



Energy Monitor

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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 Energy Supply in Kosovo

KOSTT, OST sign deal to establish Kosovo-Albania regulatory bloc

Kosovo's transmission system operator KOSTT and Albania's transmission system operator OST have signed an agreement on establishing a regulatory bloc of Kosovo-Albania energy system, KOSTT officials stated in a press release. While operating as a regulatory bloc consisting of two regulatory zones, KOSTT and OST, the new regulatory block aims to make the operation of the two power systems easier both technically and economically. ENTSO-E is familiar with the agreement between KOSTT and OST, which was signed in Tirana with the consent of the two national energy regulatory agencies – ERO (Kosovo) and ERE (Albania). According to KOSTT, this agreement is a prerequisite for the independent operation of KOSTT and is expected to enter into force in April 2020, following the signing and start of the implementation of a new interconnection agreement between KOSTT and ENTSO-E.

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What are the wind energy capacities of Kosovo?

Kosovo's energy options study by World Bank lists a few less-costly energy supply options for the country, while considering energy generation by wind renewable sources as an efficient option in this regard. According to this World Bank report, until 2020 Kosovo is estimated to have 150 megawatts of wind-installed capacities. In order to promote investments in the sector, ERO has established an authorization procedure and a guaranteed purchase price of 85 euros per each megawatt of electricity produced by wind energy for a 12-year period. A wind project of 105 megawatts is already given final authorization whereas another one of 32.5 is also being constructed, notes World Bank report.

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Kosovo expects million-euro profits after secession from Serbia's energy bloc

Kosovo anticipates profits of several million euros a year after it has detached from Serbia's energy bloc and joined a unified one with Albania, according to KOSTT representatives. The CEO of KOSTT, Ilir Shala, stated that since 2008 until now, Serbia has illegally used the transmission network of Kosovo, and has collected profits of 65 million euros. The acting Minister of Economic Development, Valdrin Llluka, stated that Kosovo suffers from financial losses of 12 million euros annually, caused by the System Operator in Serbia, that continues to collect intra-border transmission Kosovo incomes. Regarding Kosovo's financial losses, Llluka notes that the annual not-paid electricity consumption in the North of the country, which is widely populated by the Serb ethnic minority group, reaches 10 million euros, previously regarded as a commercial loss. The interconnection line between Kosovo and Albania, which was completed three years ago, still remains inactive due to issues of Kosovo with Serbia, despite of the already signed energy agreement between the two countries in 2013.

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The ministry banned the sale of coal, citizens are selling it online

Kosovo, especially Prishtina and its surroundings, is considered one of the countries with the unhealthiest air in the world. Citizens are at risk of air pollution every day and are subject to it every year, despite of ongoing calls and alarms. So far, power plants and the usage of coal for domestic heating and old vehicles, are considered to be the biggest cause of air pollution. Regardless of the ban by the Ministry of Environment and the Municipality of Prishtina, coal continues to be sold throughout the city, via other illegal means, such as online selling. The sellers come mainly from the Municipality of Obiliq, whereas in their sale announcements, they proclaim that they sell and transport coal by KEK, and the price for one bag is 2 euros. Mayor of Prishtina, Shpend Ahmeti, notes that most of the pollution comes from the use of coal for domestic heating. The values have slightly improved, due to the efforts of KEDS in fighting commercial misuse of electricity, however, coal remains to be the cheapest heating alternative and its use is widespread among the population.

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EU funds help Kosovo fight unhealthy air pollution

The European Union is investing more than 80 million euros to improve the air quality in Kosovo, whose capital, Prishtina is choking from pollution by coal-based power plants, coal, and wood heating in homes and old vehicles on the roads. Luigi Brusa from the European Union office in Kosovo, stated that during the last few days the air in Pristina was like that of Beijing, considered one of the most polluted cities in the world. Schoolchildren wore masks when walking to schools in the foggy capital. To highlight the problem, air masks were also put on statues of Mother Teresa and former U.S. Secretary of State Madeleine Albright. Smoke coming from the Kosova B power plant in Obiliq, 10 kilometers (6 miles) from Pristina created a regular cloud over the capital. Brussels has signed a contract with Kosovo authorities to invest 76 million euro (\$83 million) to refurbish the plant, starting in May next year, to reduce the dust it produces, according to Brusa. The EU is also investing 7 million euros (\$7.6 million) to increase the capacity of the central Termokos heating system for 2,000 more households, or about 10,000 residents, including schools and kindergartens.

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Solar energy – Kosovo`s chance to forget about Hydropower plants

Though Kosovo is rich in coal as its main energy supplier, it must invest in solar energy as an alternative that is kinder to the environment. Energy experts conclude that Kosovo has a favorable climate for solar and even wind energy. According to them, without the help of investors, it is unlikely that Kosovo will reach the set standard from the EU to have 30% of energy sources as renewable. Visar Azemi, Executive Director of Balkan Green Foundation and coordinator of KOSID spoke about the standards set by the EU for renewable energy, and stated that they are going to be difficult to reach, if biomass and/or wood burning is excluded. Azemi added that Kosovo should create better conditions for investors, to invest in renewable energy as much as possible, prioritizing solar and wind energy before hydro-based energy due to environmental reasons.

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Kopac: Serbia was aware that Kosovo was detaching from its energy regulatory bloc, electricity theft in the North has come to an end

Janez Kopac, the Director of the Energy Community Secretariat, said that Serbia's energy market operator EMS and ENTSO-e, were both aware of the signing of the energy agreement between Kosovo and Albania market operators, by which both parties agreed to set up a common energy market. As Kopac estimated, the transmission problems between Kosovo and Serbia should not be given political connotation, as perceived in Serbia. "The inter-connections are purely operational and intend to optimize energy reserves", said Kopac. He explained that the problem between Kosovo and Serbia is multi-dimensional, as there are many open issues with debts between the two operators – KOSTT and EMS. The Energy Community has initiated legal proceedings against Serbia for the breach of contract on the establishment of the Energy Community, explains Kopac.

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New Energy Investments

Ambassador Kosnett discusses energy sector and Kosova e Re at Jeta ne Kosove

U.S. Ambassador in Kosovo, Philip Kosnett, has discussed his expectations for the new Kosovo Government for BIRN's televised program 'Jeta ne Kosove', outlining the U.S. position on energy policies, Kosovo-Serbia

Other Relevant picks

2019 was a very successful year for KEK

KEK evaluates that the last year was very successful for the corporation.

Representatives of KEK claim that during 2019, the company was subject to additional

relations and the operations of U.S. companies in Kosovo. Regarding energy policies, Kosnett stated that the position of the U.S. Government is that Kosovo needs affordable and sustainable energy, which will also address the public health problems that Kosovo is facing. Regarding the construction of Kosova e Re, Kosnett stated that he believes there are additional options; however, he added that he has still not seen a plan that can produce affordable and reliable energy. "If someone can come up with a plan that is going to work and addresses all these elements, I look forward to reading that and discussing it with all stakeholders", stated Kosnett.

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Lluka: The faith of Kosova e Re power plant lies with the upcoming Government

Construction of the "Kosova e Re" power plant is facing delays due to the lack of a functioning Government, but the key problem remains the lack of funding for the project. Lluka notes that the Government needs to be established as soon as possible in order to enable the project implementation. According to Lluka, the process of financing is not completed and that is a slightly bigger problem, since each party needs to implement its part by May 2020. He stated that they are waiting for an answer by OPIC by March 2020. Lluka demands from all the political parties to discuss over the importance of the project. He also notes that the project financing part is a responsibility of ContourGlobal. Lluka emphasized that in case Kosovo is found guilty for the project failure, it will cost 19 million euros to the country, but according to him, there is no room for that to happen.

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A new biomass heating plant to be constructed in Gjakova

EU's Ambassador Nataliya Apostolova together with Gjakova Mayor Ardian Gjini and the Acting Minister of Economic Development Valdrin Lluka inaugurated the construction of a new heating plant, a 14 million Euro investment of the European Union. In one year-time, the citizens of Gjakova will start to benefit from the construction of a new modern biomass heating plant. Acting Minister of Economic Development, Valdrin Lluka, states that the heating plant will serve as a managing model for other enterprises. Lluka also informs that the plant is the first of its kind in Kosovo, as it runs on biomass. "We have another project waiting in line, regarding the expansion of the heating services without the further increase of capacities", said Lluka during the inauguration speech.

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SOWI Kosovo signs the financial closure for Bajgora Wind Park project of 105 megawatts

Kosovo, which largely relies on lignite for its electricity, will soon start benefiting from a cleaner supply of energy, the biggest wind farm in the country, thanks to a €58 million loan from the European Bank for Reconstruction and Development (EBRD). The loan will cover about half the cost of construction and operation of the 105-MW Bajgora wind farm in the north of the country. Erste Group Bank and NLB Bank, both benefiting from cover provided by the German export credit agency Euler Hermes, will provide the remaining funds. When completed, Bajgora will be the largest

5 million-euro profits, compared to the previous year. The KEK board executive, Faruk Hajrizi, states that the corporation had expanded in many directions, and promises that the same developing trend will continue in the coming year as well.

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A municipality reacts harshly to recent frequent energy shortages, citizens from all over Kosovo report issues with electricity supply

Local institutions in the city of Vitia have published a 'harsh' reaction against the recent frequent issues with electricity supply. Except for the city of Vitia, citizens of Peja, Istog, Mitrovica, Prizren and Gjilan have also reported very frequent electricity shortages and demand that the situation improves. However, KEDS has informed that as result of very strong winds, a number of issues have appeared with the old distribution network, such as pole dismantling or wire cuts. KEDS also informs that it has increased the number of emergency teams, and it has intensified its investments in the network, in order to avoid such problems in the future.

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Prishtina residents use coal for heating regardless of the highly polluted air

Prishtina is among the 10 places with the most polluted air in the world. Afghanistan is leading the list, followed by Pakistan whereas 10th place is given to our capital, right after India. Power plants, coal consumption by households and the old vehicles, are identified as biggest sources to air pollution. However, residents of Prishtina continue to use coal as source for domestic heating's, at houses and apartment buildings.

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Minister Matoshi shows what measures are envisaged if a state of emergency for polluted air is declared

Acting Minister of Environment and Spatial Planning, Fatmir Matoshi, informs that the Government of Kosovo has approved a 10-year strategy on climate changes in June this year, but its implementation seems to not be an easy task. While listing a number of mitigating measures that are being implemented, Matoshi explains that the level of air pollution is not yet at the emergency levels. The Ministry, he points out, has been monitoring public institutions and all those

electricity plant constructed in Kosovo since the 1980s and represents a major step forward in Kosovo's energy transition.

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who do not respect the decision on coal ban will be punished. The acting Minister Matoshi, informs that if Kosovo declares a state of emergency due to contaminated air, it could impose a temporary ban on use of vehicles and the temporary interruption of electricity generation by power plants, which would seriously endanger power supply.

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Energy Distribution

Four substations and a new network for residents of Llausha

In Llausha of Podujeva, KEDS has finished one project for improving the energy network, by placing four pole-mounted substations. To this investment of KEDS rejoice 110 customers of this side, which now will have a safer energy supply. This has made possible to improve the energy situation for the residents of Llausha significantly, given that until now they have faced major problems with electricity. KEDS is continuing investments in energy network throughout Kosovo.

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60 new participants become part of KEDS Academy VII

KEDS announced that it has selected 60 new candidates to become part of its CSR awarded program, KEDS Academy. The seventh edition of KEDS Academy has gathered 40 students from technical high schools and additional 20 university students, in a one-year training program, in order to increase their professional and academic capacities by offering training, internationally accredited certification and employment opportunities. So far, the program managed to successfully certify 300 students. Most of the participants have already become part of KEDS, with many having high-ranking positions in the company. The Academy was also positively evaluated by a number of world organizations, and it is subject to many awards in the field of corporate social responsibility.

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Regional & International Picks

Nord Stream 2: Trump approves sanctions on Russia gas pipeline

President Donald Trump has signed a law that will impose sanctions on any firm that helps Russia's state-owned gas company, Gazprom, finish a pipeline into the European Union. The sanctions target firms building Nord Stream 2, an undersea pipeline that will allow Russia to increase gas exports to Germany. The U.S. considers the project a security risk to Europe. Both Russia and the EU have strongly condemned the U.S. sanctions. Congress voted through the measures as part of a defense bill and the legislation, which described the pipeline as a "tool of coercion", was signed by President Trump.

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Campaigners demand EU action against Western Balkan heavy polluters

Most Western Balkan countries have failed to fulfill the first requirement to meet European Union industrial emissions standards despite commitments governments made in 2005, environmental campaigners warned on Tuesday. Total Sulphur dioxide (SO₂) emissions in EU aspirants Serbia, Bosnia, North Macedonia and Kosovo in 2018 were six times higher than the 98,696 tonne ceiling set by the bloc, according to a report to be presented to the European Parliament by Central and Eastern European advocacy group CEE Bankwatch Network. In Serbia, the Kostolac B1 and B2 coal-power plants alone emitted more SO₂ than permitted in total for the four countries by the Energy Community, a body that transposes EU energy standards to the bloc's neighbors. The campaigners demanded the EU impose a tax on carbon dioxide or a border carbon tax to ensure the region's heavy polluters stop using a lack of investment in pollution control as a market advantage when exporting power to the bloc. Bankwatch said the EU should also give more power to the Energy Community, strengthen its dispute settlement mechanism and ensure adequate penalties in cases of non-compliance. [Click here to read the full article in English](#)

The major natural resources of North Macedonia, the country will start coal imports as of 2025

Since independence, the economy of North Macedonia has undergone considerable reforms. The country is considered an open economy with trade accounting for about 90% of the GDP in recent years. North Macedonia's reserve has been boosted by privatization, and it hosts several natural resources including precious minerals such as gold, iron ore, silver, copper ore, manganese, and lead. Other major resources include non-metallic minerals, arable land, and agricultural

