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**INSTITUCIONET E PËRKOHSHME TË VETËQEVERISJES
PRIVREMENE INSTITUCIJE SAMOUPRAVLJANJA
PROVISIONAL INSTITUTIONS OF SELF-GOVERNMENT**

QEVERIA E KOSOVËS – GOVERNMENT OF KOSOVO – VLADA KOSOVA

**Ministria e Energjisë dhe
Minierave**

**Ministry of Energy and
Mining**

**Ministarstvo Energije i
Rudarstva**

Department of Energy

Prishtina, 29 October 2007

**Information on the status of implementation of the acquis on renewables in
UNMIK/Kosovo**

Our Department of Energy has gone through the Hrvoje Pozar's Presentation of the draft Final Report on the Implementation of the Acquis on Renewables of 12 October 2007 posted on the EnCT Website. Regarding Kosova, this report does not represent the status as it is in fact. In order to help the Consultant to better present the status of the implementation of the acquis on renewables in Kosovo, we have compiled the following information.

1. Energy Strategy of Kosovo 2005-2015 is approved in late 2005. The draft you find in <http://www.ks-gov.net/mem/english/engpdf/prezantime/Strategjia%20verzioni%20final%20English.pdf> is the one approved.

Further, the Energy Strategy Implementation Programme for the period 2006-2008 is under implementation.

2. Kosovo Programme for Energy Efficiency and Renewable Energy Resources for the period 2007-2009 is approved in November 2006. Please visit <http://www.ks-gov.net/mem/english/engpdf/prezantime/Prezantime%202007/programiereficiency-200407eng.pdf>

3. In mid-2006, an assessment of small hydropower potentials and pre-feasibility analysis for developing small hydropower plants has been conducted. A summary of this study is posted in: <http://www.ks-gov.net/mem/english/engpdf/mundesite%20per%20shfrytezimin%20e....pdf>

4. Regarding the defined national Indicative Targets for RES please see Annex 1.

5. Regarding promotion of electric energy produced by RES, please see the Government Decision in the Annex 2.

6. Existing energy legislation in UNMIK/Kosovo provides for priority access to the transmission and distribution systems of electricity generated from renewables.

7. Secondary legislation for RES does exist in UNMIK/Kosovo. It is being continuously expanded in line with the EU acquis.

Annex I: Indicative targets for renewables and cogeneration

THE MINISTER OF ENERGY

Pursuant to Article 12, of the Law No. 2004/8 on Energy,

Pursuant to the authority given under section 1 of UNMIK Regulation No.2001/19 on the Executive Branch of the Provisional Institutions of Self-Government in Kosovo, as amended by UNMIK Regulation n. 2002/5 as well as under Annex XIII of UNMIK Regulation 2005/15

Consistent to the obligations of the Energy Community Treaty for South-East Europe, where Kosovo is a signatory party, it is required to implement Directive 2001/77/EC on Indicative Targets for the consumption of electricity from renewable energy sources (RES)

The Minister of Energy and Mining adopts the following:

Administrative Instruction

On Indicative Targets for the consumption of electricity and heat from renewable energy sources and cogeneration

Article 1

1.1 This Administrative Instruction determines the annual and 10-year indicative targets for the consumption of electricity and heat from renewable energy sources and co-generation.

1.2 Meaning of any term used in this Administrative Instruction is the same as it is defined in the Kosovo energy sector legislation, except in the case where it is otherwise defined herein.

Article 2

2.1 Indicative targets for the consumption of electricity and heat from renewable energy sources and cogeneration for the year 2007 are set out in Annex I.

2.2 Indicative targets for the consumption of electricity and heat from renewable energy sources and cogeneration for the 10 year period 2007-2016 are set out on the Annex II.

Article 3

This Administrative Instruction shall enter into force after being signed by the Minister of Energy and Mining.

Prishtina, 4.05.2007

Minister of Energy and Mining
Et'hem Çeku

Annex I

Indicative targets for the consumption of electricity and heat from renewable energy resources and co-generation for the year 2007

No	Source of Energy	Electricity (final consumption) (ktoe/year)	Note
1	Hydropower	10.82	The 2006 annual gross production of HEC of Ujman and HEC Lumëbardh was 10.82 ktoe
2	Wind	0,00	Up to 31 of December 2006 no such facilities have been built in Kosovo
3	Solar	0,00	Up to 31 December 2006 no such facilities have been built in Kosovo
4	Biomass	0,00	Up to 31 December 2006 no such facilities have been built in Kosovo
	Total	10.82	

No	Source of Energy	Thermal energy (ktoe/year)	Note
1	Hydropower	0.00	
2	Wind	0.00	Up to 31 of December 2006 no such facilities have been built in Kosovo
3	Solar energy	0,10	Energy generated from solar panels
4	Biomass	246,27	
	Total	246,38	

No	Cogeneration	Final Consumption (ktoe/year)	Note
1	Electricity	0,00	During 2006 there was no cogeneration
2	Thermal energy	0,00	During 2006 there was no cogeneration
	Total	0,00	

Annex II

Indicative targets for the consumption of electricity and heat from renewable energy sources and co-generation for the period 2007-2016

A. Energy consumption forecast

No	Total	Energy demand/consumption forecast (ktoe)									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Electricity	343.83	367.63	396.34	426.96	456.28	487.33	520.19	554.97	591.76	629.02
2	Total energy	1257.54	1319.7	1389.2	1466.11	1537.42	1613.15	1693.7	1778.9	1869.8	1978.6

B. Renewables

Electricity

No	Source of Energy	Indicative targets for electricity consumption produced from renewables (ktoe)									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Hydropower	10.82	11.57	12.47	13.44	14.36	15.34	16.38	17.47	18.63	19.81
2	Wind	0.00	0.00	0.00	2.80	5.91	9.33	13.06	17.18	21.68	26.65
3	Solar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Biomass	0.00	0.00	0.00	0.00	1.00	1.50	1.70	2.00	2.50	2.50
	Total	10.82	11.57	12.47	16.24	21.27	26.17	31.14	36.65	42.81	48.96

No	Source of Energy	Indicative targets for electricity consumption produced from renewables as % of the total electricity consumption forecast									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Hydropower	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15
2	Wind	0,00	0,00	0,00	0.66	1.30	1.91	2.51	3.10	3.66	4.24
3	Solar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Biomass	0.00	0.00	0.00	0.00	0.22	0.31	0.33	0.36	0.42	0.40
	Total	3.15	3.15	3.15	3.81	4.66	5.37	5.99	6.60	7.23	7.78

Thermal energy

No	Source of Energy	Indicative targets for thermal energy consumption produced from renewables and cogeneration (ktoe)									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Solar	0.10	0.12	0.13	0.14	0.16	0.18	0.20	0.22	0.25	0.28
2	Biomass	246.27	262.75	280.64	300.09	315.51	332.08	349.93	369.19	390.02	411.63
3	Cogeneration	0.00	0.10	0.12	0.14	0.17	0.21	0.27	0.40	0.61	0.79
	Total	246.37	262.97	280.97	300.37	315.84	332.47	350.4	369.81	390.88	412.7

No	Source of Energy	Indicative targets for thermal energy consumption produced from renewables and cogeneration, as % of total thermal energy produced from renewables and cogeneration									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Solar	0.04	0.05	0.05	0.05	0.05	0.05	0.06	0.06	0.06	0.07
2	Biomass	99.95	99.91	99.88	99.90	99.89	99.88	99.86	99.83	99.77	99.74
3	Cogeneration	0.00	0.03	0.04	0.04	0.05	0.06	0.07	0.10	0.15	0.19
	Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Total energy

No	Energy source	Indicative targets for electricity and thermal energy consumption produced from renewable energy sources (ktoe)									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Hydropotentials	10.82	11.57	12.47	13.44	14.36	15.34	16.38	17.47	18.63	19.81
2	Wind	0.00	0.00	0.00	2.80	5.91	9.33	13.06	17.18	21.68	26.65
3	Solar	0.10	0.12	0.13	0.14	0.16	0.18	0.20	0.22	0.25	0.28
4	Biomass	246.27	262.75	280.64	300.09	315.51	332.08	349.93	369.19	390.02	411.63
	Total	257.19	274.44	293.24	316.47	335.94	356.93	379.57	404.06	430.58	458.37

No	Energy source	Indicative targets for electricity and thermal energy consumption produced from renewable energy sources, as % of total energy consumption forecast									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Hydropotentials	0.86	0.88	0.90	0.92	0.94	0.95	0.97	0.99	1.00	0.73
2	Wind	0.00	0.00	0.00	0.19	0.39	0.58	0.77	0.97	1.16	0.98
3	Solar	0.008	0.009	0.009	0.010	0.010	0.011	0.012	0.012	0.013	0.010
4	Biomass	19.58	19.92	20.23	20.51	20.57	20.64	20.73	20.83	20.95	15.15
	Total	20.45	20.81	21.14	21.63	21.91	22.18	22.48	22.80	23.13	16.85

c) Cogeneration

No	Cogeneration	Indicative targets									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Electricity	0.00	0.03	0.4	0.05	0.06	0.07	0.08	0.10	0.12	0.14
2	Thermal energy	0.00	0.10	0.12	0.14	0.17	0.21	0.27	0.40	0.61	0.79
	Total	0.00	0.13	0.16	0.19	0.23	0.28	0.35	0.50	0.72	0.93

No	Cogeneration	Indicative targets as % of total energy consumption forecast									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Electricity	0.00	0.002	0.002	0.003	0.003	0.004	0.004	0.005	0.006	0.007
2	Thermal energy	0.00	0.007	0.008	0.009	0.011	0.013	0.016	0.022	0.032	0.040
	Total	0.00	0.009	0.010	0.012	0.014	0.017	0.020	0.027	0.038	0.047

Note:

Above mentioned data were provided from the document on energy demand and coverage forecast for the period 2007-2016

Explanatory note

1. Background Information

For the promotion of renewable energy sources indicative targets shall set the frame for the monitoring of the progress in electricity and heat production. Such indicative targets shall be a percentage of the total energy consumption in Kosovo. Therefore, the further development of the total energy consumption has to be forecasted and monitored with care, since a fast growing population, intensive construction activities and overcoming of current electricity supply shortfalls can lead to a significant increase of the energy consumption. The indicative targets have to take into account both the development of total energy consumption and the technical and economical potentials for the use of renewable energy in Kosovo.

Furthermore, such indicative targets shall be set also for the production of heat and electricity from cogeneration.

2. Legislation in Kosovo

The Law on Energy stipulates in article 12 that the Ministry responsible for Energy shall each year establish indicative targets for the consumption of electricity or heat generated from renewable energy resources or cogeneration for the whole of Kosovo for the following ten years. The indicative targets shall be accompanied by a report that outlines the measures taken or planned to achieve these targets.

3. Legislation in EU

The EU Directive 2001/77/EC requests from all member states to define and monitor, and to report to the EU Commission indicative targets for the consumption of electricity from renewable energy sources. These indicative targets shall take into consideration the existing power generation capacities and the natural and technical potentials for future development.

The EU Directive 2004/8/EC on the promotion of cogeneration includes definitions and calculation methodologies for heat and power production in cogeneration which should be used also for the formulation and monitoring of indicative targets in Kosovo for this area

Annex II: Progress on promotion of electricity produced by renewables

KOSOVO GOVERNMENT

Pursuant to Article 4 section 3 of the Regulation on Government Functioning, the Kosovo Government, in the meeting of May 16, 2007, decided:

DECISION No. 05/250

Incentive measures for generation of electricity from renewable energy sources and co-generation in Kosovo for the period 2007-2013

Article 1

Definitions and terms used in this decision have the same meaning with the ones used in Law on Energy No.2004/8, promulgated with UNMIK Regulation No. 2004/21, Law on Energy Regulator No 2004/9, promulgated with UNMIK Regulation No. 2004/20, and Law on Electricity No. 2004/10, promulgated with UNMIK Regulation No. 2004/22, except in cases when this decision provides otherwise.

Article 2

Developer who will produce electricity from renewable sources or cogeneration shall be responsible for construction of the connection line from the facility to the nearest distribution or transmission system as per contracts with KEK sh.a., respectively KOSTT sh.a.

Article 3

3.1 KEK sh.a. shall purchase all electricity produced by renewable sources or cogeneration.

3.2 In cases when there might be more than one electricity supplier, Energy Regulatory Office (ERO) prepares the criteria to obligate these suppliers to buy, proportionally with their market size, the electricity produced by renewable sources and cogeneration.

Article 4

4.1 The trade contract for electricity from renewable energy sources and cogeneration shall be of the type "Take or Pay", for a period of 5 [five] years with prolongation/renewal possibility.

4.2 In case that KEK sh.a., or any other suppliers in the future, for whatever reason cannot absorb electricity generated from renewable energy sources and cogeneration, it shall be obliged to pay a minimum price based on Article 5 section 4 of this Decision.

Article 5

5.1 Purchase prices of electricity produced by renewable sources and cogeneration shall be unified for each source and the size category of the station. These prices shall be set by ERO.

5.2 Purchase prices of electricity produced by renewable sources and cogeneration should be attractive to private investment for the development new generating capacities from renewable sources and cogeneration in Kosovo.

5.3 In order to achieve as scheduled the indicative targets for renewable sources and cogeneration established by the Ministry of Energy and Mining, ERO should publish incentive prices, as above, within 2 [two] months from approval of this Decision.

5.4 Categories, for which unified incentive prices should be set, are as following:

Source	Price (Eurocent/kWh)
Hydro Power Plants up to 2 MW	
Hydro Power Plants over 2 - 5 MW	
Hydro Power Plants over 5 - 10 MW	
Wind Stations	
Biomass Stations	
Photovoltaic Stations	

Source	Price (Eurocent/kWh)	
	Peak period	Non-peak period
Cogeneration up to 50 KW		
Cogeneration over 50 KW – 1 MW		
Cogeneration over 1 MW – 10 MW		
Cogeneration over 10 MW		

Article 6

6.1. In implementing the policy on rational utilization of natural resources (including energy resources) and maximization of revenues for Kosovo Budget from these resources, the Government assigns Ministry of Energy and Mining and Ministry of Environment and Spatial Planning, in consultations with the regulators for energy and water, to develop open competitive procedures for awarding the right of utilization of water sources for electricity generation.

6.2. These competitive procedures will be valid only for the construction of small hydro power plants at potential sites as identified in the Assessment and Pre-feasibility of Small Hydropower Potentials (the study of MEM, 2006), and for the rehabilitation of the existing hydro power plants in public ownership which are out of operation.

Article 7

This Decision enters into force on its signature.

Prime Minister
Agim Çeku