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Security of Energy Supply in Kosovo

**Frakton company from Kosovo starts operating with 100% renewable energy**

The Kosovar company of ICT solutions - Frakton, has announced that it has joined the trend of modern companies in the world to operate 100% with renewable energy.

According to the announcement published by Frakton, with the increase in demand for ICT services for various projects, the company has also had an increase in demand for electricity. From now on, all Frakton data collection centers and databases will use renewable electricity produced from wind, water and solar sources.

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**The tender of MESPI of over 2 million euros for energy efficiency in municipalities is canceled**

The Ministry of Environment, Spatial Planning and Infrastructure has cancelled the tender of over 2 million euros for 'Implementation of Energy Efficiency measures in public lighting in 23 municipalities'.

According to the ministry, the cessation of this procurement activity is necessary due to events and/or objective and demonstrable reasons which are beyond the control of the contracting authority and which were unpredictable at the time of initiating the procurement activity.

MESPI had suspended this tender on 15 April after an economic operator complained and requested a tender reconsideration.

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Non-payment endangers the electricity supply

The latest pandemic situation is also endangering the functionality of KEDS and KESCO. This, as payment of electricity bills has fallen to a minimum, making it impossible to cover costs.

In Kosovo, there is a chain of electricity energy companies which create costs each based on the services they provide. In the end, the entire burden of settling the obligations falls on KESCO, as the last link and KEDS, as the penultimate.

The biggest burden is related to the electricity payments that KESCO receives to supply customers, which reach multimillion costs per month, energy that is accepted by both Kosovo Energy Corporation and other producers. In this situation, the payment of electricity bills is vital for the smooth running of the supply.

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The EU supports Kosovo towards a clean energy supply

The EU-funded project supports Pristina’s district heating company, Termokos, in expanding and rehabilitating its energy distribution network.

The total value of the project "Rehabilitation of the District Heating Network in Prishtina" is 6 million euros and is implemented within the annual program IPA 2015. The main results of the project are:

- Design and rehabilitation of 104 existing substations which includes replacement of old heating substations with new pre-assembled substations with high energy efficiency performance;
- Replacement of about 6 km of old pipelines with new pre-insulated pipes and expansion of the network with about 9 km of new pipelines, in total 15 km of pipelines;
- Expansion of the network with 70 substations for new customers - over 10,000 citizens.

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KOSTT requests 11 million euros from the Government of Kosovo to cover electricity expenses in the north

The Transmission, System and Market Operator of the Kosovo Electricity System (KOSTT) has requested 11 million euros from the Government of Kosovo to cover electricity costs in Serb-majority municipalities in the northern part of Kosovo.

The Chairman of the KOSTT Board, Jeton Mehmeti, asserted that due to the suspension of revenues to cover losses in northern Kosovo, KOSTT has not been able to produce electricity to cover losses for the northern part of Kosovo since December 2017.

ERO has decided that the energy losses in the system, in this case the electricity consumption in the northern part as a whole, to be transferred as an obligation from KESCO to KOSTT. With the inclusion of KOSTT in ENTSO-E, KOSTT has a legal and contractual obligation to balance the regulatory area of Kosovo within its energy borders.

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Committee on Economy votes for KOSTT to cover electricity costs in the north for the next 6 months

The Committee on Economy, Industry, Entrepreneurship and Trade has voted that in the next 6 months, the Kosovo Electricity System, Transmission and Market Operator (KOSTT) to cover electricity costs in the four Serb-majority municipalities in northern Kosovo. This was the proposal of the MP, Mimoza Kusari - Lila. Her proposal, which consists of 5 points, has released the Government of Kosovo from the responsibility for the payment of 11 million euros requested by KOSTT. According to her, KOSTT is financially able to cover the expenses until a long-term solution is found.

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In Bajgora, the first wind turbine has been placed for electricity production

On May 16, 2021, the first wind turbine has been placed in the village of Bajgora in Mitrovica, as part of a project aiming to build a 105-megawatt park of energy.

This project is on behalf of the Kosovar-German-Israelian enterprise ‘SOWI Kosovo’ financed by the European Bank for Reconstruction and Development (EBRD).

The benefits of this project include the mitigation of climate change consequences, while also increasing the portion of energy production from renewable energy and adding 105 MW of energy production to the national electricity generation capacity.

The production of electricity is expected to start in August 2021.

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The Ombudsperson states that Kosovo is anticipated to win the case against Contour Global

The government of Kurti has no plans to continue with the foreseen new power plant for which a deal was made with previously with Contour Global. Instead, they have planned for their years in office, 2021-2025, to decommission the obsolete assets of Kosovo A and implement the environmental regulations in Kosovo B. Moreover, they plan on considering all possible feasibility alternatives when it comes to natural gas, and the creation of a competitive energy market.

In 2017, the global agreement between the government of Kosovo and Contour Global was signed for the construction of a new power plant called “Kosova e Re”. The project
was brought to a halt by the investor itself, although it is unknown whether this happened due to coal being the energy resource used or the objections made by the government Kurti 1.

The American company has demanded 20 million euros for damage costs. Nevertheless, Sami Istrefi, the Ombudsperson, feels confident that Kosovo will win the case against Contour Global in the arbitration court.

Despite the awaited verdict, the executive of the European Investors Council claims that this case has damaged the reputation of Kosovo in relation to foreign investors.

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**KEK begins investment preparations for the construction of a reducing NOX plant**

KEK is expected to start the second measure aimed at reducing NOX emissions from the B1 and B2 units of the power plant Kosovo B. With the primary measures, it is anticipated that the oxidation of nitrogen present in the burning process, the values of NOX are to drop from 600 mg/Nm$^3$ to 250 mg/Nm$^3$. Whereas via this plant, the NOX values are to drop down to 200 mg/Nm$^3$. For this reason, KEK is planning on having a discussion with citizens regarding this topic. With the completion of this plant and other investments over a course of three years, the functionality of the Kosova B power plant will be enabled for the next 20 years while adhering to European Union standards.
KEDS is installing an underground network in the Municipality of Vushtrri

Kosovo Electricity Distribution Company in Kosovo (KEDS) is investing over 1 million euros in the electricity network of the Municipality of Vushtrri. In the center of this city, the network is being laid underground while in the surrounding villages it is expected that the old network will be completely replaced with a new one.

The KEDS investment in the city center of Vushtrri includes 7 kilometers of underground network and is scheduled to be completed by the end of May. The Communication Officer at KEDS, Adlum Ramadani, said that in addition to removing the cables from the city center of Vushtrri, this investment will also create new energy infrastructure.

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Avoiding energy market liberalization

Liberalization of the electricity market in Kosovo, as one of the requirements of the European Union (EU), launched years ago, has not yet managed to be finalized. Postponement of the electricity market liberalization process is being done since 2017. The deadline for this process was March 31, 2021, but even this date has been postponed at the request of representatives of the business community who say that this process should not happen without the creation of the right conditions.

ERO estimates that the situation of Covid-19 in the country, which has affected many businesses in economic terms, as well as the concentration of the market largely on a single supplier, has shown the reluctance of consumers to submit to market conditions (liberalization), which necessarily, as ERO adds, increases the costs of energy supply.

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Investments in renewables have increased significantly since 2014

A briefing done by Lulzim Shamolli, a representative of the Ministry of Agriculture, states that the public support for grants is 60%, whereas 40% is private support, meaning that the financing is done by farmers. In addition, Shamolli adds that the public support for investments in renewable energy in agriculture show that they measured up to 533 thousand euros in 2014. In 2019, however, these investments have increased up to 644 thousand euros, or in other words, 17.23% over a course of five years.

On the other hand, taking into account the farmers’ private investments, the investment figures in renewables reaches 1 million EUR.

Lulzim Shamolli, a representative of the Ministry of Agriculture, explains that the primary reasons for switching to renewables are those of environmental sustainability and economic factors.

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MFK’s completion of Emissions Inventory in Kosovar Municipalities

MFK has successfully completed the emissions inventory in several Kosovar municipalities. Developing an air pollutant emissions inventory enables analyzing different emission sources and, by converting emissions into pollutant concentration throughout Kosovo, can be used as input for the air quality modeling process.

The air quality model maps the locations of the most polluted areas in the country and the emission sources that cause pollution. The ranking of the pollutants is as follows:

1. Small combustion: heating (including cooking) in domestic, public and business services
2. Transportation: roads and aviation
3. Industry: power plants and large industrial installations
4. Agriculture
5. Landfills (waste)
6. Natural sources: forests

Kosovo has the highest emissions of pollutants PM10 and PM2.5 from small combustion sources (mainly from domestic heating), followed by industry, energy and transport. Industry and transportation are the largest sources of NOx emissions, while industry and energy dominate SO2 emissions (representing 96%). The most serious pollution is concentrated in urban areas.

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MFK begins retrofitting multi-apartment buildings through SEEK program

This project involves renovating roofs, changing doors and windows, and insulating the entire thermal envelope of the building. 143 apartments in the Municipality of Lipjan will be retrofitted and enjoy lower energy bills. The aim of AER IP is to provide grants to the Kosovo apartment community to invest in renovations that reduce energy consumption and support behavior changes to improve energy efficiency. AER provides grants to apartment building communities in highly competitive cities to improve the energy efficiency of public areas and thermal envelopes. Through the SEEK project and AER IP, MFK, as the implementing entity of the $49 million threshold agreement between the Republic of Kosovo and MCC, aims to reduce electricity consumption and MAB in the residential sector by implementing subsidies and other incentives to municipalities. SEEK’s main technical focus is on energy efficiency measures, which will reduce electricity consumption for heating and promote the use of energy-saving heating equipment. This activity was implemented by a consortium of German companies: GFA Consulting Group and HPC International.

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The Municipality of Drenas with Energy Stability for the Next 30 years

Next year, KEDS is expected to finish the complete investment projects planned for the municipality of Drenas and its villages, and with this Drenas will benefit from new energy infrastructure and doubling of capacities.

The total cost of investment amounts close to 10 million euros, from 2017 to 2022. KEDS will continue with its work this year, where it is planned to implement 25 projects, mostly in villages, where about 3000 customers will benefit from it.

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KEDS starts massive investments in the electricity network of Klina

KEDS is continuing its largest investments in Klina. This year alone, about 800 thousand euros will be invested in the electricity network of this municipality.

The low and medium voltage network is being reconstructed and replaced with a completely new network. This will directly affect the quality of electricity for the residents of that area.

Through KEDS investment plan, it is foreseen that in addition to the installation of new substations with the necessary supply capacities, hundreds of columns will be replaced and hundreds of meters of new cables will be laid.

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KEDS is building a completely new 35 kV substation in Zhur, Prizren

A new building has been erected at the entrance of Zhur in Prizren. The state-of-the-art technology facilities have been set up there to supply over 15,000 customers on that area.

The 35kV substation will also have doubled capacities, as from one transformer, two such giants will be made. They are expected to be sufficient in meeting each electricity demand in that part.

The new substation will directly affect the reduction of breakdowns, will enable safe operation of the substation power equipment and will create the possibility of safe operation.

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The contract for electricity transmission in Ferizaj has been signed

Chief Executive Officer of KOSTT Mr. Hasani signed the contract with the representative of ABB Power Grids Zagreb, Mrs. Nina Dusper Susic for the implementation of the project for the construction of the new substation 110/35/10 (20) kV Ferizaj 3.

This capital investment of KOSTT in the amount of over € 4.7 million, in addition to the construction of a new substation in the Municipality of Ferizaj, envisages the installation of a power transformer with a power of 40 MVA (mega volt ampere) in this substation.

The implementation of the project will have a significant impact on increasing the security and quality of electricity supply in terms of transmission for the region of the Municipality of Ferizaj by providing conditions for further economic development of the municipality and the surrounding area.

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Energy Efficiency Pilot Program Launched

Millennium Foundation Kosovo (MFK) launched its biggest activity focused on improving energy efficiency of households and apartment buildings in Kosovo. The project SEEK (Subsidies for Energy Efficiency in Kosovo – SEEK), is a $20.6 million investment supported by the Threshold program agreed between Millennium Challenge Corporation (MCC) and Kosovo. A special attention in this activity will be given to houses owned by families in social schemes or other vulnerable groups. This intervention is part of the Households Efficiency Retrofits (HER) Intervention Package, which is a part of the SEEK Project, which aims to reduce electricity consumption in the residential sector by piloting subsidies and other incentives to households to invest in energy efficiency measures. This
activity is implemented by a consortium of German companies, the GFA Consulting Group and HPC International.

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Energy Distribution

Axpo company ready for licensing of wholesale electricity in Kosovo

The company "Axpo Kosovo" is in the final stage of licensing for wholesale electricity supply. The company has announced that it has applied to the Energy Regulatory Office for licensing of the activity of Wholesale Supply (Trading) of electricity in Kosovo.

The application for licensing of this activity, with all relevant documents, has been reviewed by representatives of the Energy Regulatory Office and is considered in the final stage for decision making.

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Top Pick:

The Women in Energy scholarship program has been launched. The Millennium Foundation of Kosovo (MFC) has launched today in Pristina a scholarship program for women in the field of energy, called Women in Energy.

The Women in Energy Scholarship Program supports Kosovar women and girls to study in energy-related fields. Scholarships will be offered to cover the full cost of studies at internationally accredited academic institutions, with a particular focus on the fields of technology, science, mathematics and electrical engineering. Women in Energy is the first activity of the Foundation, in an effort to create opportunities for the participation of Kosovar women in the energy sector. Other activities of the Women in Energy program include 70 six-month paid internships in the energy sector as well as grants to women entrepreneurs.

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