ones.
- As a result, ERO has evaluated that the development of technology definitely has an impact on Kosovo's policies in terms of supporting RES, orienting them to an acceptable extent towards the energy market through auction schemes and allowing the market to determine what prices would be reasonable for the energy produced by RES.
- ERO has also estimated that investment costs and prices set by the market itself, through competitive means or auctions would create equal investment opportunities for all potential investors and develop competitive models for the development of the RES sector.
- In addition to this, the conclusions of the 15th meeting of the Ministerial Council, held on 14 December 2017 have encouraged the Contracting Parties, including the Republic of Kosovo, to work closely with the Energy Community Secretariat (ECS) and the European Bank for Reconstruction and Development (EBRD) in designing and implementing a competitive, efficient and transparent process for providing support schemes for renewable energy sources.



- ERO has also taken into account the commencement of the implementation of EBRD-funded RES Auction Development Project, which has the task of drafting procedures for implementation of the RES Auction and which is expected to start being applied during the year 2021.
- ERO has also taken into account Administrative Instruction no. 05/2017 which has set the Renewable Energy Sources targets until 2020 and which is expected to be replaced with new RES Targets for 2021-2030.
- The Board of ERO, following the evaluation and analysis of the current situation and all that was said above, has evaluated that the application of the Feed-in Tariff Support Scheme to support the construction of new generating capacities for generation of electricity from RES should be terminated, and it shall continue through other competing schemes, therefore based on the legal provisions mentioned in the introduction of this decision, has decided as in the provision of this decision.

VIII. The decision is issued and published in official languages of the Republic of Kosovo.

IX. The decision shall enter into force on the date of approval by the Board and will be published on 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 the receipt of this decision or the date of its publication on ERO's website, whichever occurs last.

ERO Board:

Arsim Janova, Acting-Chairman

Besim Sejfijaj, Member

Selman Hoti, Member

Izet Rushiti, Member

This Decision is sent to:

- Ministry of Economy and Environment
- KOSTT,
- KEDS,
- KESCO, and
- ERO Archive