



Energy Monitor

ENERGY MONITOR | ISSUE 5

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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Security of Supply

Kosovo A close to its end, new capacities are more than necessary for electricity supply in the future

Kosovo A is seen as one of the oldest and most obsolete power plants in Europe. This power plant was constructed in the 60s, and has exceeded every deadline regarding its operations. Considering that Kosovo A accounts for a large amount of energy production in Kosovo, its closure will result in shortages in energy supply. However, Kosovo is joining other regional and EU countries, e.g. Serbia, Bosnia, and Poland, in the construction of new lignite-based power plants which will hold environmental criteria regarding pollution. This project is seen as of immense importance because it will provide secure energy supply, necessary after the decommissioning of Kosovo A.

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Kosovo imported 347.6 GWh of electrical energy

Kosovo Agency of Statistics has published the annual fourth quarter report of energy balance for 2018. The report consists of data with regard to coal production, energy consumption and energy imports and exports in Kosovo. Moreover, the Kosovo Agency of Statistics informs that Kosovo has imported 347.6 and it exported 88.6 GWh of electricity during the fourth quarter of 2018. Compared to 2017, the consumption of electricity has increased by 6% in the fourth annual quarter of 2018.

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Ministry of Economic Development releases informational Bulletin and video

The Ministry of Economic Development has released informational bulletins and a video. The Bulletin and the video discuss the issue regarding the lack of energy supply in the country. The lack of energy supply hurts Kosovo businesses with 330 million euros a year, a sum which translates to 3,400 euros every month. According to the informational content, this fact also hurts the GDP.

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Minister Lluka: I am adamant to increase the transparency, competition, and energy mix

The Minister of Economic Development, Valdrin Lluka, has informed the public about a workshop he attended. The workshop was organized by the European Bank for Reconstruction and Development, and many important international energy actors were present, such as the Director of the Energy Secretariat in Vienna, Janez Kopac, EBRD director in Kosovo, Neil Taylor, Acting Chairperson of the Board of the Energy Regulatory Office, Arsim Janova, officials from KOSTT and the Greek Regulator, in addition to civil society which were represented by Visar Azemi, KOSID. Lluka said that he is committed to increasing transparency, competition and a better mix of energy, whilst providing a cleaner environment for the citizens.

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This is what would happen if Ujmani was stopped for 10 hours

Marko Vulovic, the director of Ujmani lake, has spoken to Serbian media outlet B92, where he discussed the Ujmani lake. Considering that around 700,000 people in Kosovo get drinking water from the Ujmani lake, and that this lake is used to cool down the Power Plants in Kosovo, this lake is of immense importance to Kosovo. Vulovic has said that if they cut down water supply from this source, considering the tax imposed on Serbia, then many people in Kosovo would suffer. In addition, he also complained that Kosovars do not pay bills regarding this water source which is used by almost half of the population.

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With the rehabilitation of Kosovo B, production will increase for 60 MW

The Director of the Kosovo Energy Corporation (KEK), Njazi Thaçi, has been panning out plans for the future of KEK and the energy sector in Kosovo. After announcing a huge solar power plant project from the enterprise, he has now disclosed information about the future of Kosovo B. Thaçi said that the current production capacity of both blocks is low, thus the rehabilitation of Kosovo B is necessary. He said that the modernization of Kosovo B power plant, which will start in 2020 and ends in 2021, will increase capacities for 60 MW. Additionally, Thaçi also underlined the fact that the construction of "Kosova e Re" will bring stability to energy production in Kosovo.

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Backlash received due to the latest tendency of ERO to double the energy prices for consumers regarding security of supply

Balkan Green Foundation (BGF) and the Institute for Development Policy (INDEP) have reacted towards the newly published document 'Imposing of public service obligation for security of supply' by the Energy Regulatory Office (ERO). According to the above mentioned organizations, this initiative is in violation of the constitutional role of ERO, in violation of local and European laws and aims to legitimize the destructive contract for the construction of the power plant 'Kosova e Re'. According to INDEP and BGF, this document will isolate the energy market in Kosovo, while simultaneously creating an energy monopoly. Additionally, both institutions claim that ERO intends to push forward the construction of 'Kosova e Re' power plant, by transferring the financial burden directly to the end consumers. 'ERO has no mandate to find modalities to accommodate harmful contracts that the Government of Kosovo signs. Security of supply is a right that shouldn't be taxed to Kosovo citizens.'

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Bad weather conditions have damaged the energy grid

Kosovo has been facing bad weather conditions these last few days, even though temperatures increased, high amounts of wind have been present in the territory of Kosovo. Consequently, there have been damages to different properties; this has also affected the energy grid in some regions of Kosovo. Prishtina, Gjilan, Prizren, and Ferizaj have faced damages due to bad weather, however, KEDS has identified these issues, and its teams are now working on solutions for which they said will take a little more time as short-term fixes are not possible due to weather conditions.

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Kosovo producers face obstacles due to ERO

The Energy Regulatory Office (ERO) has been facing criticism for the way they handled bureaucratic procedures for large and medium-sized projects regarding renewable energy. Different businessmen from Kosovo have made statements regarding the problems they have for generating energy. They have claimed that they are not being allowed to use their self-invested renewable energy production mechanisms. This is due to regulations stating that these businesses cannot produce more than 100 KW. ERO was contacted about the issue, however they refused to comment on the situation. The manufacturers have claimed that they lose hundreds of thousands of Euros due to energy issues.

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KEDS says that a local company damaged the transformer, citizens left without electricity

Inhabitants of one of the largest neighborhoods in Prishtina, mainly that of Veternik, have suffered power outages during the last day. The reason as to why this happened is because of a breakdown in one of the transformers located in the neighborhood. KEDS have spoken about this instance, and they have stated that the breakdown happened due to an accident by a local company, namely Dino Company. This is not the first time KEDS' equipment is damaged by private businesses, just last week there were two cases, one in "Muharrem Fejza" street in Prishtina and another one in Ferizaj.

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8 out of 10 people support the construction of “Kosova e Re”

The “Kosova e Re” power plant project has attained a lot of support from citizens of Kosovo. According to a survey conducted by the Ministry of Economic Development, eight out of ten people support the project. Citizens see the project as a very effective way in increasing economic growth, employment and foreign direct investments. Moreover, the International Monetary Fund (IMF) has indicated that the “Kosova e Re” power plant will promote sustainable economic and financial development in the Republic of Kosovo. The project is set to start this year, even though the World Bank announced that they will not support the project.

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Minister Hamza: Kosova e Re brings security in energy generation and supply

Minister of Finance, Bedri Hamza, held an interview for the show "Jeta në Kosovë", where he discussed various economic events and issues in Kosovo. Minister Hamza said that he believes that Kosovo has renewable energy sources, however, he said that the construction of “Kosova e Re” is necessary because it will represent security in energy production, something which, according to him, is lacking.

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Rukiqi: Kosova e Re, a very good incentive in increasing economic development and employment

President of the Kosovo Chamber of Commerce, Berat Rukiqi, was present on the KTV's "Rubikon". During the show, he was part of a panel discussing the current state of affairs in Kosovo in terms of the salaries and labor. During the show the panel discussed issues related to employment, finances of salaries, and future projects. Regarding the latter, Rukiqi mentioned the “Kosova e Re” project as a very good incentive in increasing economic development and employment. However, he said that the project will need certified workers according to European standards and, according to him, Kosovo lacks such workers. Moreover, Errold Belegu, Advisor to the Prime Minister of Kosovo, said that the project is important and he declared his disappointment with the 10-year delay which the project incurred.

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Environmentalists agree: energy from lignite is essential

It seems that environmentalists are also aware that energy from coal is essential to securing national energy base load, informs Gazeta Metro. Kosovo still needs to have a lignite base load, claims Besfort Kosova, researcher at Balkan Green Foundation for the investigative network BIRN, while presenting challenges of developing renewable energy projects in Kosovo. Earlier, Kosovo’s environmental organizations, led by the Balkan Green Foundation, opposed the Kosovo power plant project, though almost all countries in the region have begun construction or have warned of similar projects. Under the pressure by these organizations, the former World Bank President, Jim Yong Kim, stated that the World Bank is not

Co-generation in Kosovo

The Ministry of Economic Development has published an informative video on YouTube, where they explain new co-generation possibilities with the construction of “Kosova e Re”. The “Kosova B” Power Plant is currently the only source of co-generation in Kosovo. In addition to electricity, Kosovo B supplies with thermal heating 13,500 costumers. However, its co-generation capacity has the potential to double the number of customers. In the future, the new “Kosova e Re” power plant will increase the thermal heating capacity to supply 20,000 new customers.

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President Thaçi: MCC is reducing the inequality in the energy sector through scholarships

Millennium Foundation Kosovo (MFK) has launched in Prishtina the scholarship program for women’s education in the field of energy, called Women in Energy. Women in Energy scholarship program is a platform in support to Kosovar women and girls for studying in energy-related fields in Iowa, USA. President Hashim Thaçi was present during the ceremony, where he also held a speech. Thaçi emphasized that there is a lot of inequality when it comes to gender in the energy sector, thus he believes that this scholarship program will soothe that. In addition, Thaçi also said that these scholarships will prepare women all across Kosovo for the energy sector, which, according to him, will have a lot of investments coming in.

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Kosovo and Macedonia establish cooperation in the energy sector

Minister of Economic Development, Valdrin Lluka has met with Macedonian Minister of Economy, Kreshnik Bekteshi. The pair discussed various economic development issues with special emphasize being put on the energy sector. Lluka and Bekteshi expressed interest in gas projects, and the revitalization of 220kV lines towards Kosovo, projects which, according to them, will help both countries integrate in the EU Energy Market. Moreover, both ministers signed a Memorandum of Understanding in the field of energy. This agreement is expected to intensify bilateral relations in the energy sector, defining the priority areas for cooperation such as the electricity, coal, natural gas, renewable energy sources, energy efficiency, secure energy

interested in support Kosova e Re project or other coal projects in the world. Strangely, the same had withdrawn from World Bank to only join a company that develops and supports coal projects worldwide. According to Kosovo's energy strategy, Kosovo A will be closed down by the end of 2022 or beginning of 2023, when the generation of electricity begins at "Kosova e Re". In this case, Kosovo will witness a rapid decrease of pollution in Obiliq. Besfort Kosova from Balkan Green Foundation claims that the legal framework for RES projects in Kosovo is good, but its implementation is a rather different issue. The best solution to this would be the establishment of a multi-functional office, he says.

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Asllani: "Kosova e Re", the project with the lowest costs, and the highest benefits

Shkumbin Asllani, Kosovo Government's Legal Advisor, was present at a GAP-organized international economic study. The roundtable took place in the premises of the Energy Community Secretariat, and various energy issues were discussed. The main point of discussion was the "Kosova e Re" power plant, where Asllani presented the official stance of the Government regarding the issue. He believes that the government is fully in line with the Energy Community Treaty and Kosovo legislation. Moreover, he strongly believes state financial guarantees, fiscal exemptions, obligations for the market placement of energy generated by this power plant, land transfer and availability payments, do not constitute state aid.

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BGF and INDEP request contract termination: "Kosova e Re" increases the price and it hurts the environment

Balkan Green Foundation (BGF) and the Institute for Development Policy (INDEP) have published a research article, where they emphasize "Kosova e Re" and its effects on the environment and energy prices. According to them, the "Kosova e Re" project will bankrupt Kosovo economically, it will prevent the liberalization and integration of the electricity market, and represents a critical blow to the environment, health, and human rights. The article also mentions statements from the Director of the Energy Community Secretariat, Janez Kopač, who regarded the project as a violation of state aid legislation and free competition. Lastly, Balkan Green Foundation (BGF) and the Institute for Development Policy (INDEP), demand from Kosovo Government to terminate the contract, as they see it as the only option.

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supply, and the preparation of important infrastructural projects for electricity and gas. [Click here to read full article in Albanian.](#)

The Assembly fails to vote the new head of ERO Board

Members of the Assembly of Kosovo through secret ballot have voted for ERO board chairperson, however, this vote resulted to be insufficient as it did not meet the required quota of votes. The two candidates who received the most votes for Chairperson of ERO Board were Bekim Jakupi with 35 votes and Petrit Pepaj with 22 votes. However, this vote has to be repeated, until the one of the latter wins the vote in a qualified majority.

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Energy has not yet been discounted for residents of Obiliq

Obiliq residents continue to pay electricity at the same price as other citizens in the country. Even though the Obiliq Law was adopted three years ago, the residents of this area still pay the same sum as other residents in Kosovo. The Energy Regulatory Office, through a written response, told KTV that defining a date when residents will pay cheaper energy prices is currently impossible. However, the Municipality of Obiliq has said that they might pay for half of the inhabitants of the Municipality, through their own budget.

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Renewable Energy

Wind energy producer from Turkey is providing around 30 thousand megawatts to the energy supply operator

Even though Kosovo is facing issues regarding hydro-power plants, two new projects have emerged, these projects will produce energy through the use of renewables. The first company is "Kitka" of "Air Energy" in Kamenica, which started work in the autumn of 2018, and it has reached an Energy Purchase Agreement (EPA) with ERO. The other project comes from a German-Israeli company named "SOWI Kosovo". The company has fulfilled the conditions specified in the Rule on Authorization Procedure for Generating New Generation Capacities, and has been granted the Strategic Investor status. Dardan Abazi from the Institute for Development Policy (INDEP) said that these investments in renewable energy are

taking place with a huge burden at a time when Kosovo should overcome old methods of supporting these investments, mainly methods like incentive tariffs.

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Kosovo: Addicted to Coal, Dreaming Green

As Kosovo's government ploughs ahead with a plan to build a new coal-fired power plant, green energy advocates say renewable sources have big potential, despite the challenges. The announced construction of a 170-million-euro wind farm in Kosovo has fueled debate over the potential of renewable energy in a country blighted by air pollution and reliant on burning coal. But while experts say the potential is there, the challenges are considerable, not least from a government committed to building a new coal-fired power plant. The article features a Balkan Green Foundation (BGF) researcher, a local businessman, ERO and KOSTT, explaining on the RES potentials and challenges. Besfort Kosova (BGF) explains that having in mind the current demand for electricity, Kosovo shall fight to be 100% dependent on renewable, however, 'Kosovo still needs to have a base-load coming from coal', he explains for BIRN. Kosovo A and Kosovo B power plants produce 850 megawatts of electricity but are very old, non-efficient and they highly pollute the air. In December, Prishtina presided over the global rankings of the air quality index as the most polluted city in the world due to its exposure to hazardous particle levels. Another challenge noted by KOSTT is the balancing of system while the lack of a multi-functional office was noted as a challenge by BGF. Such a 'one-stop-shop' would provide all the information and licenses with regard to RES projects in Kosovo.

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KEK announces huge solar panel project

KEK has announced one of its most ambitious projects to date, mainly that of installing solar panels. KEK is planning to build a large solar panel station in its current facilities in Obiliq. The solar park will be one of the largest in the region, and will be installed in the degraded land where coal was extracted during the past decades. This project will be called "The Green Wall", and is set to be built in partnership with the Municipality of Obiliq. A KEK official has stated that the project is perfect due to the fact that KEK already possesses land, network, distribution and all the necessary infrastructure and experience. Moreover, this project will have positive effects on the citizens, as they will be supplied with energy from this source, with a very low price.

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Solar Panels, the system that reduces energy bills

ESCO, a local company in Kosovo, has been developing solar panels which are being sold for household use. These solar panels help citizens save on their energy bills, while having a secure energy supply, especially during the summer season. These solar panels have proven to be very effective in reducing energy bills, with costumers reporting 70% to 90% decreases in their energy bills.

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Regional picks

EU said to be considering carbon tax for Western Balkans

The EU is said to be considering the introduction of a carbon tax for the countries of the Western Balkans, David Žarković, head of open market trade at public power utility Elektroprivreda Srbije (EPS) has said, adding that this could lead to a major electricity price hike. All those who emit CO2 in the EU have to obtain CO2 emission allowances under the EU ETS, either by purchasing them or receiving them for free. These units are in fact a CO2 tax, and the current price of CO2 allowances is between 22- 24 euros per MWh. The introduction of the EU ETS in the Western Balkans is not planned, Žarković said, noting, however, that the introduction of a carbon tax would have a major impact on electricity prices. According to Žarković, the price for CO2 is currently about 24 euros per MWh in the EU.

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Environmentalists seek tougher EU curbs on Balkans coal power plants

Some environmentalists have urged European Union policymakers to take fierce action on air pollution from power plants in the Western Balkans. According to them, in all over Europe, 3,900 people die every year as a result of air pollution coming from coal power plants. The report said the Western Balkans power plants caused pollution across the EU and beyond that caused healthcare costs of up to 11.5 billion euros (\$13.02 billion) a year. Moreover, the regional countries plan to add 2.7 GW of new coal plant capacity in the next decade, mainly financed by Chinese banks, the report said, adding that most plants would not meet the EU's pollution control rules.

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Serbia aims to increase its influence in the region through electricity

As stated in their Energy Strategy, Serbia is planning to construct a few lignite power plants, that sum a total of 2,400 megawatts of new installed generation capacities. Serbia is aiming to strengthen its energy generation capacities with the implementation of different lignite projects. Kostolac B3 is one of the main projects with 350 megawatt power, while 2350 megawatts are planned in Bosnia and Herzegovina, mainly in the territory of Serbia. An additional power plant is announced in Montenegro, in a city that is mostly populated by the Serbian minority of the country. With these investments Serbia aims to become the regional leader in terms of energy, with other countries like Poland and Greece joining the bandwagon.

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Germany finances a lignite fired power plant in Greece

The construction of lignite-based power plants has become a trend in the Balkan region, however this practice is also being seen in EU countries. Greece has announced the construction of a new power plant named Ptolemaida V, financed by a loan from KfW – IPEX and guaranteed by the German Credit Export Agency, Euler Hermes. In comparison to Germany, France is also heavily involved in supporting coal sector in developing countries, with 1.2 billion euros invested between 2011 and 2014. Meanwhile, Kosovo has also announced the replacement of the Kosovo A power plant with the new high efficient power plant of 500 megawatts, Kosova e Re. The new power plant is expected to bring sustainable energy supply to citizens of Kosovo.

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Serbia plans the construction of a new power plant in 2020

Serbia has joined the new trend between Balkan countries of constructing new lignite power plants. This was confirmed by the Serbian Energy Minister who said that Kostolac B3, Serbia's new 350 megawatt power plant, will begin production by the end of 2020. Moreover, according to Serbia's energy strategy, they plan to build new lignite capacities with a total capacity of 2,400 megawatts. With this policy, Serbia aims to become the regional leader in energy, with other countries like Greece, Bosnia & Hercegovina, and even Poland joining the bandwagon. On the other hand, Kosovo has also announced the construction of lignite-based generation capacities of 500 megawatts.

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Poland closes down an old power plant, constructs a new one from coal

Lignite power plants are being seen as a burden in EU countries, however this is not the case with Poland. Poland has decommissioned the old power plant Ostroleka A, in order to open way for the construction of a new plant named Ostroleka C, with a total installed capacity of 1000 megawatts. The new unit will replace the decommissioned 50-year-old unit, which was seen as a strong polluter. This trend of investments in lignite capacities has been present in Europe and the Western Balkans, with other countries like Serbia, Bosnia, and Kosovo announcing projects.

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Germany destroys old power plant with 250 Kg of explosives

The Gustav Knepper power plant in Dortmund-Mengede, Germany, was leveled by two controlled explosions on February 17. The facility had been closed for five years. The plant's boiler house was brought down first. A 210-meter chimney and 128-meter cooling tower were leveled in a second blast. German energy company E.ON had operated the plant, which closed in 2014 due to falling wholesale power market prices and expiring supply contracts with major customers.

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Kick-off meeting held for Croatia-Serbia-Bulgaria market coupling project

The kick-off meeting for the initiation of a trilateral power market coupling project between Croatia, Serbia, and Bulgaria (HR-RS-BG) was successfully held on February 13 in Belgrade, the South East European Power Exchange (SEPEX) said on its website. The meeting was attended by all main stakeholders – transmission system operators (TSOs) HOPS, EMS, and ESO, power exchanges CROPEX, SEPEX, and IBEX, and national regulatory authorities – the Croatian Energy Regulatory Agency (HERA), the Energy Agency of the Republic of Serbia (AERS), and the Energy and Water Regulatory Commission of the Republic of Bulgaria (KEVR). The initiative was welcomed by all parties involved. A joint commitment was confirmed to provide all necessary efforts and resources in order to ensure project feasibility and its timely implementation, the IBES said on its website. The final goal of the project is to implement trilateral market coupling within the multi-regional coupling (MRC) framework which is expected to provide long-term benefits for market participants and consumers within the current initiative.

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Western Balkan countries once again commit to clean energy development, as EU warns them about hydropower

Western Balkan countries are renewing their vows to switch to clean energy sources under joint statements and declarations. However, the EU is calling for caution when it comes to hydropower, warning that the construction of hydropower plants (HPPs) must be in line with the sustainable development principles and the future EU requirements for countries in the region. At the same time, civil society organizations are calling for giving up on HPP construction over their adverse environmental impact. The energy transition has been troubling all the governments in the region, and additional problems have occurred after citizens and the civil sector started rallying against the construction of small, but also large HPPs, which are renewable energy sources. There is also growing dissatisfaction with air pollution, largely caused by fossil fuels used in power plants, for household heating, and in transport.

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