DEAR READER,

ENERGY MONITOR represents a comprehensive media summary of selected energy related local and regional media articles. The newsletter is sum-moned by the American Chamber of Commerce in Kosovo, however, it does not reflect views and opinions of the Chamber on energy issues in Kosovo. Should you require any further information, please do not hesitate to contact us. Should you want your email address unsubscribed from the list of recipients, please send an email to energymonitor@amchamksv.org, containing the word ‘UNSUBSCRIBE’ in the subject part.

REPORTING PERIOD: FEBRUARY – AUGUST 14, 2020
Security of Energy Supply in Kosovo

Joint electricity network between Kosovo and Albania is now operational

The Prime Minister of Albania, Edi Rama, has announced that the joint electricity network between Kosovo and Albania has been put into operation. "Before leaving Prishtina, we have confirmed some very long-awaited news, which are welcome regarding the entry in operation of the joint electro-energy network and the large investment of interconnection between Albania and Kosovo, thanks to the involvement of Kosovo in the common energy market.” Has stated Rama. The Operator System, Transmission and Electricity Market of Kosovo (KOSTT) and the Operator of the Transmission System of Albania (OST), had signed the agreement for the establishment of the Regulatory Block of Kosovo-Albania Energy Systems (AK Block).

Kosovo benefits 9.4 million euros from the Energy Efficiency and Renewable Energy Project

The Ministry of Finance and Transfers in Kosovo and the International Association for Development which is part of the World Bank have signed their next agreement for a grant worth 9.4 million euros. This agreement aims to financially support the Project for Energy Efficiency and Renewable Energy. As a result of this project, Kosovo will have a more efficient use of energy in public buildings as well as an advancement of the policies and regulatory environment in the renewable energy sector. This grant is the continuation of the one signed on April 27,2020 worth 2,785,000 dollars.

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KOSTT is officially an Independent Regulatory Area within the Kosovo-Albania bloc

The agreement between the System and Transmission Operator (KOSTT) and the European Network of Energy System and Transmission Operators (ENTSO-E) was signed after its approval in April by the Continental Europe Regional Group (CERG). KOSTT, by voting on this agreement in April, has gained energy independence from Serbia and independent operation as a Regulatory Zone within the Kosovo-Albania Regulatory Bloc. The new KOSTT/ENTSO-E connection agreement is expected to enter into force in autumn. Benefits from the operationalization of this agreement are plenty, including among other things, the collection of revenues from the use of the interconnection transmission network that captures the average annual value of 4-8 million euros from transit 0.5-1.0 million euros, and the commissioning of the full interconnection line 400 kW, Kosovo – Albania.

KEDS: Electricity supply continues uninterrupted

With the beginning of the first cases of COVID-19 in Kosovo and when the World Health Organization declared the global pandemic, KEDS staff and management were mobilized to give it their all so that the electricity supply in Kosovo is stable and constant. This period has not been easy, but thanks to the great dedication of the staff, KEDS has worked tirelessly to keep the energy system balanced. Functioning of work at KEDS is essential to the proper functioning of hospitals, water supply, factories that produce the necessary medical and protective equipment, to the media that keeps the citizens informed, as well as for the power supply of electronic equipment that enable daily communication by working from home or for communication with loved ones.

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ERO extends KESCO’s deadline for supplying citizens with electricity until March 2021

The Board of Energy Regulatory Office has decided to extend the term of the Public Service Obligation to the electricity supply operator KESCO JSC., for the supply of customers who enjoy the right of universal supply, until March 31, 2021. The decision on the Public Service Obligation was initially taken by the Board of ERO on January 18, 2017, in which case the competition in the electricity market in the country was assessed and it was concluded that there is no effective competition, due to the lack of functioning of other electricity operators in the electricity supply market. The Board of ERO has decided to issue a license for the production of electricity from renewable energy sources, to the company “Hidroenergji” LLC, for the operation of the hydropower plant “Lepenci 3“, with a capacity of 9.98 MW. This decision was taken after the company has met all the requirements arising from local legislation for the regulation of these activities.

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Kosovo will benefit millions of euros from energy independence

Following Kosovo’s independence in the energy field, the country can use the 400 kV interconnection with Albania as a common energy market. Kosovo’s benefits will be in collecting revenues from the international network, which according to experts in the field of energy, so far, the beneficiary of said revenues has been Serbia. Chief Executive Officer of KOSTI, Ilir Shala, claims that Kosovo’s benefits from now on depend on the energy service in the international network of Kosovo, while adding that revenues reach the value of somewhere between 4 and 9 million euros on an annual basis depending on energy flows in our international network. The benefits of this agreement during and after the implementation are obvious, with the fact that so far, the Serbian side has collected revenues from the use of the international transit network through Kosovo. These revenues that have been illegally collected by the Serbian side from 2008 to the end of 2019 are over 65 million euros “, declares Shala.

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Eurostat: Kosovo has the lowest electricity prices in Europe

According to a report by the official EU statistics agency, Eurostat, Kosovo’s domestic consumers pay the lowest electricity prices in Europe. The recently published report that deals with the analysis of the second half of 2019, states that electricity prices per household in Kosovo were 6.1 euros per 100 kilowatt/hour. Meanwhile, other countries in the region have much more expensive prices. Household customers in Bosnia pay 8.71 euros per 100 kilowatt/hour or 44% more than in Kosovo, while those in Albania pay 9.1 euros or 50% more. Eurostat is constantly monitoring changes in electricity prices both inside and outside the European Union and is responsible for publishing high-quality statistics across Europe that enable comparisons between countries and regions.

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ContourGlobal abandons €1.3 billion coal-fired power station project in Kosovo

U.S. company ContourGlobal announced its decision on March 17, 2020 to cancel the 500 MW Kosova e Re coal-fired power plant project in Kosovo, which was estimated to cost €1.3bn. The project would have been the largest-ever energy investment in Kosovo and was intended to stabilise the country’s energy supply and to boost economic growth. The new Kosova e Re power plant was to have replaced the outdated Kosova A thermal power plant, one of the largest polluters in Europe. The new power plant was also expected to improve the power supply in Kosovo and to promote the country’s economic development. Former Kosovo PM Haradinaj forecasted in January 2019 that Kosovo’s economic growth would reach 7% partly as a result of the investment.

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SOWI Kosovo’s projects to produce wind energy to be completed by 2021

SOWI Company will invest approximately 170 million euros in implementing new projects, 58 million of which were secured through a loan by the EBRD. This project is also financed by Erste Bank and NLB Group, while 30% of the cost will be financed by the owners of the project. In addition to implementing 27 wind turbines in Selac to produce energy, these projects foresee building a powerline as well as multiple development investments in the infrastructure of the Bajgora region, including here the road infrastructure from which citizens of the region will benefit as well. By producing green energy without negative environmental impacts, this project is estimated to improve the electric energy supply in Kosovo as well as aid Kosovo on its way to integration to the EU, as producing green energy is a precondition to this process. When completed, the Bajgora project will account for approximately 10% of the country’s energy capacity and prevent the emission of 247 thousand tons of carbon dioxide.

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OTHER RELEVANT PICKS

KOSTT’s CEO signs a memorandum agreement with Swissgrid

Within the framework of commitments to promote partnerships, co-operation and integration into international mechanisms, the Chief Executive Officer of the Kosovo System, Transmission and Electricity Market Operator (KOSTT) Ilir Shala has signed a Memorandum of Understanding with the Swiss Transmission System Operator (SwissGrid).

“This will be an excellent opportunity for our operators for professional development and preparation for new responsibilities which KOSTT will soon have with the start of independent operation within the Kosovo-Albania Regulatory Block and the signing of the new connection agreement with ENTSO-E”, stated Shala.

Both companies welcome this cooperation that will be mutually beneficial and will support the overall stability of the electricity transmission network throughout Europe.

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KEDS invests over 16 million euros in Prishtina

KEDS Director Alper Erbas, along with the Mayor of Prishtina, Shpend Ahmeti, have inspected the work process from KEDS investments in the capital city.

"By next year, the entire medium voltage and over 70% of the low voltage network will be placed underground. After it is completed, 90 thousand out of 120 thousand customers of Prishtina will have alternative energy supply", stated KEDS's Executive Director Alper Erbas.

Meanwhile, distribution capacities will be doubled through the replacement of all cables with new ones with a capacity of 20 kW opposed to 10 kW as they are now. This investment in electric energy distribution amounts over 16 million euros.

"We are monitoring the work that KEDS is doing in the municipality of Prishtina, KEDS is making an investment of over 16 million euros in improving the situation in Prishtina by improving the power supply from 10 kw to 20 kw that offers stable electricity” stated the Mayor of Prishtina, Shpend Ahmeti.

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KEDS will invest approximately 2 million euros in Podujeva this year

KEDS has allocated approximately 2 million euros this year for the implementation of 66 projects, from which close to 10 thousand citizens in Kosovo will benefit from, respectively those in the municipality of Podujeva. Over 200 thousand meters of cables will be laid in the low voltage network and close to 900 old poles will be replaced with new concrete poles.

ERSO Board decides that electricity tariffs will remain unchanged

The Board of the Energy Regulatory Office (EROS) has held its third session for this year, which due to the situation created by the COVID-19 pandemic took place without the presence of the public. Based on the proposal for final tariffs for end customers, which are supplied by the Universal Service Provider (KESCO), the Board of ERO has decided that the same remain in force as in the previous tariff structure.

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USAID provides support to KEC

The Acting Chief Executive Officer of the Kosovo Energy Corporation hosted USAID representatives at a meeting, where among other things, the security of electricity supply was discussed. According to KEC, knowing that this is essential for the country's economic development, USAID has provided the opportunity for cooperation in this field in the future. USAID has consistently supported KEC and in this meeting it has been confirmed that the cooperation will continue. Acting KEC CEO informed USAID representatives about the maximum commitment of the management team and all of KEC’s staff in overcoming the challenges the country is facing due to the emergency situation created by the COVID-19 pandemic. Further, the acting Chief Executive provided the opportunity and space for cooperation between KEC and USAID to deepen and materialize with the implementation of projects that Kosovo’s citizens will benefit from.

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Through these investments, long-term solutions are made in the electricity network. In this municipality, through the modernization of the network, customers will receive quality and safe electricity services. In some locations the network is being placed underground and in other areas it is being replaced with entirely new poles.

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KEDS with a modern grid in Qafa neighborhood in Prishtina

KEDS is heavily investing in the Qafa neighborhood in Prishtina. Over two thousand consumers of this neighborhood, including tens of businesses will have a grid which is compatible with the most advanced European grids as well as a more qualitative electric energy supply. The grid installed two years ago has almost finished its life-span. With the increase in the number of inhabitants in this neighborhood, the demand for electric energy has increased as well. Network overloads which in the past have caused energy cuts are being eliminated completely. Old facilities which do not comply with the new energy technology are being replaced by new ones. KEDS is also replacing electric transformers, building a new medium tension grid and is increasing the capacities of electric energy supply. This way alternate lines are being created, meaning that if one exit is malfunctioning, the supply immediately moves to the alternate exit, therefore the consumers will not face an electricity shortage.

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MFK announces first internship positions from the program "Women in Energy"

Millennium Foundation Kosovo (MFK) has opened the first ten positions for paid internships for women in the energy sector. These ten positions are part of a total of 200 positions that will be opened in the upcoming months for all girls and women who are in the final years of their studies, or have recently graduated but have not had the opportunity to gain professional work experience. The "Women in Energy" program will support women and girls who are studying in the fields of STEM (Science, Technology, Engineering and Mathematics), but also other disciplines, such as economics, marketing, finance, law, information technology and other fields interrelated and relevant to the energy sector.

Click here for the full announcement in English.

Three schools to benefit from the energy efficiency program

Three schools in the Municipality of Gjilan, are beneficiaries of the Energy Efficiency program, which is financed by the German Bank. This program includes energy efficiency measures such as: heating system, roof insulation, thermal insulation, efficient lighting, replacement of windows, etc. The Director of Economic Development in Gjilan Valbona Tahiri, thanked KfW and the Energy Efficiency Agency at the Ministry of Economic Development, as she estimates that the intervention with energy efficiency measures in public buildings will reduce the costs by 50%, thus creating opportunities for the Municipality of Gjilan to turn these savings into public investments and projects with an impact on economic development and at the interest of all citizens.

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Energy efficiency investments to begin

An agreement has been signed between the Kosovo Energy Efficiency Agency and the Kosovo Energy Efficiency Fund in the Ministry of Economy and Environment.

"The Government of Kosovo considers energy efficiency an essential part of strategic and economic planning therefore it is determined to contribute to achieving Energy Efficiency goals by creating energy saving incentives for citizens as well as open markets and applications of new businesses for EE technologies" stated the Minister of Economy and Environment Blerim Kuçi.

As a signatory to the Energy Community Treaty and as a signatory of the Stabilization and Association Agreement (SAA), Kosovo is obliged to transpose and implement the Acquis Communautaire related to Energy Efficiency. The Republic of Kosovo and its responsible institutions in the field of EE have expressed their will towards the fulfillment of the obligations deriving from the Energy Community Treaty. The Kosovo Energy Efficiency Fund is now operational under the Law on Energy Efficiency. Kosovo is the first country in the region to establish a financial mechanism for Energy Efficiency measures in all sectors of energy consumption.

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KEDS and KESCO sign women empowerment principles

The CEOs of the two companies KEDS and KESCO have signed the Women Empowerment Principles. "I proudly want to announce that KEDS and KESCO are the first companies in Kosovo to endorse the Seven Principles of UN Women, which are guides that help companies in empowering women in the workplace and in the community." stated the General Director of KEDS, Alper Erbas. KEDS and KESCO have also made concrete first steps in this direction by opening a separate room for mothers and babies within the company, setting up reporting boxes in each district as well as clear plans for the establishment of a Special Office for Gender Equality as well as organizing lectures for employees on gender equality. The signing of the Women Empowerment principles by KEDS is an indicator that the company is committed to strongly influencing the creation of an equal position of women in Kosovo’s society. The company is the first to sign these principles, paving the way for other Kosovar companies to do so.

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KEDS informs students on the electricity grid

On the international "Introduce Engineering to Women" day at the KEDS training center, a group of 50 girls from the "Xhemajl Mustafa" elementary school in Pristina, from first to fifth grade, were informed about the profession of an engineer. They had the opportunity to closely observe and learn how the electricity grid works, how workers are trained, what equipment they have and how they work, and how electricity is produced and distributed. Students had the opportunity to see a practical demonstration of the use of electrical equipment, including the process of climbing on electric poles, then what are the protective equipment, how to act safely, and how to control the pole, so as to not risk our lives.

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Kosovo Business Alliance (AKB) signs agreement with KEDS to improve its electricity supply

Kosovo Business Alliance (AKB) organized a press conference where they are set whereby they signed a memorandum of understanding and cooperation with KEDS and KESCO. The memorandum of understanding and cooperation was signed with the purpose of improving electricity supply for households and especially businesses. More specifically, the Kosovo Business Alliance has raised concerns regarding the increased energy tariffs, power outages, and the donation of transformers towards KEDS. According to AKB, all these instances contribute to huge losses incurred by businesses, through damages in equipment and other technology. Various representatives of businesses in the manufacturing, processing and service sector, as well as producers of construction material, will be present in the meeting

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KEDS: Future investments will supply the city of Drenas with electricity 24 hours

KEDS officials held a meeting in the Municipality of Drenas. There were discussions about the challenges that come along the way of the project implementation. One of the main topics of the discussion was the relocation of the poles to free space for the new stadium and traffic. KEDS announced that they will intervene to resolve the issues. KEDS is set to invest 3 million euros in Drenas.

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Energy balance in Kosovo during Q2 2020

Kosovo Agency of Statistics (KAS) has published the "Energy Balance" for Q2 2020 which presents data on coal production, data on energy production and consumption, energy imports, and exports. During the second quarter of 2020 (Q2 2020) the total value of coal production was about 1.96 million tons, while the gross amount of electricity produced in power plants was 1 512.0 GWh, and in hydropower plants it was about 100.2 GWh. Regarding the values of imported and exported energy respectively, during the second quarter of 2020, Kosovo imported 509.4 GWh of electricity, while it exported 643.1 GWh of electricity. Meanwhile, the amount of electricity for consumption in this quarter was 1 043.8 GWh of electricity. Compared to the same quarter last year (Q2 2019), the amount of electricity consumed has increased by 0.4%.

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U.S. Coal Power Generation Plummets 30% in 2020

Coal power fell by a record amount last year, and things have gone downhill quickly from there for the embattled sector. U.S. coal power generation plunged by 30% in the first half of 2020 off an already-depressed base, shoved out by natural gas and renewables amid low energy prices linked to the COVID-19 pandemic, according to new figures from the Energy Information Administration. Since its peak in 2007, U.S. coal consumption has been on the decline. But the trajectory of its fall has been getting steeper, and 2020 looks set to be an unprecedentedly terrible year for the sector. Electricity generation accounts for more than 90% of U.S. coal consumption. In 2019, coal generation fell to a 42-year low, dropping by a record 16%. That record low does not look like it will last for long. Renewable electricity output rose 5% in the first half of 2020, and natural-gas generation surged by 9% in the lower 48 states, the EIA says, with gas-fired generation hitting a record U.S. high in late July during the typical summertime peak. Natural gas was already the leading source of U.S. power generation by some distance, with a 38% share in 2019, followed by coal (23%), nuclear (20%) and renewables (17%). The EIA’s renewables tally typically does not include behind-the-meter systems such as rooftop solar, a rapidly growing market in many parts of the U.S.

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Norwegian energy major announces plans to produce hydrogen from the ‘largest plant of its kind’

Norwegian energy major Equinor has released details of a major U.K.-based project that will combine hydrogen generation with carbon capture and storage. The Hydrogen to Humber Saltend, or H2H Saltend, project will be based at the Saltend Chemicals Park close to Hull, a city in the north of England.
Equinor said the development would be “the largest plant of its kind in the world.” Hydrogen at the facility will be generated from natural gas, and sent to chemical plants and a power station. Carbon dioxide, a by-product of the process, will be funneled offshore and buried under the seabed. It’s hoped that the scheme will help to cut emissions at the Saltend Chemicals Park by almost 900,000 metric tons of CO2 annually. An energy carrier, hydrogen has many applications, such as being used in fuel cells that power cars, trains and buses. According to the U.S. Department of Energy’s Office of Energy Efficiency & Renewable Energy, hydrogen doesn’t usually exist on its own in nature and is instead produced from compounds containing it. The department lists a number of sources — including fossil fuels, solar and geothermal — that can produce hydrogen. It can be done by several methods, the DOE says, including thermochemical processes, such as natural gas reforming, and electrolytic processes. Click here to read the full article in English.

Germany agrees plan to phase out coal power by 2038

The German government and regional leaders have agreed on a plan to phase out coal-fired power stations by 2038, involving compensation of about €40bn (£34bn; $45bn). The €40bn compensation will target four German states which have lignite mines and coal-fired power plants: Saxony-Anhalt, Saxony, North Rhine-Westphalia and Brandenburg. Much of the money will go into new infrastructure projects for coal-dependent areas and retraining workers for new jobs there. Mines and utilities will also get compensation for the lost production. The compensation for closing coal-fired power stations in western Germany is set at €2.6bn, and for those in the east at €1.75bn. There are some fears that the shutdown could trigger electricity shortfalls, as nuclear power is being phased out within two years. Coal currently powers about one-third of Germany’s electricity, and more than half of that relies on burning lignite. Germany is the world’s biggest lignite producer. Germany aims to generate at least 65% of its electricity from renewables - that is, carbon-neutral sources - by 2030. Click here to read the full article in English.

Renewable energy breaks UK record in first quarter of 2020

‘Substantial increase’ in wind and solar energy helped generate 47% of Britain’s electricity. Renewable energy made up almost half of Britain’s electricity generation in the first three months of the year, with a surge in wind power helping to set a new record for clean energy. The government’s official data has revealed that renewable energy made up 47% of the UK’s electricity generation in the first three months of the year, smashing the previous quarterly record of 39% set last year. The government’s renewable energy data includes electricity from the UK’s wind farms, solar panels and hydro power plants as well as bioenergy generated by burning wood chips instead of coal. The “substantial increase” in the UK’s total renewable energy output was chiefly driven by a growth in electricity generated by solar panels and wind farms which climbed by more than a third over the last year, according to the government’s energy analysts. The report added that the startup of new windfarms combined with the UK’s unusually wet and windy weather at the start of the year – particularly storms Ciara, Dennis and Jorge – helped to generate record wind power generation.
In total, wind power generated 30% of the UK’s electricity in the first quarter, beating the previous record of 22.3% set in the final months of 2019. The rise of renewable energy combined with a steady supply of nuclear power, which made up about 15% of the UK generation mix, drove fossil fuel power plants to a new record low in the first quarter. Gas-fired power plants made up less than a third of UK generation in the first quarter compared with over 40% in the first months of 2019, and coal-fired power made up 3.8% of electricity generated in the UK.

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Japan demotes 90% of coal power plants

The Japanese government aims to suspend and then decommission the majority of old coal power plants within 2030. This was declared by the Japanese Minister of Energy and Industry, Hiroshi Kajiyama. “Approximately 100 plants or at least 90% out of 114 coal power plants will be decommissioned” stated Kajiyama, adding that the process of energy transactions in renewed ways will begin soon. Japan currently generates 32% of its energy demand from coal and only 17% from sources with a low environmental effect such as solar and wind energy. Last March the government of Tokyo confirmed the objective for a 26% decrease in carbon dioxide emissions starting from the fiscal year 2013 until 2030 according to the “Paris Agreement” despite the expectations for a more ambitious objective.

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German renewables deliver 'record high' in 1H 2020

Fraunhofer ISE says clean power accounted for 55.8% of electricity supplied in the first six months of the year. Renewable energy delivered a record of just under 56% of Germany’s electricity in the first half of 2020, according to the Fraunhofer Institute for Solar Energy Systems (ISE). Fraunhofer ISE said it based the findings on data available on the Energy Charts platform, indicating in February that clean power's share of electricity supply hit 61.8%. Renewables supplied 136.1 terrawatt-hours in the first six months of the year, compared with 125.6TWh in the same period of 2019. In contrast, coal-fired power generation declined sharply, with the share from lignite falling to 13.7% and hard coal to just 6%. Wind power was again the strongest contributor accounting for 30.6% of the overall mix with 75TWh produced. This was about 11.7% above the 67.2TWh produced in the first half of 2019, Fraunhofer ISE said. Winter storms in February helped raise wind's share to 45%. Solar delivered approximately 27.9TWh, an increase of 11.2% compared with the previous year's 25.1TWh. PV power systems benefited from the favorable weather conditions, which allowed more than 6TWh of electricity to be produced per month from April to June, said Fraunhofer ISE.

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