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**Republika Kosova-Republic of Kosovo**  
*Qeveria*  
*Vlada-Government*  
*Ministria e Ekonomisë dhe Ambientit*  
*Ministarstvo Ekonomije i životne sredine*  
*Ministry of Economy and Environment*

**PROGRESS REPORT FOR 2019**  
**OF**  
**ENERGY STRATEGY IMPLEMENTATION PROGRAM**  
**2018-2020**

Prishtina, June 2020

## Table of Contents

<b>Abbreviations</b> .....	3
<b>I. EXECUTIVE SUMMARY</b> .....	5
<b>II. PROGRESS ON THE IMPLEMENTATION OF STRATEGIC DOCUMENTS OBJECTIVES</b> .....	8
<b>III. RISKS AND STEPS FOR THEIR ADDRESSING</b> .....	22
<b>I. ANNEX – MATRIX OF THE PROGRESS REPORT 2018 OF ESIP 2018-2020</b> .....	24

## Abbreviations

ACER	Agency for Cooperation of Energy Regulators
KEEA	Kosovo Energy Efficiency Agency
WB	World Bank
EU	European Union
EBRD	European Bank for Reconstruction and Development
RES	Renewable Energy Sources
BRK	Budget of the Republic of Kosovo
EC	European Commission
EE	Energy Efficiency
ECS	Energy Community Secretariat
ENTSO-E	European Network of Transmission System Operators for Electricity
ESCO	Energy service companies
EU	European Union
FECE	Faculty of Electrical and Computer Engineering
FME	Faculty of Mechanical Engineering
GIZ	German Corporation for International Cooperation
HPP	Hydro Power Plants
SHPP	Small hydropower plants
IDA	International Development Association
IFC	International Finance Corporation
IPA	Instrument for Pre-Accession Assistance
PSC	Project Steering Committee
EC	European Commission
KEDS	Kosovo Electricity Distribution Company
KEK	Kosovo Energy Corporation
KESCO	Kosovo Electricity Supply Company
KfW	Kreditanstalt für Wiederaufbau (Development Bank)
KOSTT	Kosovo Transmission System and Market Operator
kV	Kilovolt
MPA	Ministry of Public Administration
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MEE	Ministry of Economy and Environment
MCC	Millennium Challenge Corporation
MEETIESI	Ministry of Economy, Employment, Trade, Industry, Entrepreneurship and Strategic Investments
MoJ	Ministry of Justice
MoF	Ministry of Finance
MEI	Ministry of European Integration
MESP	Ministry of Environment and Spatial Planning
MLSW	Ministry of Labour and Social Welfare
MTI	Ministry of Trade and Industry
MW	Megawatt
MED	Ministry of Economic Development
NO <sub>x</sub>	Nitrogen Oxides
DH	District Heating
SCKRPR	Sub-Committee for Kosova e Re Power Plant

SMEs	Small and Medium Enterprise
PIU	Project Implementation Unit
SO	System Operator
OSS	One Stop Shop
DSO	Distribution System Operator
TSO	Transmission System Operator
MSO	Market System Operator
MO	Market Operator
PIPC	Prevention and Integrated Pollution Control
NAPEE	National Action Plan on Energy Efficiency
ESIP	Energy Strategy Implementation Program
GoK	Government of Kosovo
EnCS	Energy Community Secretariat
SNS/FDIL	Social Assistance Scheme/ Families of Martyrs and War Invalids
TPP	Thermal Power Plan
ToR	Terms of Reference
TIKA	Turkish Agency for Cooperation and Coordination
MV/LV	Medium Voltage / Low Voltage
AI	Administrative Instruction
UP	University of Prishtina
USAID	United States Agency for International Development
USEA	United States Energy Association
EIA	Environment Impact Assessment
EUOK	European Union Office in Kosovo
OPM	Office of the Prime Minister
ERO	Energy Regulatory Office

## I. EXECUTIVE SUMMARY

Monitoring of the Kosovo Energy Strategy implementation is a legal obligation and priority for the Ministry of Economy and Environment. Based on the Law no. 05/L-081 on Energy, Article 7, the former MED has drafted the Kosovo Energy Strategy Implementation Program (KESIP) for the period 2018-2020, which was approved by the Government of the Republic of Kosovo in July 2018. In constant fulfilment of legal requirements, the former MED (Ministry) in 2019, has prepared the Annual Progress Report on the implementation of the Strategy Implementation Program for 2018, as well as the level of Strategy implementation, which then forwarded it to the Government. This legal obligation was also met in 2020, in which case the Ministry has prepared the Annual Progress Report on the implementation of the Strategy Implementation Program for 2019.

The Energy Strategy Implementation Progress Report for 2019 has been prepared based on the Energy Strategy Implementation Program 2018-2020. This document presents the detailed activities for the implementation of measures provided for in the Energy Strategy of the Republic of Kosovo 2017-2026.

The Energy Strategy Implementation Program 2018-2020 includes a list of 27 specific objectives and 97 activities envisaged to be undertaken to achieve 5 strategic objectives for the development of the energy sector by 2020.

The purpose of this progress report is to identify the implementation progress of projects envisaged in the ESIP for 2019 and to identify challenges and to propose solutions for decision-making by the relevant authorities.

The former MED has taken measures and cooperated with all key actors, with the aim at establishing a fruitful institutional cooperation, in support of the implementation, with as less as possible problems of measures envisaged in the ESIP 2008-2020. A good cooperation has been established with all relevant institutions, but work still needs to be done to raise this cooperation to a higher level.

This Progress Report includes all projects that have commenced before 2019, and that continued during 2019, and which will continue in the coming years, as well as projects that have commenced and are finalized within 2019.

Some of the key projects envisaged to be developed, according to ESIP 2018-2020, during 2019 have been fully implemented, in some of them there has been a significant progress and continue to be implemented during 2020 as planned, whereas in small number of them there have been some minor delays in the implementation process. The progress for each objective is presented according to 5 strategic objectives defined in the Energy Strategy 2017-2026.

The following are given the most important energy sector projects, which have been implemented or there were delays in their implementation during 2019.

- TPP Kosova e Re - The preferred bidder for the contract of Engineering, Procurement, Construction and Long-Term Maintenance has been selected. Also, the Government of Kosovo and its organizations, as well as the investor Contour Global, have addressed most of the preconditions as identified in the commercial agreements.

The TPP “Kosova e Re” Project development has not been implemented according to the deadlines foreseen in ESIP 2018-2020;<sup>1</sup>

- Overhaul of Unit A3 of TPP Kosova A, completed;
- Overhaul of Unit B2 of TPP Kosova B, completed;
- The detailed plan for the opening of the new mining "Southern Sibivc" has been completed;
- Investments have been made in the Distribution Network, including smart GSM GPRS communication meters, PLC smart meters, semi-indirect meters and meters for new connections. More than 39,487 customers have benefited from the realization of other activities foreseen in the distribution network, who will be affected by the 20 kV Conversion and Master-Plan projects during 2019. Also from the investments made in the LV network, 13,343 consumers have benefited in network upgrading.
- Work is being done on the development of new education curricula and practices, capacity building and the involvement of new staff in the development of the energy sector in the framework of university programme reforms in the technical sciences in the field of energy activity;
- The consumer in need protection program has continued as in previous years, and the total amount of subsidy in 2019 was 4,500,000.00 Euro;
- The activities envisaged for the implementation of the “soft measures” according to the ECS's guidelines are almost completed or are being completed for all measures that are not conditioned by the progress in the implementation of the Energy Agreement with Serbia;
- KOSTT has been certified by ERO and now operates as a Certified Transmission System and Market Operator, after the positive opinion from ECS;
- The activities of the joint working groups for the establishment of the common electricity market Kosovo - Albania have continued. Differences have been identified in matters relating to Licenses and Legislation;
- The Regional Group Continental Europe - ENTSO-E body, voted in favour of the proposal for amendment of the KOSTT-ENTSO-E Connection Agreement, to unblock the process and make KOSTT operate as an Independent Regulatory Area/Block within Continental Europe, and has set a deadline for this to happen no later than April 2020;
- The Council of Ministers of Albania has issued a decision on the establishment and determination of the legal form and ownership structure of the capital of power exchange

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<sup>1</sup> The company contracted by the Government of the Republic of Kosovo for the construction of the TPP “Kosova e Re”, Contour Global, in March 2020, has announced that it has suspended plans to continue with the project.

(ALPX). Under this decision has been established the Albanian Power Exchange (ALPX), part of which Kosovo will be;

- The expansion and rehabilitation of the Termokos District Heating network has continued in Calabria neighbourhood. 23 new substations have been installed (about 1300 new customers, with approximately 150,000 square meters). Also, the remaining part from the last year of the segment Termokos – Iber-Lepenc has been completed, where the pipes have been replaced, DN600 with a length of 275m;
- At the end of 2019, the cornerstone of the commencement of works for the construction of the co-generation plant in Gjakova was laid;
- The projects for the implementation of EE measures at the local level in 26 public service facilities, funded by KB, have been completed.;
- Energy efficiency measures have been implemented in public service facilities in 19 school buildings;
- The project Promotional Campaign for Energy Efficiency and Renewable Energy Sources has been implemented;
- The regulation on the Organization and Systematization of Workplaces of the Kosovo Agency of Energy Efficiency has been finalized;
- Draft National Action Plan on Energy Efficiency - NAPEE IV 2019-202 has been drafted and is ready for approval by the Government;
- The Draft Public Buildings Renovation Strategy has been drafted and is expected to be proceeded to the legal administrative procedures for approval;
- Through private investments, several projects have been implemented by RES, which affect the fulfilment of energy targets by RES:
 

Hydropower plants	7 Projects, 29.76 MW
Wind Turbines	1 Projects, 32.4 MW
Solar panels	2 Projects, 3.4 MW
- The project of Decommissioning and dismantling of gasification, nitrogen, heating and other facilities that do not hinder the normal operation of active units of TPP "Kosova A" is being implemented according to the Terms of Reference by the consulting company Sweco GmbH, which has started its work in July 2018 and is expected to be completed in August 2020.

## II. PROGRESS ON THE IMPLEMENTATION OF STRATEGIC DOCUMENTS OBJECTIVES

The Progress Report includes several sub-sectors. In this report it is presented the situation with projects and activities during 2019 in tabular-matrix form (Appendix).

For the purpose of drafting this progress report, the former MED has sent the matrix form of reporting to all relevant stakeholders of the energy sector, to report on progress achieved, challenges and problems faced during the implementation of projects in 2019. After receiving inputs from the stakeholders, the matrix was further processed and finalized.

The narrative part of this report has been prepared based on the matrix part of the Progress Report for 2019.

The narrative part describes the progress of each strategic objective, respectively specific objectives, which describe the progress achieved, the reason for the delays of certain activities/projects and challenges for certain projects, which have not been fully implemented.

The following description is based on the structure of ESIP 2018-2020, but specific objectives that were achieved in 2018, and those that are planned to commence in 2020 have not been included.

### **STRATEGIC OBJECTIVE 1: SECURITY OF A SUSTAINABLE, HIGH-QUALITY, SAFE, AND RELIABLE ELECTRICITY SUPPLY WITH ADEQUATE CAPACITIES FOR STABLE POWER SYSTEM OPERATION**

#### **Specific objective 1.1: TPP “Kosova e Re”<sup>2</sup>**

**Financial completion of the project TPP “Kosova e Re”** – has not been achieved.

The completion of all preconditions as defined in the commercial agreements and which are unavoidable conditions for achieving financial completion remains a challenge. Early parliamentary elections of Kosovo have caused obstacles in fulfilling obligations and decision-making by the PSC.

**Contracting of an Independent Engineer** - The Government, through the Ministry of Economic Development, has announced the call for bids for interested companies. The first phase of bidding process has been completed, and 3 companies have been pre-qualified. The process is in the bid evaluation stage. The completion by the Evaluation Committee remains open in order to complete the evaluation.

**Staffing with the relevant staff of the Project Implementation Unit according to the PSC decision** - There is no progress on this issue.

**Realization of the conference on the topic "Strategic investments in the energy sector - Opportunities for inclusion and active participation of SMEs in these projects"** - Given the

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<sup>2</sup> In March 2020, the Contour Global Company publicly announced its withdrawal from further development of the Project construction process. This presents a new situation and challenge for the electricity sector in terms of long-term electricity supply. The listed activities belong to the period of 2019.



developments related to the TPP “Kosova e Re” project, this activity has not been implemented.

**Specific objective 1.2: Realization of overhauls in TPP Kosova A, TPP Kosova B and installation of electrostatic filters in TPP Kosova B**

**Overhaul of Unit A3 of TPP Kosova A** – has been realized during the period, 08.04.2019, until 15.08.2019.

**Overhaul of Unit B2 of TPP Kosova B** – has been realized during the period, 16.04.2019, until 26.08.2019.

**Specific objective 1.3: New Mine “South Sibovc”**

**Detailed plan for opening new mining, prepared** – On 06.06.2019, the Economic Operator MIBRAG, has finalized and submitted to KEK J.S.C., the final report of the detailed and investment plan for the opening of the new mining.

**Opening new mine** - in June 2019, KEK has announced the tender for the provision of two excavators, which is in process.

Challenge – The value of the investments needed to open the New Mine is high and cannot be achieved without the support of the Government of Kosovo. The necessary investments, according to the document of the detailed and investment plan for the new mine, are 380 million Euro (295 million Euro in the first 5 years).

**Specific objective 1.4: Reduction of technical and commercial losses in the distribution network (Reduction of technical losses up to 9.5% by 2026 in the distribution network)**

The projects defined in ESIP 2018-2020 have been changed during the public consultation process for the second periodic review for the regulatory period 2018-2022, and which is also foreseen in ESIP 2018-2020 (see notes 2 and 3 in ESIP 2018-2020, page 14). KEDS investment plan for 2018 has envisaged total investments in the amount of 20,248 million Euro.<sup>3</sup>

For activities related to: Replacement of mechanical meters with digital meters; Displacement of meters (MMO); Installation of smart automatic meters, the following investments have been carried out:

- 2,922 smart meters with GSM GPRS communication;
- 1,8078 PLC smart meters;
- 196 semi-indirect meters;
- 10,039 mechanical meters have been replaced with digital meters;
- 25,972 meters have been installed for new connections.

For activities related to: Rehabilitation of the distribution network with a focus on the transition to the 20 kV voltage level, respectively the gradual elimination of 35 kV and 10 kV voltage, in accordance with ERO rules and international standards; Reduction of long radial lines by setting distribution stabilizers on 10kV output ramps, these investments have been carried out in the most critical areas, such as: Ferizaj, Fushë Kosova and Dragash, to solve the problems of rapid consumption growth, network overloading and upgrading of other technical parameters. The

<sup>3</sup> On 24 September 2019, ERO approved the 5-year development and investment plan for KEDS for the period 2018-2022. Since the regulatory parameters for the second regulatory period were approved much lower than those expected by KEDS, KEDS plans to invest 21.9 million Euro in 2019, reducing the approved investment budget from investments not related to the network such as vehicles, facilities or IT. Network investment budget (Master plan, 20 kV conversion, reinforcement projects, metering and SCADA) will try to remain unchanged.

KEDS investments carried out by the end of 2019 are in line with KEDS strategy and have even exceeded initial expectations, thus concluding 22.1 million Euro investments carried out of 21.9 that were originally planned.

materials placed for these projects are: 13 transformers, 21 outlets, 18,000 m conductors, 35,320 m cables, 267 cable heads, 10 poles, etc. The project of Fushë Kosova also includes the renovation of existing substations and the construction of a new substation.

For activities related to: Construction of new substations of the MV/LV network; Construction of new low voltage grid/network; Rehabilitation of the existing network; Alternative supply of 10kV outlets, i.e. existing secondary substations; include the following investments:

New transformers in areas needed for investment, Replacement of existing transformers with new ones to increase the capacity, Rehabilitation of low voltage network, Reinforcement of medium voltage network within the scope of LV projects, in accordance with the plans of future MV outlet, expansion of MV network for connection of new transformers, installation of MMOs (displacement of meters outside on the poles or metering panels on the ground), etc.

Following are presented materials used for the implementation of this project:

- 48 transformers and 48 LV panels have been installed;
- 461 poles, 272 metering boxes and 21,408 m of cable (lines) have been installed;
- 45 transformers, 73 LV panels, 6,595 poles, metering boxes; 8,298, about 900,000 m cables, respectively 388,439 m underground cables and 508,996 m above ground cables, etc., have been installed.

As regards the implementation of the SCADA system for data control, communication and surveillance, this project has been implemented as planned, and phase III and the final phase of the SCADA project are expected to be finalized by the end of 2020.

### **Specific objective 1.5: University Program Reform in Technical Sciences of the Energy Field**

**Development of new curricula/programs and new teaching practices, in line with new labor market requirements for young engineers, based on the finest models in EU countries** - FIM has accredited the study program “Thermal energy and Renewable Energy” until 30.09.2021, which is based on the EU best practices and the needs of the labor market in Kosovo. The new programs for the management of Electroenergetics for the Bachelor and Master level have been compiled in FIEK in full compliance with the new requirements of the labor market. A new doctoral program has also been developed, as a joint program for all FIEK directions, including the Direction of Electroenergetics.

Challenge - Lack of adequate literature in the Albanian language for the bachelor's degree as well as the lack of academic staff (professors and assistants). Overcoming these challenges can be achieved by engaging regular staff, thus increasing the number of academic staff in the direction of Electroenergetics, as well as creating opportunities for this staff to be trained and visit important centers, institutes and universities having the direction of Electroenergetics.

**Supporting with scholarships for outstanding students attending studies in those programs at the Faculty of Electrical and Computer Engineering - Direction of Electronurgics: Bachelor, Master and Doctorate level** - There has been no financial support for students' scholarships.

**Support to the completion of the laboratory in the field of thermal energy and renewable energy**

FIM has made efforts to find funds for the completion of Thermal Energy and Renewable Energy Sources (RES) Laboratories, but there are no concrete results.

The Municipality of Prishtina has supported the FIM project by installing 8 hybrid lighting bodies with wind/solar energy. In the facility of Laboratories, FIM established a RES Lab, where a Hydro Turbine for the production of electricity from water, 1 wind turbine with vertical axis, 1 wind turbine with horizontal axis, 1 solar system with fixed axis and 1 solar system for tracking the sun have been installed. Projects have been drafted for the construction of a PV Power Plant with a

capacity of 2 x 100 [kWh] at the top of the laboratories of the Technical Faculty.

Technical Faculty laboratories are in the process of completing an Energy Efficiency Project, funded by the World Bank and implemented by the Ministry of Energy Development. Within this project it is foreseen: external insulation of the building, replacement of windows and doors, replacement of lighting fixtures with efficient bodies and rehabilitation of the heating system.

**FIEK** - The equipment provided to the Electroenergetics laboratories are as follows:

- “Primary Injection Test equipment up to 2,500A., with auxiliary ac and dc outputs” with all accompanying equipment;
  - “Transmission line model 150km/300km (93.2miles/186.4miles)” with all accompanying equipment;
  - “Double busbar unit, three-phase, incoming / outgoing feeder”, with all accompanying equipment.
- Challenge - Providing funds for the completion of laboratories in order to better prepare students for the labor market in the Energy Sector.

### **Specific objective 1.6: Protection Program for vulnerable consumers**

At the beginning of March 2019, the Ministry of Labor and Social Welfare (MLSW) signed a Cooperation Agreement with the Kosovo Electricity Distribution Company J.S.C (KEDS J.S.C) and the Kosovo Electricity Supply Company J.S.C (KESCO J.S.C), for subsidizing the consumed electricity (up to 300 KWh) for the beneficiaries of the Social Assistance Scheme (SAS), the Scheme of the Families of Martyrs and War Invalids (FMWI), the Scheme for Blind Persons (SBP) and Scheme for Paraplegic and Tetraplegic Persons (SPTP) for 2018. The budget allocated for 2018 is 4,500,000.00 Euro. After the completion of the appeal process, 3,304 families from SAS, 10,442 families from FMWI, 836 people from SBP and 1,269 people from SPTP benefited from this agreement. A total of 35,851 families / individuals have been subsidized. The total amount of funds spent is 4,500,000.00 Euro. So, all the funds provided for subsidizing electricity have been spent for the beneficiaries of the above schemes.

### **Specific objective 1.7: Treatment of communities affected by energy activities**

#### **Direct projects for the community, which are approved by the Municipal Assembly of Obiliq**

– The park in the city of Obiliq has been built. Two sports fields have also been built, one in the city of Obiliq and one in the village of Dardhishtë.

#### **Realization of community development projects from the Community Development Fund by investor TPP “Kosova e Re” (Investment for the community for the years 2019-2020, € 2 mil.)**

- The Board of the Community Development Fund has been completed. The Government of Kosovo has delegated its members in accordance with commercial agreements.

Challenge - The commencement and success of the work of this Fund will depend on the achievement of the financial completion of the TPP “Kosova e Re” project.

### **Specific objective 1.8. Comprehensive study for a period up to 2050 on the energy sector**

At this reporting stage, there was no activity, because the donors withdrew their financial support for the realization of this study.

The realization of this study, according to MTEF 2020-2022, is planned to be conducted in the years 2021-2022. Source of funding: BRK (€ 0.25 million) and the European Commission (€ 1.25 million).

For ESIP 2018-2020, there will be no activity related to this study.

## **STRATEGIC OBJECTIVE 2: INTEGRATION IN THE REGIONAL ENERGY MARKET**

### **Specific objective 2.1: Implementation of ‘soft measures’ as per the ECT guidelines**

**Application for accession/Membership of ERO to ACER** - On 29.11.2019, ERO has sent a letter /application to the director of ECS, Mr. Kopac, to support ERO’s membership to ACER. It is now up to ECS and ACER to notify ERO of accepting its membership as observer.

**Ensuring liquidity of the internal electricity market with appropriate regulatory measures such as contract reviews, capacity discharges, virtual power plants, etc.** - ERO has taken all the actions that are in its mandate to create/open a competitive energy market.

During 2019, KEK, for energy surpluses, after fulfilling the obligations arising from the Bulk Supply Agreement (BSA), as well as HPP Ujmani, has started to sell all the quantity produced by adhering to the electricity procurement procedure.

According to the “Market Liberalization Guidelines”, consumers of the level of 35 kV and 10 kV were expected to be subject to market conditions and prices for electricity supply until 31 March 2019, but this deadline has been changed to 31 March 2020.

The creation of favourable conditions for new suppliers to enter the market is challenging, because:

- KOSTT has not yet become a member of ENTSO-E
- “Bulk Supply Agreement” between KEK and KEDS/KESCO.

**Presentation of a coordinated process of calculating of day-ahead capacity allocation based on a coordinated congestion forecast** - This will be done when KOSTT starts operating as a regulatory area. It is planned to be done by Q2 of 2020.

KOSTT and TSO of Albania are in the process of creating a joint LFC bloc. In December 2019, the Agreement between KOSTT and TSO of Albania was signed for the establishment and operation of a joint LFC block. The agreement was also presented to RG CE (ENTSO-E), which has been welcomed as such. This agreement on the establishment of the joint bloc helps KOSTT in several aspects, both operationally, as an operational zone, and technically and economically.

**Certification of the transmission system operator in line with the Third Energy Package** - KOSTT already operates as a system and market operator certified by ERO. On 15 February 2019, following the positive opinion of the ECS, ERO issued a final decision for the certification of KOSTT.

**Increase the effectiveness of administrative authorities - competition and state aid** – five officials have been recruited within the State Aid Department/MoF and now the State Aid Department consists of 7 members in total.

The Regulation on Notification Procedures in accordance with the Law on State Aid has been drafted; Regulation No.1/2013 on the Organization and Functioning of the State Aid Commission has been approved;

The State Aid Commission (SAC) was appointed on 7 March 2019 by the Assembly of the Republic of Kosovo;

Development of initial inventory of state aid was made in June 2019, and is an on-going updating process with new schemes and decisions.

The challenge during this period was the approval of the draft-Regulation De Minimis, which was

not approved during 2019, because of the incumbent Government.

**Specific objective 2.2: The establishment of a common market with Albania as a joint electricity trading zone Kosovo-Albania as a first step towards integration of the common energy community market**

**Unblocking the KOSTT Connection Agreement with ENTSO-E and KOSTT operation as a Regulatory Area within ENTSO-E** – On 23.05.2019, in the 52<sup>nd</sup> meeting of RGCE (Regional Group Continental Europe) - ENTSO-E body, all representatives of TSOs (Transmission System Operator) of Continental Europe, (except for Greece and Spain which abstained, and Serbia, which voted against) voted for the proposal to amend the KOSTT-ENTSO-E Connection Agreement to unblock the process and make KOSTT operate as an independent Regulatory Area / Block within Continental Europe and this no later than April 2020. A draft of the Connection Agreement has been sent for comments to RG CE.<sup>4</sup>

**Connection of 400 kV line Kosovo - Albania and activation of contract for LFC (secondary regulation with Albania)** – This activity cannot be realized until KOSTT will operate as an Independent Regulatory Area / Block within Continental Europe and as a result the 400kV Kosovo-Albania Line will be fully operational.

**Adhering to the energy stock-exchange that is under construction in Albania** – On 15.05.2019 The Council of Ministers of Albania has issued a decision on the establishment and determination of the legal form and structure of ownership of the capital of the power exchange. This decision defines the structure of shareholders or other trading parties according to the share of capital. In order to establish the Albanian Power Exchange (ALPX), the Council of Ministers has issued a decision on the procedures for selecting the company's shareholders. After the selection of shareholders, the process of establishing the company that will operate the markets begins. During March 2020, it is expected that the process of selecting the Company's Shareholders will be initiated and KOSTT will be part of this exchange. According to our estimates, the whole process from the establishment phase of the company to the real operation can be until Q4 of 2021.

**Creation of a common area of Kosovo-Albania (binding zone) where the current interconnection lines will be considered as internal lines and no capacities will be allocated** – It is being worked in this regard and this activity is related to the aforementioned assets.

**Connection with the day-ahead market and the intra-day market)** - With the establishment of the Albanian Power Exchange, it is foreseen to connect them with other regional power exchanges.

**Operationalization of the common market Kosovo - Albania**

**I. Legal Framework** - The parties Kosovo - Albania (representatives of the legal group) are in the process of identifying differences in the legislation of the two countries, including licenses and their mutual recognition. During the working group meetings have been identified some issues, including those related to Licenses and Legislation that need to be addressed. In this process was engaged consultancy service, but also other stakeholders, such as: KOSTT, former MED, including ERO.

**II. Regulators and licensing** – Three joint Kosovo-Albania working groups have been established (WG on Legal/Regulatory issues; WG on technical-operational issues and WG on commercial issues), activities that are being carried out according to the foreseen dynamics which are being led by the coordinators and leaders of the WGs from both countries.

<sup>4</sup> The new connection agreement was approved on 20.04.2020 by ENTSO-E and now KOSTT is expected to operate as a Regulatory Area

Establishment of procedures for allocation of congestion costs is developed after the establishment of APEX (developed by the company to be established).

**III. Market model** - The Market Design is pending for two projects, the Status of TPP Kosova e Re and APEX. ERO has adopted the document 'Regulation for changing the Supplier.

**IV. System operation** - Communication via fibre optic telecommunication connection and data exchange protocol between two operators.  
Creation of a Joint Dispatch Center for both systems and eventually of a regional center, as well as establishment of the Joint Operational Block between two Regulatory Areas KOSTT OST remains as option for the future after the operation of KOSTT as a Regulatory Area.

Some of the activities of this strategic/specific objective foreseen to be accomplished in 2019 are conditioned by the dynamics of the creation of the common market Kosovo - Albania.

### **STRATEGIC OBJECTIVE 3: ENHANCEMENT OF EXISTING THERMAL SYSTEM CAPACITIES AND CONSTRUCTION OF NEW CAPACITIES**

#### **Specific Objective 3.1: Expansion of the District Heating network “TERMOKOS”, as per the Expansion Master Plan**

**Expansion and rehabilitation of the network with IPA 2015** – Expansion of the network with new customers: in the neighbourhood Calabria, where 23 new substations have been installed (about 1300 new customers, with approximately 150,000 square meters). The following institutional customers are also connected to the network: Children's nursery at Qafa, Faculty of Architecture, lower secondary school “Naim Frasheri”, Police Station “Hamez Jashari”, Building of the Kosovo Customs Directorate.

50 substations in the existing network have been rehabilitated (out of 100 planned).

Pipes of various sizes have been replaced, from DN50 to DN300 in many planned segments.

**Expansion and rehabilitation of the network with KfW funds** - In segment (1) Termokos – Iber-Lepenci, the DN600 pipes were replaced in the part of the remaining segment from last year, in the segment 21/22 to 33, with a length of 275m. Regarding the project for rehabilitation and expansion of the network in the amount of about € 12 million, during 2019, the consultancy for the project – “IC Consulente” and “CES” from Austria has been selected. The project is still in the contractor selection phase. So far, no concrete work has been done on the ground.

Challenge - The presence of KEK, PTK, etc. cables in the thermal conductor network and the presence of trees along the road, but these problems have been avoided in time.

**Placement of individual heating meters in each apartment (heating body)** - the consulting company “IC Consulente” from Austria and “DECON” from Germany have been selected. The concrete work on this project has not started yet and the contracting company for the implementation of the project has not been selected yet.

Challenge - coordination with the residents during the implementation of this project, because the meters must be installed in the premises of their apartments.



**Specific objective 3.2: Construction of thermal energy generation plant in the City's DH in Gjakova and improvement of the existing network for maximal use of new planned capacity of thermal energy**

**Construction of new co-generation plant based on biomass (16.5 MWt / 1,5 MWe)** - At the end of 2018, the EBRD selection procedures have been completed and then the relevant contracts have been signed: contracts for the supervision of EGIS International works from France; contracts for the design and construction of URBAS from Austria.

After providing all the necessary permits and documents, on 10.12.2019, the cornerstone of the commencement of works for the construction of the district heating has been laid.

Challenge - delays in approving the Authorizations and Relevant Permits has caused a lot of time for construction.

**Specific objective 3.3: Preparation of conditions for the start of construction of thermal energy systems in the cities of Kosovo (Peja, Prizren, Gjilan, Ferizaj, Drenas, Obiliq, Mitrovica dhe Zvecan)**

**Realization of the study for the assessment of possibilities for building thermal power generation or co-generation capacities as well as increasing production capacity and expanding distribution network** – This study has not started as planned, because no financial means have been ensured for its implementation.

## **STRATEGIC OBJECTIVE 4: DEVELOPMENT OF NATURAL GAS INFRASTRUCTURE**

**Specific objective 4.1: Development of institutional and planning capacities for the management of activities for the process of developing natural gas infrastructure**

**Implementation of the Memorandum of Understanding on the Model Partnership for Natural Gas Pipelines** - On 1 October 2019, the revised agreement on natural gas cooperation in Eastern Europe was signed, supported by the United States Agency for International Development (USAID) and implemented by the United States Energy Association (USEA), the Ministries and Operators of Natural Gas Transmission Systems of Eastern Europe. The amendments to the initial memorandum signed in Zagreb, on 16 May 2017, were relating the data protection of participating members, as Greece, Poland and Romania have joined the EE-NGP group.

The purpose of establishing this partnership is to build sustainable institutional capacity for the development and utilization of joint natural gas transmission planning models. These models will be used for analysis purposes on a regional basis of the internal pipeline infrastructure, interconnections, and regional storage capacities needed for the gasification process in Eastern Europe.

During 2019, 3 meetings of the working group for 'Eastern European Natural Gas Partnership' (EE-NGP) were held. The first meeting for 2019 was held on 27-29 March 2019 in Athens, Greece. The second meeting was held on 18-19 July 2019 in Ljubljana, Slovenia. The third meeting was held on 11-13 November 2019 in Skopje, Macedonia.

The purpose of these meetings was to consolidate the EE-NGP working group to complete the study 'Optimization of the Regional Gas System to achieve the lowest cost and maximum diversification of gas supply for the target year 2040' initiated by them (USEA/USAID), as well as

continuing training on the use of 'Simone' software to create a common transmission model for Southeast Europe.

**Feasibility study for the natural gas pipeline Albania-Kosovo** - There has been no development regarding this activity. This activity is implemented based on the requests addressed by the Albanian side, who is also the promoter of this project.

## **STRATEGIC OBJECTIVE 5: FULFILLMENT OF TARGETS AND OBLIGATIONS IN ENERGY EFFICIENCY, RENEWABLE ENERGY SOURCES, AND ENVIRONMENTAL PROTECTION**

### **Specific objective 5.1: Implementation of the third intermediate plan 2016-2018**

**Program for the implementation of energy efficiency measures in public facilities at local level, for education and health - Third phase** - In the framework of the Project with No. 213/19/019/521 only one educational facility in Gjakova was financed, the school "Yll Morina". Due to the School-Contractor disputes, the facility has been completed 80%.

Challenge - Procurement and operation procedures have been a challenge in finalizing projects.

**Energy Auditing of Public Buildings and Other mandatory enterprises - Support Program - Implementation of Energy Efficiency Measures in Public Service Buildings (II)** - Energy Efficiency measures have been implemented in public service buildings, in 19 school facilities.

**Promotional Campaign for Energy Efficiency and Renewable Energy Sources** - The project has been completed according to the requirements of ToR, and in accordance with the deadlines set forth in the contract.

### **Specific objective 5.2: Transposition of the European Directive on Energy Efficiency 2012/27/EC through the review of the current Law on Energy Efficiency, as well as the drafting and adopting of sub-legal acts of the new Law on Energy Efficiency**

**Regulation on the establishment of ESCO** - There has been no progress, due to the amending/supplementing of the secondary legislation, which needs to be amended for the drafting of the draft Regulation on the Establishment of ESCO.

Challenge - The format and manner are under discussion, as to which laws should be amended.

**Drafting the AI for Energy Audit** - The relevant instruction has undergone all procedural steps and has been finalized, but it has not been signed yet by the Minister.

Challenge – Frequent changes in government causes delays in AI approval.

**Drafting of AI on Labelling Electrical Appliances** - There has been no development for this activity, and to carry out this activity depends on the subsequent developments by the Secretariat of the Energy Community, namely the approval by the Council of Ministers.

### **Specific objective 5.3: Completing KEEA with the necessary staff and capacity building at the central and local level for the implementation of Energy Efficiency Policies**

**Reorganization of KEEA** - The regulation for the Organization and Systematization of the Workplaces of the Kosovo Energy Efficiency Agency (KEEA) has been finalized which has also been a legal obligation under the Law No. 06/L-079 on Energy Efficiency.



Other than technical conditions, halls and lack of equipment, the WG had no other challenges.

**Scheme for the establishment of a sustainable system for training and certification of energy auditors** - This activity is implemented and accomplished by KEEA after the approval of the final Draft AI on Energy Audit (Energy Auditors and Managers Certification Commission).

Challenge - The challenge remains the adoption of the secondary legislation of the AI on Energy Audit, an obligation that varies from Article 23 of the Law No. 06/L-079 on Energy Efficiency.

**Specific objective 5.4: Development of the Energy Efficiency Action Plan for the period 2019 and beyond according to the requirements of Directive 2012/27/EC and a preliminary study**

Drafting of the Action Plan for Energy Efficiency for the period 2019-2027, this activity has been cancelled, because it has started drafting of the National Energy and Climate Plans (NECPs). EE activities will be adapted taking into account the requirements of the decisions of the Ministerial Council of the Energy Community on the integrated approach for drafting future energy and climate plans in accordance with the Energy Union Government Rules of Procedure. According to this regulation, EE targets are set for the period 2021-2030 and on this basis two scenarios have been drafted: Reference Scenario and Policy Scheme for Achieving EE Targets by 2030.

**Drafting of the Energy Efficiency Action Plan for the period 2019-2021** – The draft National Energy Efficiency Action Plan (NEEAP) IV 2019-2021 has been drafted and is ready for approval by the Government after the completion of the public discussion procedures and approval of the initial phase.

Challenge - The challenge has been data collection and functioning of the Government.

**Specific objective 5.6: Drafting and approval of the Program for the mobilization of investments for the renewal of the elements of residential and commercial buildings in the public and private sector, according to Ministerial Council Decision of the EC**

**Drafting of the strategy for the renovation of government buildings** - The Draft Strategy for Renovation of Public Buildings has been drafted and is expected to go through legal administrative procedures, before approval.

Challenge remains drafting and supplementation of the Secondary Legislation.

**Specific objective 5.7: Implementation of EE and RES measures in public and central level municipal buildings**

**Completion of the EE- RES project credited by KfW and reporting** – The project, funded by KfW and the German government, is in its initial phase. Procurement procedures have been completed, the company has been selected to design and implement the project. The signing of the contract with the selected company is in process.

The project envisages the implementation of EE measures in 15 local level buildings in municipalities: Prishtina, Gjiilan, Ferizaj and Gjakova. This project is supported by: KfW loan in the amount of 2.5 million Euro and 5 million Euro WIBF grant. The contract is expected to be signed with consultancy in March 2020.

Challenge - Procurement procedures lasted one year and the process was carried out by KfW.

**Specific objective 5.8: Implementation of EE, RES and Environmental measures outlined in the Paris Declaration in relation to the Charter of Sustainability of the Western Balkans (WB6)**

**Removal of legal and regulatory barriers for EE** – There has been no development.

**Promotion of ESCO and their contracts** - there has been no progress so far and the Promotion is

related to the drafting of the Regulation on ESCO and the amendment of the legislation.

Challenge - Review of the amendment to the package of energy laws and the Law on Procurement, the Law on Public Private Partnership.

**Drafting of the program-guideline for the implementation of minimum requirements of energy performance in buildings** - REEP project has been drafted and also finalized after discussions with the working technical group. The document is in English and must be translated into Albanian and Serbian. It can then be published as a final document.

Challenge - Professional and technical translation from English into Albanian and Serbian, as this is a technical document must be translated by field professionals.

**Multi-Country Program for 2018-2020 Project: Development of a national greenhouse gas monitoring and reporting system, historical trends and projects in line with the Regulation on Monitoring Mechanisms No. 525/2013 Art. 5, 7, 12 and 14** – National system for monitoring and reporting of greenhouse gases according to the requirements of the regulation on reporting mechanisms no. 525/2013, is partially functional. Within this system, the Kosovo Environmental Protection Agency is the institution responsible for coordinating the monitoring and reporting of greenhouse gases. KEPA reports on greenhouse gases annually at the European Environment Agency.

Challenge - There are no special officials employed in KEPA for obtaining data on the inventory of greenhouses. Kosovo has not yet determined the reference year for greenhouse gas inventory. Kosovo has no targets for reducing greenhouse gases. Kosovo is not a member of UNFCCC and has no reporting obligations under this convention. There is a lack of historical data for some sectors.

**Specific objective 5.9: Continuing of implementation of the Resettlement Energy Action Plan 2011-2020 and its review in line with the requirements of the RES Directive**

**Assessment of the NAPRES 2011-2020** - The report on the achievement of the participation of RES for 2018 was made at the beginning of 2019 by the Kosovo Agency of Statistics in Eurostat in the framework of the Share tools format. Achieving the goal has been 24.9% gross final energy consumption. Considering that the progress report for RES is implemented every two years, and then in 2020 it will be drafted for the years 2018-2019, while the reporting for Eurostat is done every year.

**Review of the RES Action Plan 2011-2020** - The revised plan was sent to the Cabinet of Ministers in February 2019. After the submission of the mandate by the Minister, the plan was returned unsigned and without any justification.

Explanation - Since the target contained in NAPRES 2011-2020 is almost reached, then we do not need to approve the review of this plan.

**Fulfilment of energy targets by RES through the implementation of concrete projects:**

Hydropower plant	7 projects, 29.76 MW
Wind turbine	1 project, 32.4 MW
Solar panels	2 projects, 3.4 MW

Challenge - As it can be noticed, the implementation of the projects foreseen for 2019 is about 70%, considering that KITKA (wind farm) has been completed before the deadline, i.e. in October 2018.

Delays in some hydropower plants have been presented as obstacles to the implementation of the hydropower plants, which are related to technical aspects of implementation. They are expected to be finalized in the first six months of 2020.

**Application of suitable support schemes for attracting investments in RES (Feed-in tariffs or feed-in-premium)** – ERO has so far applied the “feed-in” fee to support projects for the construction of new generators by RES. This type of support is required to be replaced as soon as possible with competitive Auction/Tender instruments. It is still unclear whether this process will be managed by ERO or MEE, so this remains to be clarified between these two institutions. The persons appointed for the management of this process will have to draft the Procedures for its management.

Challenge - transition from incentive fee to competitive schemes.

**Simplification of authorization procedures for RES projects and harmonization of legal terms of consents and permits required in accordance with the lifespan of Technologies**

- There are no developments

Challenge - the incentive tariff in competitive schemes can be considered as challenging. Reforms in primary and secondary legislation are a prerequisite for changing support schemes for new generating capacities from renewable resources.

**Specific objective 5.10: Support to generation projects for thermal energy systems that use RES as fuel and promotion of the development of wood biomass market, taking into account the forms of its use such as pellets and briquettes**

**Examining the possibilities for building a support scheme for RES generators** - There is no development regarding this activity.

**Incentive scheme for pellet and briquette customers** - There is no development regarding this activity.

**Specific objective: 5.11: Functionalization of One-Stop-Shops for RES**

**Draw up a manual/guideline for the functionality of the One-Stop-Shop for RES and description of the work tasks for the staff, who will be engaged in One-Stop-Shop** – The Inter-Institutional Coordinating Commission for Development of Cooperation for One-Stop-Shop for Renewable Energy Resources has been established. The first meeting of the Inter-Institutional Coordinating Commission for Development of Cooperation for One-Stop-Shop for Renewable Energy Resources was held. The Procedure Handbook has been drafted by REPOWER.

**Specific objective 5.12: Completion and harmonization of legislation with the *Acquis* on environmental issues in energy activities and their implementation according to the dynamics foreseen for the period 2018-2027**

**Drafting of the Draft-Law on PIPC** - Law on PIPC - It is in the drafting stage, transposing Directive 2010/75/EU

Challenge - During the drafting of the Law on PIPC by the members of the working group, the request for technical assistance from TAIEX for further drafting of the Law.

**Drafting the new EIA Law** - The Concept Document of the EIA Law has been completed, while the EIA Law is in the drafting stage, transposing Directive 2014/52/EU.

**Specific objective 5.13: Decommissioning and dismantling of gasification facilities, fertilizer, heating and other facilities that do not impede the normal operation of active units of TPP Kosovo A**

**Preparation of the Environmental and Social Impact Assessment Study as well as other documents required for the decommissioning of gasification, nitrogen and heating plants at the TPP Kosovo A site, as well as preparation of the tender dossier for the dismantling of**

**facilities that will be subjected to decommissioning** – The project is being implemented according to the Terms of Reference by the consulting company “Sweco Gmb”, which started the works in July 2018 and is expected to be completed in August 2020. During 2019 the following activities were carried out:

- All buildings to be decommissioned have been identified, and a map that includes all buildings that are expected to be dismantled has been prepared;
- It is conducted a field research to find out whether there is soil and groundwater pollution;
- Current legislation has been analysed, and a detailed report with recommendations on the existing legal framework has been drafted.
- It has been drafted a Guidelines on legal procedures for obtaining all necessary permits for the decommissioning process, and documents that need to be prepared for obtaining these permits have been identified;
- Regarding the Environmental and Social Impact Assessment Study consultations were held with the Department of Environment in the Municipality of Obiliq, the department of KEK for decommissioning and public consultations with the citizens of the Municipality of Obiliq. After the completion of the consultations, the study draft has been prepared and is expected to be finalized at the beginning of July 2020;
- A database has been prepared for all materials present at the facilities that are expected to be decommissioned;
- For the temporary storage of hazardous waste that is expected to come out of the process of dismantling the facilities, the warehouse facility is expected to be used (facility in the area planned for decommissioning). An assessment has already been made regarding the structural stability of the warehouse facility. As for the opinion of the expert, the use of this facility is possible, but renovations must be made to meet the requirements regarding the temporary disposal of hazardous waste. Also, an area around the warehouse will be available for temporary disposal of non-hazardous waste;
- The process of preparing the tender documentation for the file regarding the dismantling of the facilities has started. The dismantling process is expected to be supported by the 2019 IPA Program;

Challenge - Cancellation of the construction of storages for temporary storage of hazardous waste in Kosovo. As a result, alternatives to the temporary storage of hazardous waste resulting from decommissioning, at the location of PP "Kosova A" (warehouse building), are being addressed.

## OTHER ACTIVITIES

**Feasibility Study and ESIP for Northern Macedonia - Kosovo Gas Pipeline** - In the framework of regional cooperation, in February 2019, the Ministry of Economic Development of the Republic of Kosovo and the Ministry of Economy of Northern Macedonia signed a Memorandum of Understanding aiming at intensification of cooperation between the two countries in the energy sector, including the natural gas sector. Implementing this agreement, North Macedonia and Kosovo submitted in early 2019 a joint application, with the former as the project promoter, a joint application to the WBIF for financial support in the form of a grant for conducting a feasibility study and EIA on the North Macedonia - Kosovo interconnection. The Steering Committee of the Western Balkans Investment Framework (WBIF) approved the grant and engaged IFICO consultancy to prepare the terms of reference.

**Drafting of a Master Plan for Natural Gas in Kosovo** – In accordance with the recommendations of the Pre-Feasibility Study for the Albania – Kosovo Pipeline (ALKOGAP Project), the former MED (now MEE), in cooperation with other interest groups, applied in early 2019 through the WBIF platform for financial assistance in the form of a grant for the preparation of the Master Plan for the distribution and supply of natural gas in Kosovo. Based on reports from the MEI, the Steering Committee of the Western Balkans Investment Framework (WBIF) agreed in June 2019, in Berlin, on a 1.5-million-Euro grant for the preparation of this Master Plan. The activity is implemented through requests addressed through the WBIF platform.

**Pre-feasibility study on Kosovo gasification by MCC** - Based on the initiative of the Millennium Challenge Corporation (MCC), a feasibility study on Kosovo gasification is being conducted by consultants engaged by MCC. A draft scope of work has been completed and the terms of reference prepared by the consultants hired by the MCC have been approved. According to reports from MCC, preliminary results are expected to be ready in the first part of 2020, which will serve as support for the preparation of the Master Plan for Natural Gas for Kosovo and the Feasibility Study for the Northern Macedonia - Kosovo interconnection.

**Drafting of the Guidelines for the implementation of minimum requirements for energy performance in existing buildings in the residential sector** - Typology and energy performance of residential buildings in the Republic of Kosovo – The guide was drafted by the GIZ KEEP project and local experts, in coordination with working groups. The document is expected to be finalized and published by the middle of this year for the implementation of the Regulation on the implementation of minimum requirements for energy performance in existing buildings in the residential sector.

### III. RISKS AND STEPS FOR THEIR ADDRESSING

#### Risks

Knowing that the energy sector is quite complex and depends on many factors that affect its progress and development, the achievement of the objectives of the Energy Strategy of the Republic of Kosovo 2017-2026 and of the ESIP 2018-2020 may be hindered, in terms of developments regarding the implementation of policies, measures and activities, by risks emerging in the progress of key projects that determine the security of supply. The identified risks are considered as follows:

- Failure to implement projects due to the impossibility of finding finances;
- Failure to make timely decisions on finding or providing alternatives to long-term energy supply;
- Obstacles from the community during expropriations as part of the development of the existing and the new mine;
- Failure to achieve the goals for reducing technical and commercial losses in the electricity distribution network, defined by the Energy Strategy of the Republic of Kosovo 2017-2026 and the 5-year Investment Plan of KEDS, approved by ERO;
- Frequent changes of government.

#### Steps for addressing the risks

Based on the risks listed above, the following guidelines aim to avoid risks in order to create conditions for the achievement of strategic objectives.

- Rapid undertaking of measures to find reliable long-term power supply alternatives based on recent developments around the TPP Kosova e Re project:
  - conducting a feasibility study for the rehabilitation/modernization of TPP Kosova A blocks;
  - review of the TPP Kosova e Re project taking into account the problems displayed during the process;
  - accelerate the steps in the feasibility study for the development of the natural gas system in Kosovo;
  - in addition to the study of the possibility of developing the natural gas system, accelerate the study of thermification with the district heating system of at least large cities of Kosovo;
  - address the issue of decarbonisation in the light of the security of sustainable electricity supply.
- Increasing communication with the local community and the updating of institutions in preventing construction for profit purposes during the expropriation of properties in the location where the existing and new mine is developed;
- Investments in the electricity distribution network in order to achieve the goals of reducing technical and commercial losses. In particular, actions should be taken to enable

distribution companies and energy suppliers to operate unhindered in municipalities in northern Kosovo in order to eliminate the problems caused by non-payment of energy distributed to those municipalities;

- Measures should be taken to review support schemes to promote investment in the field of electricity generation by RES on a competitive basis, taking into account EU practices;
- Development of new policies and measures to increase energy efficiency;
- Closer cooperation with international financial institutions.



## I. ANNEX – MATRIX OF THE PROGRESS REPORT 2018 OF ESIP 2018-2020

All the data entered are shown in the tables below and they are listed according to ESIP 2018-2020.

No.	Objectives and actions	Deadline	Financing source	Leading and supporting institution	Output	Reference to documents	Implementation progress
<b>I.</b>	<b>ASSURANCE OF A SUSTAINABLE, HIGH-QUALITY, SAFE, AND RELIABLE ELECTRICITY SUPPLY WITH ADEQUATE CAPACITIES FOR STABLE POWER SYSTEM OPERATION</b>						
<b>I.1</b>	<b>TPP “Kosova e Re”</b>						
<b>I.1.1</b>	Achievement of financial closure with Contour Global	Q4 2017 Q1 2019	BRK	NTCKR/ Former MED	Project financial closure achieved	ESIP 2018-2020	<b>Cannot be expressed in percentage</b> In accordance with the commercial agreements for the construction of TPP 'Kosova e Re', financial closure did not take place during this reporting period.
<b>I.1.2</b>	Drafting of ToR, bidding and contracting of independent Engineers	Q1 2018 Q4 2019	BRK	PSC/ PIU	ToR drafted and engineers contracted	ESIP 2018-2020	<b>70%</b> The first phase of the tender has been completed and 3 companies have been pre-qualified. The process is currently in the bid evaluation phase.
<b>I.1.3</b>	Completion with relevant staff of the Project Implementation Unit as per the PSC decision	Q1 2018 Q4 2019	BRK	PSC/ PIU	PIU staffed		<b>0%</b> There is no progress on this issue. It is important that all positions be filled in accordance with the decision of the PSC.
<b>I.1.4</b>	Participation / implementation of information conferences on the possibility of SME involvement in energy development projects: a) Participation of the former MED in the “Small Business Days” Information Conference organized by MTI for the SME sector - Topic by the former MED: “Informing SMEs about the possibilities of their involvement during the process of construction of the TPP ‘Kosova e Re’”;	a) Q3 2018 b) Q2 2019	Former MED/ MTI	Former MED / MTI	Information of SMEs about the possibilities of their involvement during the TPP ‘Kosova e Re’ project		<b>0%</b> Given the developments regarding the TPP ‘Kosova e Re’, this activity has not been completed.



	b) Implementation of the conference on “Strategic investments in the energy sector” - Opportunities for SME involvement and active participation in these projects						
<b>I.2</b>	<b>Realization of overhauls in TPP Kosova A, TPP Kosova B and installation of electrostatic filters in TPP Kosova B</b>						
<b>I.2.1</b>	Overhaul of Unit A3 in TPP Kosova A	Q2 - Q3 2018	KEK	KEK	Overhaul of Unit A3 of TPP Kosova A, completed	ESIP 2018-2020	<b>100%</b>
<b>I.2.2</b>	Overhaul of Unit B2 in TPP Kosova B	Q2 – Q3 2018	KEK	KEK	Overhaul of Unit B2 of TPP Kosova B, completed		<b>100%</b>
<b>I.3</b>	<b>New Mine “South Sibovc”</b>						
<b>I.3.1</b>	Preparation of a detailed plan for opening the new mine	Q3 2017 Q2 2018	KEK	KEK	Detailed plan for opening new mining, prepared	ESIP 2018-2020	<b>100%</b>
<b>I.3.2</b>	Opening of the new mine	Q2 2019 Q1 2023	Government of Kosovo	Former MED / KEK	The new mine ready for exploitation	ESIP 2018-2020	<b>0%</b> In June 2019, KEK has announced the tender for the provision of two excavators, which is in process, but The value of the investments needed to open the New Mine is high and cannot be achieved without the support of the Government of Kosovo. The necessary investments, according to the document of the detailed and investment plan for the new mine, are 380 million Euro (295 million Euro in the first 5 years).
<b>I.4</b>	<b>Reduction of technical and commercial losses in the distribution network (Reduction of technical losses up to 9.5% by 2026 in the distribution network)</b>						
<b>I.4.1</b>	Replacement of mechanical meters with digital meters	Q1 2018 Q4 2025 (Only years 2018-2020 included)	KEDS	KEDS	Reduction and prevention of commercial losses; Elimination of possible reading errors; Reducing the possibility of abuses with the meters	ESIP 2018-2020	<b>100%</b> <b>The following investments have been carried out:</b> 2,922 smart meters with GSM GPRS communication; 1,8078 PLC smart meters; 196 semi-indirect meters; 10,039 mechanical meters have been replaced with digital meters; 25,972 meters have been installed for new connections.
<b>I.4.2</b>	Displacement of meters (MMO)						
<b>I.4.3</b>	Installation of smart automatic meters; For years 2018 - 2020 the expected number for the replacement of meters reaches 161 247** thousand meters.						

<b>I.4.4</b>	Rehabilitation of the distribution network with a focus on the transition to the 20 kV voltage level, respectively the gradual elimination of 35 kV and 10 kV voltage, in accordance with ERO rules and international standards	Q1 2018 Q4 2025 (Included only years 2018-2020)	KEDS	KEDS	Reduction of technical losses and voltage drop; Uninterrupted supply of electricity and increased supply quality; Localization of breakdowns	ESIP 2018- 2020	<p style="text-align: right;"><b>100%</b></p> <p>In 2019, medium voltage projects were directed to the most critical areas, such as: Ferizaj, Fushë Kosova and Dragash to solve the problems of rapid consumption growth, overloading the network and improving other technical parameters. Among the largest energy projects during 2019 (which projects have been implemented since previous years are): the project of Breznica, Drenica, Runik and Fushë-Kosova. The materials placed for these projects are: 13 transformers, 21 outlets, 18,000 m conductors, 35,320 m cables, 267 cable heads, 10 poles, etc. The project of Fushë Kosova also includes the renovation of existing substations and the construction of a new substation.</p>		
<b>I.4.5</b>	Reduction of long radial lines by setting distribution stabilizers on 10kV output ramps								
<b>I.4.6</b>	Construction of new substations of TM/TU network;	Q1 2018 Q4 2025 (Included only years 2018-2020)	KEDS	KEDS	Reduction of technical and commercial losses; Reduction of voltage drops; Uninterrupted supply of electricity and increased supply quality; Reduction of overloads; Rehabilitation and modernization of distribution network		<p style="text-align: right;"><b>71.94%</b></p> <p>Projects implemented during 2019 include New transformers in areas needed for investment, Replacement of existing transformers with new ones to increase the capacity, Rehabilitation of low voltage network, Reinforcement of medium voltage network within the scope of LV projects, in accordance with the plans of future MV outlet, expansion of MV network for connection of new transformers, installation of MMOs (displacement of meters outside on the poles or metering panels on the ground), etc. Below are presented materials used for the project groups according to the numerical order: For project number 6, 48 transformers and 48 LV panels have been installed. For project number 7, 461 poles, 272 metering boxes and 21,408 m of cable (lines) have been installed. For project number 8, 45 transformers, 73 LV panels, 6,595 poles, metering boxes; 8,298, about 900,000 m cables, respectively 388,439 m underground cables and 508,996 m above ground cables, etc., have been installed.</p>		
<b>I.4.7</b>	Construction of a new low voltage grid/network;								
<b>I.4.8</b>	Rehabilitation of the existing network								
<b>I.4.9</b>	Alternative supply of 10kV outlets, i.e. existing secondary substations;  Within this activity, during 2017-2019, about 200 transformers per year are expected to be replaced and / or replaced								
<b>I.4.10</b>	Implementation of SCADA system for data control, communication and surveillance;	Q1 2018 Q4 2025 (Included only years	KEDS	KEDS	Reduction of unplanned interruption hours and isolation of interruptions; Network		<p style="text-align: right;"><b>100%</b></p> <p>This project has been implemented as planned, and phase III and the final phase of the SCADA project are expected to be finalized by the end of 2020.</p>		

I.4.11	Implementation of software for switching from the old network to the smart network	2018-2020)			modernization; Easy access to power system distribution data; Increased operational quality		
I.4.12	Implementation of new requirements with the opening of a competitive market; Meeting the needs for equipment and work tools, in order to facilitate operation and shorten the response time to breakdowns						<b>93.97%</b>
<b>I.5</b>	<b>University Program Reform in Technical Sciences of the Energy Field</b>						
I.5.1	Development of new curricula / programs and new teaching practices, in line with new labor market requirements for young Engineers, based on the finest models in EU countries	Q3 2018 Q4 2020	Donors	UP FIEK FIM	The new program in accordance with the new requirements of energy market	ESIP 2018-2020	<b>FECE:100%</b>
							<p><b>FME: 72%-Bachelor; 90%-Master</b> FIM has accredited the study program “Thermal energy and Renewable Energy” until 30.09.2021, which is based on the EU best practices and the needs of the labor market in Kosovo. FIM is now in the process of preparing a Self-Assessment Report for the re-accreditation of this program, planning a 20% change in curricula as much as it is always allowed to adapt to the job market as well as possible. In this study program at the Bachelor level 65 students were accepted while at the Master level 18 regular students were accepted.</p>
I.5.2	Supporting with scholarships for outstanding students attending studies in those programs at the Faculty of Electrical and Computer Engineering - Direction of Electronurgics: Bachelor,	Q3 2019 Q4 2021	BRK Donors	UP FIEK	Financial support for 20 Bachelor students, 20 master students and 10 in doctoral studies in Electroenergetics direction		<b>0%</b> In this study program at the Bachelor level 65 students were accepted while at the Master level 18 regular students was accepted. Also, there was no financial support for 20 master's degree students, respectively 10 doctoral students, although the master's and doctoral

	Master and Doctorate level					level for Electrical Engineering is not accredited.
<b>I.5.3</b>	<p>Support of the University of Prishtina "HASAN PRISHTINA", Faculty of Mechanical Engineering and Electrical Engineering and Computer Engineering:</p> <p>a) Support to the completion of the laboratory in the field of thermal energy and renewable energy;</p> <p>Implementation of pilot projects in the field of RES (PV installation, green park building, promotion of a model facility with low energy consumption)</p> <p>b) Support in the completion of laboratories in the direction of Electroenergetics</p>	Q3 2018 Q4-2019	<p>Donors (TIKA, GIZ, EU Office, USAID-i – EMPOWER, MCC, BRK, etc.)</p>	FIM, FIEK	<p>Complete laboratories with the necessary equipment for FIM and FIEK</p>	<p><b>FIEK: It cannot be expressed in percentage</b> The equipment provided to the Electroenergetics laboratories are as follows: - “Primary Injection Test equipment up to 2,500A., with auxiliary ac and dc outputs” with all accompanying equipment; - “Transmission line model 150km/300km (93.2miles/186.4miles)” with all accompanying equipment; - “Double busbar unit, three-phase, incoming / outgoing feeder”, with all accompanying equipment. The equipment in question are only few of the equipment needed for the completion of energy sector laboratories.</p> <p><b>FIM: 40%</b> Funds have not been provided for the completion of Thermal Energy and Renewable Energy Sources (RES) Laboratories. It is now the final phase of renovating the premises of the Center for Innovation and Entrepreneurship at UP funded by the Ministry of Innovation and Entrepreneurship. Within this project, irrigation of the green park with solar energy is foreseen. The Municipality of Prishtina has supported the FIM project by installing 8 hybrid lighting bodies with wind/solar energy. In the facility of Laboratories, FIM established a RES Lab, where a Hydro Turbine for the production of electricity from water, 1 wind turbine with vertical axis, 1 wind turbine with horizontal axis, 1 solar system with fixed axis and 1 solar system for tracking the sun have been installed. Projects have been drafted for the construction of a PV Power Plant with a capacity of 2 x 100 [kWh] at the top of the laboratories of the Technical Faculty. Technical Faculty laboratories are in the process of completing an Energy Efficiency Project, funded by the World Bank and implemented by the Ministry of Energy Development. Within this project it is foreseen: external insulation of the building, replacement of</p>

							windows and doors, replacement of lighting fixtures with efficient bodies and rehabilitation of the heating system.
<b>I.6</b>	<b>Protection Program for vulnerable consumers</b>						
<b>I.6.1</b>	Drafting and preparing a Memorandum of Understanding between MLSW and KEDS-KESCO	Q1 2018 Q4 2020	Kosovo budget (MF-MLSW)	MLSW	Subsidizing electricity for all households in SNS and FDIL	ESIP 2018-2020	<b>100%</b> Electricity subsidies have been provided to all families in SNS and FDIL
<b>I.7</b>	<b>Treatment of communities affected by energy activities (TPPs, heaters, etc.)</b>						
<b>I.7.1</b>	Direct projects for the community, approved by the Municipal Assembly of Obiliq	Q2 2018 Q4 2018	KEK	KEK	Increasing the quality of public services	ESIP 2018-2020	<b>100%</b>
<b>I.7.2</b>	Realization of community development projects from the Community Development Fund by investor TPP 'Kosova e Re' (Investments for the community for the years 2019-2020, € 2 million)	Q1 2019 Q4 2020	Private investor TPP 'Kosova e Re'	Private investor TPP 'Kosova e Re' Municipality of Obiliq MESP	Improvement of the living conditions of the community affected by energy developments	ESIP 2018-2020	<b>50%</b> The Board of the Community Development Fund has been completed. The Government of Kosovo has delegated its members in accordance with commercial agreements and their work is expected to begin with the aim of helping the community.
<b>I.8</b>	<b>Comprehensive study for a period up to 2050 on the energy sector</b>						
<b>I.8.1</b>	Conduct comprehensive energy sector studies for the period up to 2050	Q1 2019 Q4 2020	Former MED Donors (EC)	Former MED	Completed studies that will include 10 components in accordance with ToR	ESIP 2018-2020	There was no activity related to this study, because the donors withdrew from the financial support for the realization of this study.
<b>II.</b>	<b>INTEGRATION IN THE REGIONAL ENERGY MARKET</b>						
<b>II.1</b>	<b>Implementation of 'soft measures' as per the ECT guidelines</b>						
<b>II.1.1</b>	Application for accession - Membership of ERO to ACER	Q3 2018	ERO	ERO	Membership of ERO in ACER;	ESIP 2018-2020	<b>50%</b> On 29.11.2019, ERO has sent a letter /application to the director of ECS, Mr. Kopac, to support ERO's membership to ACER.

II.1.2	Ensuring liquidity of the internal electricity market with appropriate regulatory measures such as contract reviews, capacity discharges, virtual power plants, etc.	Q2 2018 Q4 2019	/	ERO	Achievement of the applicability of competition		<p><b>It cannot be expressed in percentage</b>                  During 2019, KEK, for energy surpluses, after fulfilling the obligations arising from the Bulk Supply Agreement (BSA), as well as HPP Ujmani, has started to sell all the quantity produced by adhering to the electricity procurement procedure. According to the "Market Liberalization Guidelines", consumers of the level of 35 kV and 10 kV were expected to be subject to market conditions and prices for electricity supply until 31 March 2019, but this deadline has been changed to 31 March 2020.</p>
II.1.3	Presentation of a coordinated process of calculating of day-ahead capacity allocation based on a coordinated congestion forecast	Q1 2018 Q4 2018	/	KOSTT	/		<p><b>0%</b>                  This will be done when KOSTT starts operating as a regulatory area.</p>
II.1.4	Certification of the transmission system operator in line with the Third Energy Package	Q1 2018 Q4 2018	/	KOSTT	Transmission System Operator, certified		<p><b>100%</b></p>
II.1.5	Increase the effectiveness of administrative authorities - competition and state aid; a) Recruiting five officials within the State Aid Department / MoF; b) Drafting the Regulation on Notification Procedures in accordance with the Law on State Aid; Review of Regulation No. 1/2013 on the Organization and Functioning of the State Aid Commission; c) Appointment of the State Aid Commission (SAC) by the Assembly of the Republic of Kosovo; d) Creation of inventory of state aid, including notification to ERO and MED;	Q1 2018 Q4 2020	MF/ Donors	MF	Recruiting five officers within the DNS; Adoption of secondary legislature; SAC, functional; Inventory for State Aid Created	ESIP 2018- 2020	<p><b>100%</b></p>

II.2	The establishment of a common market with Albania as a joint electricity trading zone Kosovo-Albania as a first step towards integration of the common energy community market.						
II.2.1	Unblocking the KOSTT Connection Agreement with ENTSO-E and KOSTT operation as a Regulatory Area within ENTSO-E	Q1 2019	KOSTT	KOSTT/ ENTSO-E	Security of supply	ESIP 2018-2020	<p style="text-align: right;"><b>90%</b></p> <p>On 23.05.2019, in the 52<sup>nd</sup> meeting of RGCE (Regional Group Continental Europe) - ENTSO-E body, all representatives of TSOs (Transmission System Operator) of Continental Europe, (except for Greece and Spain which abstained, and Serbia, which voted against) voted for the proposal to amend the KOSTT-ENTSO-E Connection Agreement to unblock the process and make KOSTT operate as an independent Regulatory Area / Block within Continental Europe and this no later than April 2020. A draft of the Connection Agreement has been sent for comments to RG CE.</p>
II.2.2	Connection of 400 kV line Kosovo - Albania and activation of contract for LFC (secondary regulation with Albania)	Q1 2019	KOSTT (grand/loan from KFW)	KOSTT/ TSO	Security of supply and fulfilment of the ENTSO-E criteria	ESIP 2018-2020	<p style="text-align: right;"><b>90%</b></p> <p>KOSTT is planned to operate as an Independent Regulatory Zone/Block within Continental Europe and no later than April 2020, as a result of which the 400kV Line between Kosovo-Albania will be fully operational.</p>
II.2.3	Adhering to the energy stock-exchange that is under construction in Albania	Q4 2019	KOSTT	KOSTT/ TSO	Market opening, increased competition, security of supply	ESIP 2018-2020	<p style="text-align: right;"><b>70%</b></p> <p>On 15.05.2019 The Council of Ministers of Albania has issued a decision on the establishment and determination of the legal form and structure of ownership of the capital of the power exchange. This decision defines the structure of shareholders or other trading parties according to the share of capital. In order to establish the Albanian Power Exchange (ALPX), the Council of Ministers has issued a decision on the procedures for selecting the company's shareholders. After the selection of shareholders, the process of establishing the company that will operate the markets begins. During March 2020, it is expected that the process of selecting the Company's Shareholders will be initiated and KOSTT will be part of this exchange. According to our estimates, the whole process from the establishment phase of the company to the real operation can be until Q4 of 2021.</p>
II.2.4	Creation of a common area of Kosovo-Albania (binding zone) where the current interconnection lines will be considered as internal lines and no capacities will be allocated	Q1 2019	KOSTT-TSO	KOSTT-TSO / Government of Albania and Kosovo	Optimization of the work of both systems, security of supply, support for the integration of RES	ESIP 2018-2020	<p style="text-align: right;"><b>70%</b></p> <p>On 15.05.2019 The Council of Ministers of Albania has issued a decision on the establishment and determination of the legal form and structure of ownership of the capital of the power exchange. This decision defines the structure of shareholders or other trading parties according to the share of capital. In order to establish the Albanian Power Exchange (ALPX), the Council of Ministers has issued a decision on the procedures for selecting the company's shareholders. After the selection of shareholders, the process of establishing the company that will operate the markets begins. During March 2020, it is expected that the process of selecting the Company's Shareholders will be initiated and KOSTT will be part of this exchange. According to our estimates, the whole process from the establishment phase of the company to the real operation can be until Q4 of 2021.</p>

II.2.5	Connection with the day-ahead regional market and the intra-day market	Q1 2019	KOSTT-TSO	KOSTT-TSO	Optimizing the work of the two systems, security of supply, support for the integration of RES	ESIP 2018-2020	<p style="text-align: right;"><b>20%</b></p> <p>With the establishment of the Albanian Power Exchange, it is foreseen to connect them with other regional power exchanges.</p>
II.2.6	<p>For the operationalization of the common market Kosovo - Albania, 4 pillars should be developed with the following activities:</p> <p><b>I. Legal framework</b></p> <p>a) Amendments to national laws of both countries covering the establishment of the Regulatory Committee and recognition of licenses issued by ERO and ERE</p> <p>b) Implementing changes to the law</p> <p><b>II. Regulators and licensing</b></p> <p>c) Establishment of the Joint Regulatory Committee</p> <p>d) Development of System and Market Operator Licenses (OS and MO)</p> <p>e) Development of the Regulatory Framework of Price Controllers for OS and MO</p> <p>f) Creation of a joint committee on modification of market rules</p> <p>g) Establishment of procedures for allocation of congestion costs</p> <p><b>III. Market Model</b></p> <p>h) Development of the high-level market design for the Common Market</p> <p>i) Develop market rules for the common market</p>	Q1-2018 Q2 2019	KOSTT-TSO	KOSTT-TSO ERE -ZRrE	Creation of the legal framework and organizational structure and technical conditions necessary for the functioning of the common market	ESIP 2018-2020	<p style="text-align: center;"><b>I. It cannot be expressed in percentage</b></p> <p>The parties Kosovo - Albania (representatives of the legal group) are in the process of identifying differences in the legislation of the two countries, including licenses and their mutual recognition. During the working group meetings have been identified some issues, including those related to Licenses and Legislation that need to be addressed. In this process was engaged consultancy service, but also other stakeholders, such as: KOSTT, former MED, including ERO.</p> <p style="text-align: center;"><b>II. 60%</b></p> <p>c) and f): Three joint Kosovo-Albania working groups have been established (WG on Legal/Regulatory issues; WG on technical-operational issues and WG on commercial issues), activities that are being carried out according to the foreseen dynamics.</p> <p>g): takes place after the establishment of APEX.</p> <p style="text-align: center;"><b>III. It cannot be expressed in percentage</b></p> <p>h): The Market Design is pending for two projects, that of the Status of TPP 'Kosova e Re' and APEX. The other points are completed.</p>



	<p>j) Establishment of communication and payment procedures between OS and MO for the operation the balancing mechanism and for payments/charges for ancillary services and other commercial payments</p> <p>k) Creation of procedures for registration of market participants (traders) and registration of service providers such as: distribution operator.</p> <p>l) Creation of Agents for measurement administration in Kosovo and Albania</p> <p>m) Establishment of a procedure for the registration of customer transfer from a licensed supplier to another licensed supplier</p> <p><b>IV. System operation</b></p> <p>n) Communication via fibre optic telecommunication connection and data exchange protocol between two operators</p> <p>o) Creation of a Joint Dispatch Centre for both systems and eventually of a regional centre.</p> <p>p) Establishment of the Joint Operational Block between two Regulatory Areas KOSTT OST</p>						<p><b>IV. It cannot be expressed in percentage.</b>  n) Completed. o) and p): options remain for the future after the operation of KOSTT as a Regulatory area. The operation will be performed in accordance with the ENTSO-E Codes such as SOGL and GLEB, also the LFC Project is operational.</p>
<b>III.</b>	<b>ENHANCEMENT OF EXISTING THERMAL SYSTEM CAPACITIES AND CONSTRUCTION OF NEW CAPACITIES</b>						
<b>III.1</b>	<b>Expansion of the District Heating network "TERMOKOS", as per the Expansion Master Plan</b>						
<b>III.1.1</b>	Expansion and rehabilitation of the network with IPA 2015	Q2 2018 Q4 2019	EC 8.3 mil. € Municipality of	European Commission Termokos	Increased efficiency and higher number of customers	ESIP 2018-2020	<b>50%</b> Expansion of the network with new customers: in the neighbourhood Calabria, where 23 new substations have been installed (about 1300 new customers, with

			Prishtina 0.25 mil. € Termokos 0.25 mil. €	Former MED			approximately 150,000 square meters). The following institutional customers are also connected to the network: Children's nursery at Qafa, Faculty of Architecture, lower secondary school "Naim Frasheri", Police Station "Hamez Jashari", Building of the Kosovo Customs Directorate. 50 substations in the existing network have been rehabilitated (out of 100 planned). Pipes of various sizes have been replaced, from DN50 to DN300 in many planned segments. The rest is scheduled to be completed by the end of September 2020.
<b>III.1.2</b>	Expansion and rehabilitation of the network with KfW funds	Q2 2018 Q4 2020	KfW €10 mil. The Government of Luxembourg €2.3 mil. €1.5 mil. Municipality of Prishtina €1.5 mil.	KfW, Termokos Municipality of Prishtina	Increased efficiency and higher number of customers		<p style="text-align: center;"><b>Point I - 100%</b></p> <p style="text-align: center;"><b>Point II - It cannot be expressed in percentage</b></p> <p>II. Regarding the project for rehabilitation and expansion of the network in the amount of about € 12 million, during 2019, the consultancy for the project – "IC Consulente" and "CES" from Austria has been selected. The project is still in the contractor selection phase. So far, no concrete work has been done on the ground.</p>
<b>III.1.3</b>	Placement of individual heating meters in each apartment (heating body)	Q4 2018 Q4 2020	The American Government – MCC	The Kosovo Government	Increased efficiency in Billing customers based on the energy consumed		<p style="text-align: center;"><b>It cannot be expressed in percentage</b></p> <p>The consulting company "IC Consulente" from Austria and "DECON" from Germany have been selected. The concrete work on this project has not started yet and the contracting company for the implementation of the project has not been selected yet.</p>
<b>III.2</b>	<b>Construction of thermal energy generation plant in the City's DH in Gjakova and improvement of the existing network for maximal use of new planned capacity of thermal energy</b>						
<b>III.2.1</b>	Construction of new co-generation plant based on biomass (16.5 MWt / 1,5MWe)	Q1 2018 Q1 2019	EC - IPA 2015 Municipality of Gjakova Government	EUO DH	New Cogeneration Plant & Rehabilitated network with substations and thermal meters	ESIP 2018-2020	<p style="text-align: center;"><b>It cannot be expressed in percentage</b></p> <p>At the end of 2018, the EBRD selection procedures have been completed and then the relevant contracts have been signed: contracts for the supervision of EGIS International works from France: 850,000 Euros (28.12.2018); For the design and construction of URBAS from Austria: 13,978,180 Euros (18.03.2019).</p>

			Financial institutions				After providing all the necessary permits and documents, on 10.12.2019, the cornerstone of the commencement of works for the construction of the district heating has been laid.
<b>III.3</b>	<b>Preparation of conditions for the start of construction of thermal energy systems in the cities of Kosovo (Peja, Prizren, Gjilan, Ferizaj, Drenas, Obiliq, Mitrovica dhe Zvecan)</b>						
<b>III.3.1</b>	Realization of the study for the assessment of possibilities for building thermal power generation or co-generation capacities as well as increasing production capacity and expanding distribution network	Q1 2019 Q4 2020	Grant in the form of Technical Assistance within the platform WBIF/BRK	Former MED/OPM Relevant Ministries ERO Energy operators	Feasibility study, completed	ESIP 2018-2020	<b>0%</b> Waiting for Grant
<b>IV.</b>	<b>DEVELOPMENT OF NATURAL GAS INFRASTRUCTURE</b>						
<b>IV.1</b>	<b>Development of institutional and planning capacities for the management of activities for the process of developing natural gas infrastructure</b>						
<b>IV.1.1</b>	Implementation of the Memorandum of Understanding on the Model Partnership for Natural Gas Pipelines	Q3 2017 Q3 2020	USAID/USA	The United States Energy Association (USEA) in cooperation with the United States Agency for International Development (USAID)	Institutional capacities created and developed Ownership of the license for the use of SIMONE software for the simulation and optimization of transmission and distribution of natural gas; Preparation/development of the transmission and distribution system model for natural gas for Kosovo and realisation study with the 2040 Max Regional Model.	ESIP 2018-2020	<b>100%</b>

IV.1.2	Pre-feasibility study for Albania-Kosovo gas pipeline	Q1 2019 Q4 2020	WBIF/EB RD platform	Former MED	Pre-feasibility study, completed		<b>0%</b> There has been no development regarding this activity. This activity is implemented based on the requests addressed by the Albanian side.
<b>V.</b>	<b>FULFILLMENT OF TARGETS AND OBLIGATIONS IN ENERGY EFFICIENCY, RENEWABLE ENERGY SOURCES, AND ENVIRONMENTAL PROTECTION</b>						
<b>V.1</b>	<b>Implementation of the third intermediate plan 2016-2018;</b>						
V.1.1	Program for the implementation of energy efficiency measures in public facilities at local level, for education and health - Third phase	Q1 2019 Q4 2020	BRK	KEEA	Implementation of EE measures	ESIP 2018- 2020	<b>80%</b> In the framework of the Project with No. 213/19/019/521 only one educational facility in Gjakova was financed, the school "Yll Morina". Due to the School-Contractor disputes, the facility has been completed 80%
V.1.2	Energy Auditing of Public Buildings and Other mandatory enterprises - Support Program - Implementation of Energy Efficiency Measures in Public Service Buildings (II)	Q2 2018 Q4 2020	BRK	Former MED	Implementation of EE measures		<b>100%</b>
V.1.3	Promotional Campaign for Energy Efficiency and Renewable Energy Sources	Q1 2018 Q4 2020	BRK	Former MED	Increasing awareness of the importance of usage of EE and RES measures in the transport sector		<b>100%</b>
<b>V.2</b>	<b>Transposition of the European Directive on Energy Efficiency 2012/27/EC through the review of the current Law on Energy Efficiency, as well as the drafting and adopting of sub-legal acts of the new Law on Energy Efficiency</b>						
V.2.1	Regulation on the establishment of ESCO	Q3 2018 Q1 2019	BRK	Former MED	Regulation implemented	ESIP 2018- 2020	<b>0%</b> There has been no progress, due to the amending/supplementing of the secondary legislation, which needs to be amended for the drafting of the draft Regulation on the Establishment of ESCO.
V.2.2	Drafting of the AI on Energy Audit	Q1 2019 Q3 2019	/	Former MED	AI on Energy Audit, adopted	ESIP 2018- 2020	<b>80%</b> The relevant instruction has undergone all procedural steps and has been finalized, but it has not been signed yet by the Minister.
V.2.3	Drafting of AI on Labelling Electrical	Q1 2019 Q3 2019	/	Former MED	AI on labelling home appliances	ESIP 2018-	<b>0%</b> There has been no development for this activity, and to

	Appliances				adopted	2020	carry out this activity depends on the subsequent developments by the Secretariat of the Energy Community, namely the approval by the Council of Ministers.
<b>V.3</b>	<b>Completing KEEA with the necessary staff and capacity development at the central and local level for the implementation of Energy Efficiency Policies</b>						
<b>V.3.1</b>	Reorganization of KEEA - under development with GIZ	Q1 2018 Q1 2019	GIZ	KEEA	KEEA reorganized and completed with professional staff	ESIP 2018- 2020	<b>100%</b>
<b>V.3.2</b>	Scheme for the establishment of a sustainable system for training and certification of energy auditors	Q2 2018 Q4 2018	GIZ	Former MED	Scheme established and approved		<b>0%</b> This activity is implemented and accomplished by KEEA after the approval of the final Draft AI on Energy Audit (Energy Auditors and Managers Certification Commission).
<b>V.3.3</b>	Train the trainers program for energy auditors by an internationally licensed company	Q1 2019 Q2 2019	GIZ	Former MED	Trainers trained		<b>100%</b>
<b>V.4</b>	<b>Development of the Energy Efficiency Action Plan for the period 2019 and beyond according to the requirements of Directive 2012/27/EC and a preliminary study</b>						
<b>V.4.1</b>	Drafting of the Energy Efficiency Action Plan for the period 2019-2021	Q2 2018 Q4 2018	European Commission	KEEA	EEAP 2019-2017, approved	ESIP 2018- 2020	<b>90%</b> The final draft has been translated into 3 official languages and is ready for approval by the Government after the completion of the public discussion procedures and the approval of the initial phase.
<b>V.5</b>	<b>Approval of sub-legal acts for the implementation of the Law on Energy Performance of Buildings in accordance with Directive 2010/31/EC</b>						
	This specific objective according to ESIP 2018-2020 has been completed in 2018.						
<b>V.6</b>	<b>Drafting and approval of the Program for the mobilization of investments for the renewal of the elements of residential and commercial buildings in the public and private sector, according to Ministerial Council Decision of the EC;</b>						
<b>V.6.1</b>	Drafting of the strategy for the renovation of government buildings	Q3 2018 Q1 2019	Former MED	KEEA and MPA	Strategy for the renovation of government buildings	ESIP 2018- 2020	<b>50%</b> The draft of the Strategy for Renovation of Public Buildings has been drafted and is expected to be passed to the administrative legal procedures.

V.7	Implementation of EE and RES measures in public and central level municipal buildings						
V.7.1	Completion of the EE- RES project credited by WB and reporting a. Implementation of EE measures in 57 public facilities; b. Review/creation of the legal basis for the establishment of the Association of Household Councils	Q3 2017 Q2 2019	IDA – International Development Association	Former Ministry of Economic Development	EE measures implemented in public buildings	ESIP 2018-2020	<p style="text-align: center;"><b>80%</b></p> <p>So far, 9.3m euros have been spent on renovating completed buildings. In the implementation are also 30 buildings (Package 5) worth 4.2 million Euros which must be renewed by the end of 2020. As part of the World Bank's KEREER Project, 57 buildings are currently being completed. In 2019, 30 buildings have been completed.</p>
V.7.2	Completion of the EE- RES project credited by KfW and reporting	Q4 2018 Q4 2020	KfW	KEEA	EE measures implemented, School, Healthcare facilities		<p style="text-align: center;"><b>30%</b></p> <p>The project is in the initial phase where the procurement procedures have been completed. The company that will design and implement the project has been selected and is in the process of signing a contract with the selected company..</p>
V.8	Implementation of EE, RES and Environmental measures outlined in the Paris Declaration in relation to the Charter of Sustainability of the Western Balkans (WB6).						
V.8.1	Removal of legal and regulatory barriers for EE	Q3 2017 Q4 2018	/	Former MED	Legislation and regulations adopted	ESIP 2018-2020	<p style="text-align: center;"><b>0%</b></p> <p>There has been no development</p>
V.8.2	Promotion of ESCO and their contracts	Q1 2019 Q4 2019	/	Former MED	Definition of the type of contract for energy performance to be implemented by ESCO, completed		<p style="text-align: center;"><b>0%</b></p> <p>Within the ESCO Promotion and Contracts activity there has been no progress so far and the Promotion is related to the drafting of the Regulation on ESCO and the amendment of the legislation.</p>
V.8.3	Drafting of the program-guideline for the implementation of minimum requirements of energy performance in buildings	Q4 2019 Q4 2020	EBRD	MESP/Former MED	Drafting of the program and start of implementation, approved		<p style="text-align: center;"><b>70%</b></p> <p>The draft was developed by the REEP plus project and finalized in English language. Following the Albanian and Serbian translations, this document is published as a final document.</p>
V.8.4	Multi-Country Program for 2018-2020 Project: Development of a national greenhouse gas monitoring and reporting system, historical trends and projects in line with the Regulation on Monitoring Mechanisms No. 525/2013	Q1 2018 Q4 2020	EC	MESP	Establishment of the National Monitoring and Reporting System for Greenhouse Gases		<p style="text-align: center;"><b>It cannot be expressed in percentage</b></p> <p>National system for monitoring and reporting of greenhouse gases according to the requirements of the regulation on reporting mechanisms no. 525/2013, is partially functional. Within this system, the Kosovo Environmental Protection Agency is the institution responsible for coordinating the monitoring and</p>

	Art. 5, 7, 12 and 14						reporting of greenhouse gases to the European Environment Agency. The institutions that provide relevant data for the preparation of the inventory of greenhouse gas emissions have been identified.
<b>V.9</b>	<b>Continuing of implementation of the Resettlement Energy Action Plan 2011-2020 and its review in line with the requirements of the RES Directive</b>						
<b>V.9.1</b>	Assessment of the NAPRES 2011-2020	Q1 2018 Q4 2020	/	Former MED	Final assessment report and the construction of the concept for targets after 2020, completed	ESIP 2018- 2020	<b>It cannot be expressed in percentage</b> The report on the achievement of the participation of RES for 2018 was made at the beginning of 2019 by the Kosovo Agency of Statistics in Eurostat within the share tools format. The target was 24.9% gross of final energy consumption. Given that the progress report for RES is realized every two years, therefore in 2020 it will be drafted for the 2018-2019, whereas the reporting for Eurostat is done in yearly basis.
<b>V.9.2</b>	Review of the RES Action Plan 2011-2020	Q3 2017 Q2 2018	BRK	Former MED	Reviewed, completed plan		<b>It cannot be expressed in percentage</b> The review plan was sent to the Cabinet of Ministers in February 2019. After the submission of the mandate by the Minister, the plan was returned unsigned and without any justification.
<b>V.9.3</b>	Fulfilment of energy targets by RES through the implementation of concrete projects	Q1 2018 Q4 2020	Private sector	Former MED	<p><b>2018</b></p> <p>3 projects from solar power 9 MW - €9 mil. 5 projects from SHP 22.1 MW - €28.73 mil.</p> <p><b>2019</b></p> <p>14 projects from SHP, 61.8 MW - €80.34 mil. 2 projects from wind power 32.4 MW - €45.36 mil.</p> <p><b>2020</b></p> <p>14 projects from SHP 37.86 MW - €49.22 mil. 3 projects from wind power 105 MW - €147 mil.</p>	ESIP 2018- 2020	<p><b>70%</b></p> <p><b>The following projects were realized by RES:</b></p> <p>HCV 7Projects, 29.76 MW ERA 1 Projects, 32.4 MW Solar 2 Projects, 3.4MW</p>
<b>V.9.4</b>	Application of suitable support	Q1 2018 Q1 2026	Adjusted by ERO	ERO			<b>It cannot be expressed in percentage</b> ERO has so far applied the “feed-in” fee to support

	schemes for attracting investments in RES (Feed-in tariffs or feed-in-premium)		for feed in tariff and Premium ERO				projects for the construction of new generators by RES. This type of support is required to be replaced as soon as possible with competitive Auction/Tender instruments. It is still unclear whether this process will be managed by ERO or MEE, so this remains to be clarified between these two institutions. The persons appointed for the management of this process will have to draft the Procedures for its management.
<b>V.9.5</b>	Simplification of authorization procedures for RES projects and harmonization of legal terms of consents and permits required in accordance with the lifespan of Technologies	Q1 2018 Q4 2020	/	Former MED	Proposal report for simplification of procedures, approved	ESIP 2018- 2020	<b>0%</b> There are no developments
<b>V.10</b>	<b>Support to generation projects for thermal energy systems that use RES as fuel and promotion of the development of wood biomass market, taking into account the forms of its use such as pellets and briquettes</b>						
<b>V.10.1</b>	Examining the possibilities for building a support scheme for RES generators	Q4 2019 Q4 2021	BRK	ERO MF	Building the concept of the support scheme, finalized	ESIP 2018- 2020	<b>0%</b> There are no developments
<b>V.10.2</b>	Incentive scheme for pellet and briquette customers	Q4 2019 Q4 2021	BRK	Former MED/ MF	Financial incentives for customers, completed	ESIP 2018- 2020	<b>0%</b> There are no developments
<b>V.11</b>	<b>Functionalization of One-Stop-Shops for RES</b>						
<b>V.11.1</b>	Draw up a manual / guideline for the functionality of the One-Stop-Shop for RES and description of the work tasks for the staff, who will be engaged in One-Stop-Shop	Q3 2018 Q4 2018	/	Former MED	Manual for functionalization of One Stop Shop and Tasks for Engaged Staffs, Approved	ESIP 2018- 2020	<b>100%</b>
<b>V.12</b>	<b>Completion and harmonization of legislation with the <i>Acquis</i> on environmental issues in energy activities and their implementation according to the dynamics foreseen for the period 2018-2027</b>						
<b>V.12.1</b>	Drafting of the Draft-Law on PIPC	Q1 2018 Q4 2019	MESP	MESP	Law on PIPC	ESIP 2018-	<b>50%</b> Law on IPPC - is in the drafting phase, transposing



						2020	Directive 2010/75/EU.
<b>V.12.2</b>	Drafting the Concept Document and the new Law on EIA	Q1 2018 Q4 2019	MESP	MESP	New Law on EIA		<b>40%</b> The Concept Document of the EIA Law has been completed.
<b>V.13</b>	<b>Decommissioning and dismantling of gasification facilities, fertilizer, heating and other facilities that do not impede the normal operation of active units of TPP Kosovo A</b>						
<b>V.13.1</b>	Preparation of the Environmental and Social Impact Assessment Study as well as other documents required for the decommissioning of gasification, nitrogen and heating plants at the TPP Kosovo A site, as well as preparation of the tender dossier for the dismantling of facilities that will be subjected to decommissioning	Q3 2018 Q3 2020	IPA II	Former MED	Study for the Environmental and Social Impact Assessment	ESIP 2018-2020	<b>70%</b> The project is being implemented according to the Terms of Reference by the consulting company Sweco GmbH, which started working in July 2018 and is expected to be completed in August 2020..
<b>PP</b>	<b>OTHER UNPLANNED ACTIVITIES IN ESIP 2018-2020</b>						
<b>PP.1</b>	Feasibility Study and ESIP for the Northern Macedonia - Kosovo Pipeline	Q4 2019 Q4 2021	WBIF/EBRD platform	former MED now MEA and the Party from Northern Macedonia	Feasibility study and completed ESIP	ESIP 2018-2020	<b>10%</b> In the framework of regional cooperation, the Ministry of Economic Development of the Republic of Kosovo and the Ministry of Economy of Northern Macedonia, in February 2019 have signed a Memorandum of Understanding aimed at intensifying cooperation between the two countries in the energy sector, including the natural gas sector. Following this agreement, at the beginning of 2019, a joint application with Northern Macedonia, the latter as a project promoter, was submitted to the WBIF for financial support in the form of a grant to conduct a feasibility study and EIA on the interconnection North Macedonia - Kosovo. The Western Balkans Investment Framework Steering Committee (WBIF) has approved the grant and hired the IFICO consultancy to prepare the terms of reference.
<b>PP.2</b>	Preparation of Master Plan for Natural Gas in Kosovo	Q4 2019 Q4 2021	WBIF/EBRD platform	Former MED former	Master Plan prepared		<b>5%</b> According to the recommendations of the Pre-feasibility study for the Albania-Kosovo Pipeline

				MEA			(ALKOGAP Project) former MED now MEA in cooperation with other interest groups in early 2019 through the WBIF platform has applied for financial assistance in the form of a grant to prepare the Master Plan for distribution and the supply of natural gas to Kosovo. The Steering Committee of the Western Balkans Investment Framework (WBIF), according to MIE announcements, in June 2019, in Berlin, has allocated a grant of 1.5 million Euros for the preparation of the Master Plan. Activity that has been realized through requests that are addressed through the WBIF platform
<b>PP.3</b>	Pre-feasibility study for Kosovo gasification by MCC	Q4 2019 Q4 2021	MCC	MCC Core Team	Pre-feasibility study conducted		<p style="text-align: center;"><b>25%</b></p> <p>Based on the initiative of the Millennium Challenge Corporation (MCC), a feasibility study for the gasification of Kosovo is being carried out by consultants engaged by MCC. A draft scope of work has been completed and the terms of reference prepared by the consultants hired by the MCC have been approved. According to reports from MCC, preliminary results are expected to be ready in the first part of 2020, which will serve as support for the preparation of the Master Plan for Natural Gas for Kosovo and the Feasibility Study for the interconnection in Northern Macedonia - Kosovo.</p>
<b>PP.4</b>	Drafting of the Guidelines for the Implementation of Minimum Requirements for Energy Performance in Existing Buildings in the Residential Sector - Typology and Energy Performance of Residential Buildings in the Republic of Kosovo	Q3 2020	GIZ	MESP	Drafted guidelines	ESIP 2018-2020	<p style="text-align: center;"><b>90%</b></p> <p>The final draft has been drafted by the KEEP-GIZ project and a local expert in coordination with the working groups. The document is expected to be finalized and published by mid-2020.</p>