



Energy Monitor

ENERGY MONITOR | ISSUE 3

Dear Reader, ENERGY MONITOR represents a comprehensive media summary of selected energy related local and regional media articles. The newsletter is summoned by the American Chamber of Commerce however, it does not reflect views and opinions of the Chamber on energy issues in Kosovo.

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DECEMBER 2018 EDITION

Kosovo shuts down 200 MW power plant unit due to boiler leakage

Kosovo's power utility KEK said on Wednesday it had reconnected one 200 megawatt (MW) unit at its Kosova A coal-fired power plant to the grid but had been forced to shut down another 200 MW unit due to a boiler leakage. Kosovo, which relies on coal for most of its electricity generation, has been experiencing an electricity shortage and frequent blackouts since Nov. 21 due to outages which have halved its power output to 400 megawatt hours (MWh). "Our teams are doing their best while working in extremely difficult conditions to repair these defects and restore the A3 unit to production," KEK told Reuters.

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Kosovo needs new energy capacities in order to meet demand in the future

According to reports, it was said that Kosovo citizens spend around 2000 kWh of energy per capita, an amount that is four times lower than the average. This fact is very worrying considering a World Bank study, which said that the country will have a shortage of 1500 megawatts of electricity in 2025, due to the closing of Power Plant Kosova A. If the government does not build new capacities than Kosovo will face immense issues with energy supply, since it would be impossible to match the demand for electricity, which is constantly increasing. Kosovo has joined the countries of the region by announcing the construction of a new power plant with a capacity of 500 megawatts, this project will be the key in matching the demand for electricity in the future.

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Kosovo also risks energy supply for the future

According to reports, Kosovo citizens spend around 2000 kWh of energy per capita, an amount that is four times lower than the average, considering that the OECD average is 8000 kWh. This fact is very worrying considering a World Bank study, which said that the country will have a shortage of 1500 megawatts of electricity in 2025, due to the closing of Power Plant Kosova A. KEDS Spokesperson, Viktor Buzhala, also confirmed the lack of energy is an issue, he said; "At present we are faced with a lack of electricity. Less than 400 MW is produced from domestic production, something that cannot cover even 50 percent of consumption." Moreover, he also emphasized that Kosovo is importing at very high prices raging from 100 to 120 per MW. If the government does not build new capacities than Kosovo will face immense issues with energy supply,

ADDITIONAL HIGHLIGHTS

Businesses in deep trouble with electricity

Since the end of the war, Kosovo has been dealing with limited supply with electricity, a situation that continues to day. The lack of supply with electricity has mostly caused damages to manufacturing businesses in the country. Different owners of local manufacturing companies such as Fruteks and MEKA have said that the lack of energy is hurting their businesses immensely, resulting in very large amounts of losses. Shaqir Palusha, owner of 'Frutex' even claims that the damages done to his company equal funds necessary to construct a new factory.

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Unexplainable energy outages

Kosovo is still struggling with the lack of regular electricity supply. During the past week, the citizens have faced severe energy cuts, while some complain that reductions (planned energy cuts due to energy shortages) are still ongoing. Almost every sector of the economy and society is being affected by this negative occurrence, business and

since it would be impossible to match the demand for electricity, which is constantly increasing.

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World Bank in 2011: Kosova e Re power plant will significantly reduce pollution

Despite of being committed to support the project for years, World Bank has informed about its decision to not support the project. However, in 2011, in a report published by the Bank on the energy supply possibilities for Kosovo, the Bank had supported the project and had announced that Kosova e Re will significantly reduce pollution and will positively impact the lives of the surrounding population. According to the report, Kosovo had to decommission Kosovo A, build Kosova e Re and rebuild Kosovo B in order to secure enough capacities for uninterrupted supply with electrical energy in Kosovo. In 2013 the Bank had reviewed its lending policies, Kosova e Re was the only coal project considered for support by the World Bank.

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KEDS: We are importing half of the energy demand

Citizens of Kosovo are facing several hours of electricity shortages on the eve of the winter season. KEDS / KESCO, through an announcement sent to the media, have said that the electricity situation continues to be unstable since Wednesday, last week. KEDS Spkesperson, Viktor Buzhala, said that the outage has come due to unusual shortcomings in the production units of KEK. However, Buzhala has once again said that the problems will be solved soon, and he further underlined the fact that KEDS is adamant to solve this issue and to further improving energy distribution in Kosovo.

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KEK resume production with full capacity

After a very complex reparation, block B1 of power plant Kosovo B will continue generating with full capacities. Kosovo Energy Corporation (KEK) will resume with full capacity generation, whilst increasing the amount of energy produced to 800 MW. KEK Director, Nijazi Thaci, said that they have successfully completed a very challenging and complex process of turbine and generator repair in the B1 unit, thus energy production from this block will resume with full capacities. Thaci claims that the work was done two days earlier than the deadline. These vrapid developments from KEK have come as a result of unusual power outages during the past month, resulting in aggressive requests by Prime Minister, Ramush Haradinaj.

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This is why KOSTT was not accepted in ENTSO-E

The Committee on Economic Development, Infrastructure, Trade, Industry and Rural Development, have met on the 27th of November, where they discussed Kosovo's failure to enter ENTSO-E. Halit Hoxha, representative of the Ministry of European Integration, has said that Kosovo's membership at ENTSO-E was refused due to the request of Serbia to control Ujmani (Gazivoda) Lake. However, the Kosovo side did not accept this and votes were not reached. Kosovo has signed an energy agreement with Serbia that would allow the establishment of an additional supply operator for the North, and would also end commercial energy losses in the area. The agreement would also allow Kosovo to become a full member at ENTSO-e. Kosovo is waiting to license the supply operator in the North to be able to apply for full membership at ENTSO-e again.

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Women empowerment and education in the energy sector

citizens of rural areas have been affected the most from it. Nevertheless, in a normal energy system, someone has to take responsibility for this, however this has not happened In Kosovo. KEK has attributed the problem towards KEDS as it is their responsibility to distribute electricity. Radio Free Europe Power has contacted KEDS and KESCO, but they have not made any statement regarding the lack of electricity. Business face many issues due to the recent cuts in energy supply, they have repeatedly underlined the fact that power outage causes them huge losses. According to data from economic organizations, in Kosovo there are around 300 million euros of damage per year, which effects the producers due to the unstable electricity supply.

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Lluka: The new power plant will be built in 2019

After a decades time of stalling, the cornerstone of the "Kosova e Re" power plant is set to be put in place during April next year if funding is provided and the project receives two-thirds of the votes in the Kosovo Assembly regarding the state guarantee. The Minister of Economic Development, Valdrin Lluka, was seen to be very optimistic for this matter. During an interview for "Zëri" newspaper he did not rule out the possibility of failure for the construction of the new power plant "Kosova e Re". According to him, this could happen if funding is not provided and the project does not get the consent of the Kosovo Assembly. He has considered World Banks withdrawal as a difficult situation, nevertheless Lluka is still very optimistic. He believes that the project will gain financial support through US Agency for Financing of Projects Abroad, together with the Japanese International Bank.

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Millennium Foundation of Kosovo, a foundation dealing with electricity supply and governmental issues in Kosovo, has awarded 20 scholarships towards women interested in the energy sector. Sara Olmstead, director of the Millennium Challenge Corporation (MCC) has said that this program was introduced with the purpose of empowering women who are interested in working in the energy sector. Dardan Abazi, researcher at the Institute for Development Policy, INDEP, has praised the initiative stating that women are very important to the energy sector and its development.

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Electricity prices across the region to increase by up to 40% in 2019

According to data obtained by Balkan Green Energy News, regional electricity prices are set to increase. Data suggests that electricity prices in Serbia and Croatia will increase by approximately 20%, whilst in Bosnia and Hercegovina this increase will be 15%, and lastly Romania is expected to have an increase of 40% in its energy prices. According to Eurostat, Kosovo has the lowest energy price in Europe after Ukraine, nevertheless the price is set to increase in order to match the regional trend. According to reports, a Kosovar consumes just over 2,000 kWh of electricity, whereas the OECD average consumption per person should be around 8,000 kWh. In order to match the increasing demand Kosovo has started procedures on the construction of new generation capacities which can generate up to 500 megawatts. Kosovo imports energy worth of 70 million euros annually. Most of its energy is imported from Serbia.

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Kosovo with second-lowest energy price in Europe

This article highlights the development of electricity prices both for household and non-household consumers within the European Union (EU). It also includes price data from Iceland, Liechtenstein, Norway, Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey, Bosnia and Herzegovina, Kosovo, Moldova, Ukraine and Georgia. Note that prices presented in this article include taxes, levies and VAT for household consumers, but exclude refundable taxes and levies and VAT for non-household consumers. What is important to note is that Kosovo has the lowest price of energy in Europe, only Ukraine has a slightly lower price, this indicates that possible increases in energy prices are all normal considering the regional trend.

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Kosovo imports 70 Million Euros worth of electricity, this value is set to increase

Due to the lack of proper energy supply, Kosovo is forced to import a considerable amount of its demand for energy. Even though Kosovo is the fifth largest lignite reserve in the world, the country has to import energy in order to meet demand. During last year, Kosovo imported around 22% of its energy demand, a value that amounted to approximately 70 Million Euros. This fact can be considered worrying if we underline the fact that regional energy markets, from which Kosovo imports, have announced increases in price of about 40%. Nevertheless, the shortage in the supply for energy is set to be solved with the introduction of "Kosova e Re", which is set to cover for about 37% of demand.

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Kosnett: USA's stands on Kosovo politics are being misunderstood, we support 'Kosova e Re'

Newly Appointed US Ambassador, Philipp Kosnett, has talked about his arrival in Kosovo and the issues he faced during his tenure. Kosnett once again restated his support for the Kosovo Army, and Kosovo's integration aspirations. Moreover, he was asked about the 100 % tax imposed on Serbia, for which he said he cannot

Who is "stealing" 300 million euros from businesses?

Problems with energy have been present in Kosovo for quite a while now. This negative occurrence in Kosovo is hurting both, the households and businesses. Berat Rukiqi, President of the Kosovo Chamber of Commerce, has said that improper energy supply remains the main concern for businesses, especially manufacturers, especially those dealing with pipe and wood processing. According to USAID reports, on average, Kosovo businesses spend around 6,086 euros a year for securing alternative sources of electricity for supply. On the other hand, FRTUEX, a local producer, has said that they spent 100,000 Euros this year only, in order to access alternative forms of energy supply, such as generators. [Click here to read full article in Albanian.](#)

CDHRF reacts to cuts in electricity, calls for peaceful protests

CDHRF (Council for the Defence of Human Rights and Freedoms – CDHRF) in Kosovo have reacted on the recent power outages by stating. According to CDHRF, the power outages in smaller cities and villages lasted for a number of days, causing many losses to households and businesses in Kosovo. CDHRF claims that the 'big' consumers or the foreign ones are favored in prices and are subject to regular supply with electricity. They called for peaceful protest over the irresponsibility of KEDS and ERO. [Click here to read full article in Albanian.](#)

The Business Chamber responds to frequent electricity stoppages

The Business Chamber in Kosovo has released a statement listing complaints of its members over the

comment because he has not full information on the issue. However, when discussing American Investment in Kosovo, he said that he is happy that “Contour Global” is leading the “Kosova e Re” project, and he has said that this project is of high importance for Kosovo and its environment, stability and economic development. Kosnett further discusses on the importance of building credibility for Kosovo, and explains that having numerous renowned American franchises within Kosovo market promotes investment possibilities. Click here to view complete interview in English language.

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[Click here to view full interview in English and Albanian.](#)

Energy Strategy: As of 2023 Kosovo will reduce pollution from Obiliq significantly

Emissions by power plants at KEK have been slightly reduced due to the latest investments by KEK in 2013. However, Kosovo will experience significant reduction of pollution in 2023, when Kosova e Re will start generating electricity, the energy strategy of the country suggests. Kosovo was subject to immense pollution, due to the old technology at the existing power plants. Kosovo, Serbia and Macedonia, are on the top of the list of countries with highest pollution in Europe. Only in Kosovo, 3700 people have died because of the air pollution. According to forecasts, the emissions value will decrease and will reach the allowed parameters starting from 2023, when the power plant Kosova e Re with an installed capacity of 500 megawatts starts operating.

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Coal is back, Britain also reactivates its old power plants

Even though the EU and other relevant institutions have expressed their determination in producing energy through alternative sources, the worldwide coal consumption has increased by 1% in 2017. These figures suggest that countries are getting back to producing energy through their coal-based power plants. This trend can be seen all over the world now; Japan is one of the countries, which is developing its coal capacities through 30 new projects. Moreover, Britain is also reactivating its coal power plants, to meet the demand for energy consumption. This can also be seen in Australia, the country is planning the expansion of coal-fired capacities, in order to meet India's growing demand for coal. Kosovo has joined the countries of the region by announcing the construction of a new power plant with a capacity of 500 megawatts. Despite of being fifth largest world coal reserve, in Kosovo electricity remains to be product mostly imported from Serbia.

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Kosovo lies on lignite but losses of 300 million euros are caused to businesses

Economy experts, bankers, MPs and former MPs discuss on the losses of businesses in Kosovo, caused by the unstable supply with electricity. All experts claim that the lack of electricity supply, is the biggest challenge to doing business in Kosovo and it helps in keeping the number of foreign investments very low as electricity is the first condition to any investment activity. While Serbia attracts tens of billions of euros of investments in its country, Kosovo is happy to gain hundreds of millions of euros worth of investment. The unstable supply has caused numerous damages to equipment and facilities and has impacted manufacturing very negatively. They also urge the Government in taking a more proactive approach in solving problems with electricity supply.

Electricity is the most imported product from Serbia

The 100 percent tax on import products from Serbia and Bosnia & Herzegovina has raised many eye brows. This has come due to the fact that Serbia is Kosovo's main trade partner, with imports amounting to 450 Million Euros, with the most

recent irregular power outages that take place without prior warning. The Business Chamber claims that such interruptions damage businesses seriously and create very unfavorable working conditions for them. The power outages of the last days have raised concerns among citizens and the business community.

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Osmani: Manufacturers lose 300 Million due to the lack of energy

Vllaznim Osmani from the Local Manufactures Club has been a guest at KTV where he discussed the current state of manufacturing in Kosovo. Osmani has listed a number of reasons in support to the 100% tax that was recently imposed to Serbia, claiming that the tax came after the recent aggressive approach of Serbia towards Kosovo.

Moreover, Osmani also discussed the millions of Euros that manufacturers lose due to the lack of energy. According to Osmani, unstable energy supply is the biggest issue which business in Kosovo face. The unstable supply makes manufacturing very costly and creates additional expenses as manufacturing equipment is damaged in the process.

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High levels of pollution in Kosovo: smoke from Obiliq is seen from airplane

Unusual high rates of emissions have been spotted in Obiliq, this has come in the day in which Prishtina was the highest polluted city in the world. The inhabitants of Obiliq are the ones who are mostly affected by the consequences of these power plants in Kosovo, which are the main cause of diseases and premature deaths of the inhabitants of the area. In a photo taken from an airplane published on Facebook's social network, the high air pollution

imported product being electricity. Currently, energy generation in Kosovo covers only 50% of demand for citizens and businesses, while the rest of the required demand is covered by imports. Moreover, with the new power plant and additional capacities from renewable sources, Kosovo seeks to provide enough energy for itself and thus meet the demand for electricity. The construction of “Kosova e Re” is seen as the solution to this problem.

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How will Kosovo meet its future demand for energy?

The recent power outages have caused disappointment to citizens and businesses, the latter is being hurt most due to the millions of dollar in terms of economic losses. Kosovo now faces another issue, which is meeting the future demand for energy. According to reports, a Kosovar consumes just over 2,000 kWh of electricity while the OECD average consumption per person should be around 8,000 kWh. This means that Kosovars use much less electricity, thus in the future the demand will be even larger. The article claims that Kosovo is in the verge of failing to meet future demand. “Kosova e Re” is expected to meet this demand, with other means of production.

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Prime Minister Haradinaj launches an “attack” on World Bank

Prime Minister Haradinaj has launched an ‘attack’ on World Bank during an interview at a local TV station, with regard to the Bank’s refusal to support ‘Kosova e Re’. Haradinaj claims that the power plant will be built without the help of the World Bank. He underlined the fact that the World Bank was never seen as a partner for this project. He further said that the WB supported the project for many years to only withdraw at later stages and this has affected Kosovo negatively in terms of energy supply, economic losses, and unemployment rate.

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Domestic production is not enough, Kosovo needs new generating capacities

Representatives of the American Chamber of Commerce in Kosovo have organized a round table, where they discussed issues regarding energy production and supply. During the round table, the business community had the chance to express their issues with energy supply and distribution, in terms of operations. Minister of Economic Development, Valdrin Lluka, addressed the issue of improper energy supply, saying that his Ministry is working towards fixing this issue. Moreover, he said that the non-implementation of the interconnection agreement by Serbia is making things difficult in terms of energy supply. On the other hand, Petrit Pepaj, managing director of the Energy Regulatory Office, has said the absence of new generating capacities is the main reason for outages. The same was confirmed by the American Chamber of Commerce in Kosovo.

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Palmer: Kosova e Re has strong support from the US

‘Kosova e Re’ has strong support from the United States,’ said Matthew Palmer, Deputy Assistant Secretary of State for European Affairs of the United States. According to Palmer, the “Kosova e Re” project will provide uninterrupted energy for Kosovo and will have a positive impact on the environment. Palmer was happy that an American company is leading the “Kosova e Re” project. Palmer expressed disappointment with the World Bank’s decision not to support the new power plant project, nevertheless, he is also very optimistic that the Government of Kosovo and ContourGlobal will provide funding for the construction of this power plant. “Absolutely, we are committed to the finalization of the project,” he said following the question of whether the US supports “Kosova e Re”.

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from the power plants in Obiliq can be seen from that altitude.

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EU is worried about the rising presence of China in the Balkans

Johannes Hahn, European Commissioner for European Neighborhood Policy and Enlargement Negotiations, has stated that the construction of power plants, highways and bridges at six different countries of the Western Balkans are being financed by state-driven China funds. The economic involvement of China in the Balkans poses a big concern towards the EU. For a long time now China has presented itself as a state that only deals with its own interest, according to Hahn. He also calls for EU states to provide an adequate answer to challenges opposed by China.

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KEK claims that there are enough coal reserves for the whole winter season

Adil Januzi, Director of the Coal Production Division at KEK, informs that Kosovo will not face problems with coal supply this year, as the company has already managed to secure the necessary coal for the whole winter season. Januzi says they are aware that the extraction of mines also affects the degradation of flora and fauna. However, according to him, since 2009, KEK has continuously undertaken a series of activities that have improved environmental protection, mainly through the creation of Environmental Protection Departments.

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Kosovo Chamber of Commerce: ‘Kosova e Re’ is essential for energy stability

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300 million Euro losses from unstable supply with electricity

The annual losses of businesses caused by the unstable supply with electricity exceed 300 million euros, according to a report of UBO Consulting for USAID. A local manufacturing company from Kosovo explains that recently they have spent additional 100 thousand euros on an equipment that stabilizes current. According to the study of USAID, a local business spends an average of 6,086 euros annually, due to the unstable supply with electricity and the amount represents approximately 5% of the country's GDP.

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Kosovo breaks new record for energy consumption

The current winter days have made Kosovo citizens use heat and electricity even more, and this was the case on Monday, where Kosovo broke its record of energy consumption. Kosovar households and businesses have spent around 19,064.899 megawatts during Monday, the highest ever sum of energy consumed. KEDS has asked citizens to ration their use of electricity, and to turn to alternative means of heating. KEDS is forced to import in order to cover for the electricity shortage.

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IMF: Kosova e Re positively impacts economic growth of the country

'The recently signed contract with a private investor to build a 500-megawatt thermal power plant "Kosova e Re" (an investment valued at approximately 20 percent of GDP) could boost Kosovo's growth by up to 2 percent of GDP in the medium-term.', is said in the IMF Country Report for Kosovo, published earlier this year. Kosova e Re marks the biggest post-war investment in Kosovo. The 1.3 billion project will impact country's economic development and will end problems of Kosovo with lack of stable supply with electricity.

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IMF warns Kosovo Government about increasing public debt

IMF (International Monetary Fund) has put out a press release and the latest country report for Kosovo, concerning its economic development. IMF discusses about economic issues such as fiscal and monetary policy, whilst putting emphasize on the public debt as an important factor. Moreover, the report also talks about "Kosova e Re" and its outcomes for Kosovo. The press release said that the "Kosova e Re" project is important to Kosovo, as it provides enough capacities for stable energy supply and it is seen by the IMF as "an impulse to growth". However, the IMF have said that the project might have fiscal implications due to its nature of financing, which entails state aid. IMF said that the project should not be a factor in increasing the public debt, which cannot exceed 2% of the total value of GDP. Click here to read full press release.

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There is a global increase in the constructing and financing of the coal power plants

Global coal consumption has increased by 1% in 2017, this data was not welcomed by participants of the World Climate Change Conference in Katowice, Poland. Even though EU states have committed to the Paris Agreement which says that states are obliged to minimize the use of coal to generate power, the agreement is being ignored by many states as coal energy generating capacities in the world have substantially increased. World coal energy generation capacities have increased to more than 92,000 megawatts, and new power plants with a capacity of 670,000 megawatts are currently under construction. About 478 billion euros have been invested in coal-fired power generation capacities since 2016. Almost all countries in the region have announced new power plants in

During the closing conference for 2018, the President of Kosovo Chamber of Commerce (KCC), Berat Rukiqi, has discussed various issues regarding businesses in Kosovo and their difficulties. Rukiqi has listed two main problems, which businesses in Kosovo face; Visa Liberalization and Improper energy supply. The latter is considered to be the biggest barrier towards businesses in Kosovo, however, Rukiqi believes that "Kosova e Re" is a possible alternative to this issue, regardless to its cost. Moreover, he also mentioned the World Bank, whilst blaming them for stalling the project for 20 years, a project which they supported initially.

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Kosovo Business Chamber: Electricity and legislative barriers are destroying domestic production

The frequent unannounced energy cuts, legislative barriers, and anti-dumping measures are severely hurting domestic production in Kosovo. The three problems mentioned are some factors that are pushing a local company to shut down its operations; this was said during a meeting between the Kosovo Business Chamber and Art Aluminum (Domestic Manufacturer). The Kosovo Business Chamber has assured its partner that they will work in eradicating these barriers in their production process.

Five strategic priorities of the Kosovo Government

The Kosovo government has set five strategic priorities for 2019, the latest of which refers to European integration, foreign policy, security issues, and energy. Stable electricity supply is listed as priority number four of the country. The Government of Kosovo intends to decommission Kosovo A and construct Kosova e Re, to ensure

order to deal with the rising electricity demand. Countries such as Serbia, Bosnia, Greece, Macedonia and others, have announced the construction of new coal-fired capacities.

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In search of funds for the construction of ‘Kosova e Re’ power plant

One of the main issues with regard to the “Kosova e Re” project, are the lack of funds to make it happen, however, parties involved in the project do not see the problem as concerning. Earlier in the year, the World Bank was considered as one of the main sources of funding for the project, but the organizations president has confirmed that they will not support coal projects in the future. This is not an issue to the Government of Kosovo and Contour Global, who have approached OPIC for funding. OPIC is a financial institution of the United States of America that supports American businesses investment in developing and transitional countries. Minister of Economic Development, Valdrin Llluka, said that OPIC has now confirmed that the approval of the loan of 500 million dollars is now part of next board meetings’ agenda, due March next year. Llluka also explains that additional state driven funding will be available after the selection of the EPC contractor, depending on the country of origin of the selected EPC contractor.

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No solution to highly polluted air

Prishtina, the capital of Kosovo, and a few other locations like Obiliq, Mitrovica, Gjilan, Drenas and Peja, have long been dealing with problems regarding air pollution, this has come due to the emissions by the power plants, old cars, and reduced temperatures. Nevertheless, there has not been any concrete measures taken by the relevant institutions regarding air pollution, the ban on selling coal can be considered as the only measure undertaken by the Kosovo institutions. The Ministry of Environment explains that the next meeting of the Air Quality Task Force will take place next week, where they will discuss short and long-term measures for improving air quality.

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Kosovo Business Chamber meets Haradinaj

One of the key discussed points during the meeting between the Kosovo Business Chamber and Prime Minister Haradinaj was the lack of energy. According to the Business Chamber, the issue is also listed amongst businesses as first challenge to making business in Kosovo. Petition for the removal of administrative instructions, 100% tax imposed on Serbia, legal infrastructure, power shortage, market law, labor law, maternity law and other similar issues were also discussed during the meeting. In closing, both parties showed signs of cooperation, with Haradinaj being adamant in addressing the above-mentioned issues, in order to create a better investment climate in Kosovo.

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Japan promises support for “Kosova e Re”

Minister of Economic Development, Valdrin Llluka, has been visiting Japan for a few days now. The main reason of Llluka’s travel was to gain support for the construction of the “Kosova e Re” project. During the second day of his visit to Japan, Llluka met with Yoshihiro Seki, State Minister for Economy, Trade and Industry, who emphasized that the Japanese Government is monitoring the ‘Kosova e Re’ project and supports it all the way. Moreover, The delegation from Kosovo were hosted by, Tadashi Maeda, Governor and General Manager of Japan's International Cooperation Bank (JBIC) and Masafumi Nakada, president of the State Agency for Security of Exports and Investments (NEXI) who expressed their support for “Kosova e Re”. In addition, minister Llluka has asked for financial

healthy and stable supply with electricity for consumers.

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Serb Media: Kosova is ready to give its mineral and energy resources to Americans in return for ammunition

The latest visit of Kosovo Assembly President, Kadri Veseli, in the US has sparked a lot of reaction for the Serbian media, which have considered the visit as a sure sign of tradeoffs between Kosovo and the US. Veseli was seen trying out military machinery and equipment, which is set to be donated and was partially purchased for the new Kosovo Army. According to Serbian media, Kosovo is giving away its Minerals (Trepca Mine) and its energy sector, in exchange for military equipment and machinery. [Click here to read full article in Albanian.](#)

Serbia threatens with the termination of water supply from Ujmani

During the day there has been news surfacing about Ujmani in Serbian media, mainly in RTS (Serbian public broadcaster). The same media outlet reported today that Serbia might cut off water supply from Ujmani lake. Considering that almost all of Southern Kosovo is supplied from this lake, the termination of supply can be costly. The Director of Public Company for Water Supply and Distribution of Electricity "Ibar" (a company active in the North of Kosovo), Srdjan Vulovic, has discredited the information given by RTS. He said that there was not a single moment 19 years after the war, when they thought about cutting supply from Ujmani. According to Vulovic, this lake has immense importance for Kosovo in terms of water supply and energy production, thus the termination of supply would pose immense

support from these financial institutions in waste management projects, mainly in waste recycling and in generation of electricity and heat from waste.

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When will “Kosovo A” be closed?

Due to an outdated technology, Kosovo A unit needs to close as soon as possible. KEK’s operations director claims that the outdated power plant has been in operation since 1970, and it has exceeded its life expectancy. According to Kosovo’s energy strategy, Kosovo A is set to be closed and will be replaced with the new power plant, “Kosova e Re”. Kerolli explained that additional investments at the unit are required, in order to keep it running before the finalization of the Kosova e Re project.

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Only half of the cogeneration capacities are being used

Since 2014, Prishtina has benefited from a co-generation agreement between KEK and Termokos, who have combined forces in giving the citizens of Prishtina central heating. The project is currently only using 50% of the capacity offered by KEK. According to the power plant Kosova B executive director, the maximum additional capacity available at peak time when the temperatures are lower is 70 MW / h of thermal energy, which means that another 70 MW / h is available. Consequently, this means that the relevant enterprises are only using half of the available capacities, due to the lack of investments at expanding the heating distribution network. The co-generation project is of very high importance for the citizens due to two reasons, the first one being that it supplies the whole city with uninterrupted central heating and in addition to that, the project has also helped in reducing emission levels.

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Dardan Sejdiu: “Kosova e Re” process has to stop, opposition is not supportive of this initiative

Member of the Parliament from PSD, Dardan Sejdiu, has been a guest at Interaktiv (show at a local TV station), where he discussed many different issues regarding the government and latest developments in Kosovo. Dardan Sejdiu mostly talked about issues related to the overall political spectrum of Kosovo, however he also discussed “Kosova e Re” and his parties’ efforts to stop the project. According to Sejdiu, neither Vetevendosje, nor LDK, have supported their parliamentary interpellation (parliamentary oversight session) on Contour Global and “Kosova e Re”, with one of them saying that they did not want the termination of the contract, and the other one not responding at all (not disclosing names of particular political parties). During the end of the discussion, Sejdiu said that the Assembly of Kosovo faces another big challenge which is the topic of “Kosova e Re”, he once again reinstated his thoughts on the contractual agreement, regrading state aid and the purchasing agreement. However, he said that he does not expect the “Grand Opposition” (Vetevendosje and LDK) to support this, as they have failed to do so in the past.

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FRUTEX: Power outages are causing us immense losses

A Kosovan local manufacturer, Frutex, has come up with a press statement with regard to their losses, caused by the unstable supply with electricity. Because of the ongoing electricity shortages, FRUTEX is suffering enormous losses and damages, according to the company. Only recently, Frutex has invested 100 thousand euros for a device that regulates and stabilizes current.

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Kurti: 'Contour Global' will not work for Kosovo, we will work for it

humanitarian threats, something which they are not ready to do.

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‘Kosova e Re’ and its benefits

The Ministry of Economic Development have released a short info-graphic video which depicts some important information regarding “Kosova e Re”. The video mostly showed how Kosovo needs “Kosova e Re” Power Plant to replace “Kosova A” Power Plant in order to provide security of electricity supply . In 2017 alone, Kosovo’s imports covered about 22% of the demand at a cost of 70 million euros. After “Kosovo A” decommissioning , 37% of Kosovo’s energy demand will be left unmet. Kosovo is set to meet this need with the energy produced by “Kosova e Re” Power Plant.

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Lluka requests the support of Japan and South Korea for “Kosova e Re”

Minister of Economic Development, Valdrin Lluka, is currently visiting Japan and South Korea to gain support for the construction of the ‘Kosova e Re’ power plant. Lluka has also been at one of the largest South Korean power plants, with an installed capacity of 6500 MW. According to Lluka, the same best available technology used at power plants he had visited will be used for the Kosovo power plant, in order to minimize pollution. Lluka had also been a guest at the State Environment Agency, with the purpose of establishing diplomatic and institutional cooperation in the fields of waste management, water, air quality, and waste-generation. Lluka claims that the two states are on the brink of creating proper diplomatic relations.

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Albin Kurti, Leader of Vetevedosje Movement, has recently reacted against “Contour Global” and “Kosova e Re”. Kurti has said that “Contour Global” should be a company which will work for Kosovo Government and its citizens, however, according to Kurti, the citizens and Government will have to work for the benefit of “Contour Global”. Kurti gave 14 reasons as to why the agreement with Contour Global is harmful for both the Government and the citizens. The main concerns which Kurti is engaged with are the contractual specifications and employment. Among the 14 reasons, Kurti has said that internal return on capital, installments of the loans, guaranteed purchase of energy, and 1.3 Billion Euro construction costs are some of the downsides of the contract. Moreover, according to Kurti, the termination of Kosovo A and the partial termination of Kosovo B, will leave the workers of these power plants without jobs. Lastly, he also said that the “Kosova e Re” contract will breach the Law on Publicly Owned Enterprises, the Law on ERO and the Law on Public Procurement.

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Coal Has no Real Future in Southeast Europe

Governments in the Southeast Europe may be looking the other way, but rapidly increasing carbon prices and stricter EU regulations on air-polluters will make already outdated lignite-fired power plants in the region bankrupt and politically unacceptable over the next decade. Nevertheless, in Bosnia and Herzegovina, Kosovo and Serbia, governments are seeking investors for new lignite and coal facilities. A total of 12 coal-fired power plant projects have either been started or are in the planning stage in the Western Balkan region. Kosovo signed a billion-euro deal with US-based ContourGlobal to build a new 500-MW lignite-fired power plant, initially backed also by the World Bank. In order to mitigate the associated socio-economic consequences, governments should take bold steps to gradually transform the economies of coal-dependent areas.

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REGIONAL PICKS

Electricity prices across the region to increase by up to 40% in 2019

Electricity prices for businesses went up in Croatia this year, while hikes have been announced for 2019 in Serbia, of about 20%, and Bosnia and Herzegovina (BiH), of around 15%. At the same, wholesale prices in Romania could increase by 40%. Electricity supply for the business segment in the region has been liberalized, and state companies, which continue to be dominant suppliers, cite rising prices on power exchanges as the reason to raise their tariffs.

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Trans-Atlantic Pipeline with ease the transition from coal to gas in Western Balkans

TAP (Trans-Atlantic Pipeline) has become an option for energy production in Western Balkans. Kosovo, Macedonia, Bosnia, and Albania are among some of the most polluted places in Europe. These places rely on coal generation, thus CO2 emission levels are three times higher than the average in Europe. According to EBRD, Western Balkans have to transition from coal to alternative energy or gas in order to reduce pollution. TAP is one of the largest foreign investments in Albania; however, Albania wants to share the benefits of it with Kosovo and other neighboring countries. The TAP project has been supported by the Albanian Prime Minister, Edi Rama, who said that it will ensure a good alternative for energy production and it would help establish the cross-national energy system between Kosovo and Albania.

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Women’s shelter at risk due to electricity bill

A shelter for women affected by domestic violence in Prishtina is threatened with closure as a result of lack of funding. The Center has unpaid electricity bills of more than 7,000 euros therefore, shall be disconnected from the grid. Zana Asllani, director of the center, said that they were unable to complete the payment because this facility lacks in proper funding.

Furthermore, she said that she made two requests toward KEDS, both of which were rejected. This situation has put the center on the brink of closure, and they are hopeful that some of the relevant institutions might provide aid.

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MP Berisha-Shala: KEK is not responsible for outages

President of the Parliamentary Committee for Economic Development, Sala Berisha-Shala, has visited the Kosovo Energy Corporation, where she was hosted by the director of KEK, Nijazi Thaci. She discussed the recent energy issues in Kosovo with Mr. Thaci, who presented the challenges and achievements of KEK in terms of energy supply. In the end of the meeting, Berisha-Sala said that the improper energy supply is not due to KEK. Additionally, MP Berisha-Shala also claims that a few issues discussed during the meeting will also be discussed at a higher level, such as claims by KEK that it is currently selling energy below the market price.

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KEK cancels vacancy after receiving 2000 applications

There has been three weeks since KEK announced a call for 100 new vacancies in their corporation, nevertheless, the call attracted the

Extending feed-in tariffs risks turning public opinion against renewable energy

One of the main factors driving the controversial small hydropower boom in the Western Balkans is the availability of feed-in tariffs, providing investors with a near-certain income for several years. The aim of this policy has been to incentivise the development of renewable energy, however most of the countries have supported much more hydropower than wind and solar so far. This has resulted in serious environmental damage – especially compared to the modest amount of electricity generated – as hitherto pristine rivers like the Ugar, Sana (in Bosnia and Herzegovina), Jošanica, Vlasina (in Serbia), Brajcinska and Tresonecka (in Macedonia) have been disfigured and many more are threatened. To critics of such developments, paying companies a guaranteed price to produce electricity – and usually a very generous one, especially for the smaller plants – looks like a pure scam, especially given that hydropower is already a mature technology. Headlines suggesting that those close to governments are benefitting while the public is being ripped off are increasingly common across the region.

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Albania's power generation quadruples in Q3

Albania's net domestic production of electricity in the third quarter of 2018 almost quadrupled, reaching 1,630 GWh, compared to 418 GWh of electricity generated in Q3 2017, which could boost the country's economic growth to 4% this year. According to the Albanian Institute of Statistics (INSTAT), public hydropower plants (HPPs) contributed 80%, while independent HPPs added 20% to the net domestic electricity production. A temporary push from electricity generation owing to favorable weather conditions is expected to boost growth to 4% this year, and to dampen it somewhat in 2019, to 3.7%, the International Monetary Fund (IMF) said in a statement.

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GIZ ORF-EE backs Kosovo MPs' initiative to exchange experiences with Montenegrin peers on implementation of energy efficiency law

A parliamentary delegation from Kosovo visited Podgorica, Montenegro on December 4 and 5 to discuss best practices and challenges concerning the preparation and implementation process of energy efficiency legislation and other topics pertaining to the energy sector. The meeting was held with representatives of the Ministry of Economy of Montenegro, the Montenegrin Parliament, and civil society organizations. The exchange was made possible through the support of the GIZ Open Regional Fund for South-East Europe – Energy Efficiency (ORF-EE). GIZ ORF-EE coordinated the organization of the event with its long-term partners, the Prishtina Institute for Political Studies and the Montenegrin School of Political Studies. The event was held as part of the ORF-EE project "Regional Cooperation and Capacity Development of Parliamentarians of South-East Europe on Energy Efficiency and Climate Topics."

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interest of thousands of people. KEK received around 20000 applications for the open positions. Considering that the selection process consists of a written exam and an interview, it is impossible for KEK to evaluate these candidates. Consequently, sources inside KEK have said that the competition is set to be canceled, and the decision will be made today, Friday December 21. [Click here to read full article in Albanian.](#)

KEDS reacts to damages on the grid due to weather conditions

In response to numerous reports and articles highlighting KEDS inability to supply energy to Kosovo citizens and businesses, they have released a press communiqué regarding issues on the grid. They say that they have engaged 300 additional workers and additional facilities to fix damages in the distribution network. According to KEDS, they have been able to fix almost all issues in the grid, and they thanked all workers for their commitment.

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