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INSTITUCIONET E PËRKOHSHME TË VETËQEVERISJES
PRIVREMENE INSTITUCIJE SAMOUPRAVLJANJA
PROVISIONAL INSTITUTIONS OF SELF-GOVERNMENT

QEVERIA E KOSOVËS – GOVERNMENT OF KOSOVO – VLADA KOSOVA

Ministria e Energjisë dhe Minierave	Ministry of Energy and Mining	Ministarstvo Energije i Rudarstva

KOSOVO PRIORITY INFRASTRUCTURE PROJECTS

(In the framework of the Energy Community Treaty)

August 2007

Introduction

The following list of priority projects is compiled in compliance with the Conclusion Nr. 5 of the 2nd Ministerial Meeting, Becici 28 June 2007. It is prepared following the project template and guidelines prepared and distributed by the Energy Community Secretariat.

This list includes regional, bilateral and national priority projects in the area of electricity generation, transmission, as well as other relevant energy projects. They are all part of the Kosovo Energy Strategy 2005-2015.

The following proposed infrastructure projects are greenfield investments, rehabilitations and/or expansions, Private sector participation is expected mainly in the form of concessions and public-private partnerships.

Attached to the priority infrastructure projects is a list of studies and technical assistance required to advance the timely implementation of Kosovo commitments in the framework of Energy Community Treaty.

I. Electricity Generation and Cogeneration

Following are a priority list of infrastructure projects in the field of electricity generation and cogeneration.

<table>
<tr><td>Project title and description:
<u>Lignite to Power Generation – TPP Kosova C</u>

Project package includes the following components:
- Development of a new lignite field in Sibovc which will supply lignite for the existing and a new power plant
- Development of a new lignite-fired TPP “Kosova C” up to 2,100 MW of final installed capacity
- Rehabilitation of existing power generation assets in Kosovo

Project is planned to be developed in two stages.
- Stage 1: Development of about 1,000 MW by 2012
- Stage 2: Development of the other 1,100 MW by 2020</td><td>Kosovo

Project location: 15 km NW of Pristina

Municipalities concerned:
Obiliq, Fushe Kosove and Vushtrri</td></tr>
<tr><td>Type of project:
- Green field investment
- Rehabilitation/Expansion
- Concession

Origin of funding:
- Private
- Competitive selection of private investor</td><td>Name of client:

- Private investor to be selected
- Government of Kosovo</td></tr>
<tr><td>Implementing agency:
- Ministry of Energy and Mining, LPTAP Project Office
- Funding of Technical Assistance (TA) provided by the World Bank. TA includes (i) transaction advisors, (ii) legal advisors, and (iii) environmental and social safeguards advisors
- A large number of relevant studies are prepared in support of this large project. These studies include pre-feasibilities, market assessments, technical evaluations, pollution mitigation, etc. Studies are available at a dedicated dataroom for this project near the Ministry of Energy and Mining
- Contact person: Dr.Lorik Haxhiu, LPTAP Project Manager; Phone +381 38 213 770; Fax: +381 38 771; Email: lorik.haxhiu@ks-gov.net; web www.lignitepower.com</td><td>Overall project value (Euro):

- Estimated project cost: 3.5 billion, including (i) mining 600 million, (ii) TPP Kosovo C 2,700 million, and (iii) Rehabilitation of TPP Kosovo A 200 million

- Financing: private</td></tr>
<tr><td>Status of the project:

- Short list of four qualified consortia prepared
- Tender dossier under preparation</td><td>Significance of the project:
- Project is of top national and regional priority
- Project will substantially impact positively the energy balance and security of power supply in Kosovo and Balkan Region as a whole</td></tr>
<tr><td>Construction start date (month/year): 2008</td><td>Completion date (month/year): 2012-2020</td></tr>
<tr><td colspan="2">Main risk(s) of delay (short risk assessment)
Delays in the plans for the preparation and conducting of tendering process may postpone the commissioning date of the Kosovo C power plant</td></tr>
<tr><td colspan="2">Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market.
The project is expected to have considerable regional value regarding power generation as it will produce large quantities of electricity for export. Further, the project will contribute substantially in the development of the regional wholesale electricity market as it will strongly contribute to meeting and, most probably, exceeding power demand in the region.</td></tr>
</table>

<table>
<tr><td>Project title and description: <u>HPP Zhur</u>
- Hydropower generation
- Size: 292.8 MW installed capacity
- Zhur HPP will use the stream coming from the Sharr Mountain. Water abundance within this catchment area, feasible water storage on high elevations, and possible utilization of considerable concentrated head offer very favorable conditions for construction of a powerful hydraulic power plant. It is expected to be built in two steps with total installed power of 292.8 MW. The basic step is Zhur HPP I with the rated power of 246 MW (two Francis turbines and 2X134MVA generator), and a maximum gross head of approximately 576 m. Annual generation under average hydro conditions is about 335 GWh. Zhur HPP II is the lower step, with rated capacity of 46.8 MW (one Francis turbine and 1X52MVA generator), utilizing remaining head of some 107 m. Annual generation under average hydro conditions is about 63 GWh.
- Zhur HPP has the characteristics of a peaking power plant with a rather large storage capacity (approx. 105 mcm), which amounts to nearly 40% of the annual natural inflow.</td><td>Kosovo</td></tr>
<tr><td>Type of project:
- Green field investment
- Concession (water etc.)

Origin of funding:
- Private
- Competitive selection of private investor</td><td>Name of client: Private investor to be selected</td></tr>
<tr><td>Implementing agency:
- Contact person: Mr Ilir Rama, Head of Office for Cooperation with Donors and Investors (Email: Ilir.G.Rama@ks-gov.net)
- Existing pre-feasibility study to be reviewed soon by Ministry of Energy and Mining</td><td>Overall project value (Euro):
Estimated project cost: 206 million
Financing: private</td></tr>
<tr><td>Status of the project:
- Existing pre-feasibility study to be reviewed soon by Ministry of Energy and Mining
- Environment assessment to be conducted
- Associated transmission studies to be conducted</td><td>Significance of the project:
- Project is of high national priority Project is expected to contribute on the energy balance and security of supply
- Zhur HPP will be utilized as a peaking power plant with large storage capacity, significantly contributing to the flexibility, reliability, and economic operation of the Kosovo power system</td></tr>
<tr><td>Construction start date (month/year): 2009</td><td>Completion date (month/year): 2012-2013</td></tr>
<tr><td colspan="2">Main risk(s) of delay (short risk assessment)
Preparation in time of the revised pre-feasibility and of the tender package may delay implementation of this project</td></tr>
<tr><td colspan="2">Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market.
The project is expected to contribute with peaking and green power in the regional energy market.</td></tr>
</table>

<table>
<tr><td>Project title and description: <u>Small Hydropower Plants (Renewable Energy)</u>
- Hydropower generation
- Identified 18 sites where small HPP with total capacity of about 63MW can be built. Furthermore, there exist 4 small HPPs that will be rehabilitated/expanded. All are run-of-river schemes.
- Planned incentive schemes to be adopted include feed-in tariffs, priority access to distribution networks, take-or-pay PPAs.</td><td>Kosovo</td></tr>
<tr><td>Type of project:
- Green field investment – 18 small HPP
- Rehabilitation/expansion – 4 small HPP (under 3MW each)
- Privatisation of existing
- Water concession for all small HPP

Origin of funding:
- Private
- Open and competitive selection of private investors</td><td>Name of client: Private investors to be selected</td></tr>
<tr><td>Implementing agency:
- Contact person: Mr Ilir Rama, Head of Office for Cooperation with Donors and Investors (Email: Ilir.G.Rama@ks-gov.net)
- Pre-feasibility study could be found at the Ministry of Energy and Mining
- Summary of the pre-feasibility study is posted at: www.ks-gov.net/mem</td><td>Overall project value (Euro):
- Investment will be private. Banks may participate with loans to private investors
- About 70-80 million Euro required</td></tr>
<tr><td>Status of the project:
- Pre-feasibility study prepared in 2006. It can be found at the Ministry of Energy and Mining
- Environmental assessment – Preliminary environment assessment is part of the pre-feasibility study. Please contact the Ministry of Energy and Mining</td><td>Significance of the project:
- National priority project in the area of renewables
- Moderately improves the Kosova energy balance and security of supply</td></tr>
<tr><td>Construction start date (month/year):

It is expected that tender process start in 2008</td><td>Completion date (month/year):
It is planned that 2-3 years will be required to complete the development of all 18 small HPP</td></tr>
<tr><td colspan="2">Main risk(s) of delay (short risk assessment)
Delays in implementation of this project may cause delay in the implementation of Kosova Roadmap on Renewables. Preparation of tender packages and design/development of tender procedures may cause the delay in project implementation</td></tr>
<tr><td colspan="2">Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market.</td></tr>
</table>

<table>
<tr><td>Project title and description: <u>Prishtina District Heating through CHP from TPP Kosova B</u>

- Cogeneration for district heating
- Main portion of the existing apartment buildings without domestic water heating in Prishtina is connected to the district heating system managed by a public company named Termokos
- Existing district heating system in Prishtina is supplied by two heavy fuel oil boilers installed in the boiler station. The heat supply is insufficient due to bad conditions of the existing district heating system
- Base heat load supplied through co-generation from the Thermal Power Plant Kosovo B gives an opportunity of a more appropriate heat supply
- TPP Kosovo B is located only 10.5 km away from the main boiler house in Prishtina
- The foreseen heat supply from the TPP Kosovo B would cover the range from 90% to 100 % of the total heat consumption regarding the required heat load. The reduction of the electricity production in the TPP Kosovo B is approximately 0,2 MWh_e/MWh_t
- The following main new units should be installed in case the base heat load is supplied from the TPP Kosovo B: (i) heating station in the TPP Kosovo B, (ii) main pipeline, and (iii) heating station in Prishtina.
- Because of the load forecast, plant is assumed to be built in two phases</td><td>Kosovo</td></tr>
<tr><td>Type of project:
- Green field investment
- Concession or PPP

Origin of funding:
- Private
- Competitive selection or negotiated deal, depending on private investor interest</td><td>Name of client: Private investor to be selected</td></tr>
<tr><td>Implementing agency:
- Contact person: Mr Ilir Rama, Head of Office for Cooperation with Donors and Investors (Email: Ilir.G.Rama@ks-gov.net)</td><td>Overall project value (Euro):
- Estimated cost: EUR 43 million (24 MEUR Phase 1 and 19 MEUR Phase 2)
- Type of investment: Private or public-private</td></tr>
<tr><td>Status of the project:
- Feasibility study prepared. It can be found at the Ministry of Energy and Mining</td><td>Significance of the project:
- Project is of high national priority
- Project will impact and improve the power balance of Kosova and will enhance security of supply</td></tr>
<tr><td>Construction start date (month/year):
- Phase 1 in 2008
- Phase 2 in 2012</td><td>Completion date:
- Phase 1 in 2009
- Phase 2 in 2013</td></tr>
<tr><td colspan="2">Main risk(s) of delay (short risk assessment)
Delays in the preparation of tender dossier may delay the project implementation.</td></tr>
<tr><td colspan="2">Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market.</td></tr>
</table>

II. Transmission systems

Following are a priority list of infrastructure projects in the field of power transmission and associated facilities.

<table>
<tr><td>Project title and description:

<u>OHL 400kV Kosovo – Albania</u>
The construction of this 400kV overhead line would permit the establishment of new power corridor in the region and will allow for efficient and high power exchanges, significantly lower regional power losses and mitigate some network congestions in existing lines during power transfer from north to south of the region.
Main objective of this project is to construct:
- New Towers,
- 75km a new OHL 400kV circuits: conductor 2x490/65 mm^2 ACSR and OPGW, started from new SS Kosova B 400/220kV to Kashar,
- New line bay in SS KOS B with control equipment</td><td>Kosovo

Route: Obiliq, Fushe Kosove, Malisheve, Gjakove</td></tr>
<tr><td>Type of project:

New interconnection line</td><td>Name of client:
(beneficiary/owner)
KOSTT will be owner of this new interconnection 400kV line.</td></tr>
<tr><td>Implementing consultancy agency:

CESI (Italy)</td><td>Overall project value (Euro):

18.0 Million</td></tr>
<tr><td>Status of the project:
- Pre-feasibility Study prepared in 2001, funded by the World Bank
- Feasibility Studies prepared in 2005, under ESTAP II funded by the World Bank</td><td>Significance of the project:
(national/bilateral/regional)

- Bilateral important project</td></tr>
<tr><td>Construction start date (month/year):
04/2008</td><td>Completion date (month/year):
Middle of 2011</td></tr>
<tr><td colspan="2">Main risk(s) of delay (short risk assessment):
Procurement procedures and solving of landowner issues during the construction works.</td></tr>
<tr><td colspan="2">Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market.

This project is of regional importance. It will substantially enhance electricity interconnection capacities between Kosovo and Albania. The power systems of these two countries are very complementary. This interconnection line may make possible substantial increase of energy exchange of the two countries and beyond. The project provides direct support to the development of the regional energy market through enhancement of interconnection capacities.</td></tr>
</table>

<table>
<tr><td>Project title and description:
<u>SCADA/EMS</u> (Supervisory Control and Data Acquisition)/(Energy Management System)

The present KOSTT Dispatch Center Control System currently is not suitable for performing remote control operations; it is considered that the best solution is to implement a totally new SCADA /EMS to solve the problems that affect the dispatching activities of the KOSTT transmission network.
Main objective of this project is to develop:
- a new Kosovo Control System (KCS) with a wide range of modern SCADA/EMS facilities, an emergency control system,
- installation of RTUs
- - multi-purpose communication network, with fiber optic links providing principal backbone high capacity links</td><td>Kosovo

All KOSTT Substations 400, 220, 110kV will be connected to the new KCS (Kosovo Control Center)</td></tr>
<tr><td>Type of project:
- Green field investment</td><td>Name of client:
(beneficiary/owner)
KOSTT (Kosovo TSO)</td></tr>
<tr><td>Implementing consultancy agency:
The procedures for consultancy company for SCADA/EMS Project are in tender procurement phase. The objective of the Consultancy Services required under this Terms of Reference is to provide Consultancy Services for the SCADA/EMS and telecommunication network Project. The services shall include: Revising the Tender Documents and adopting for “KOSTT”-network, Evaluation Procedure, Technical and Commercial Tender Evaluation, Contract Negotiation and Award and Possibility of extension of the contract for Supervising of the project implementation.</td><td>Overall project value (Euro):

18 Million Euro</td></tr>
<tr><td>Status of the project:
Feasibility Study and Technical Specification for KCS and EKCS are prepared in 2005 from ESBI company, as a donation from World Bank.</td><td>Significance of the project:
(national/bilateral/regional)
- As per KOSTT ranking of a project this belong to the first priority group of projects.
- The KCB (Kosovo Consolidated Budget) is supporting with found 250.000 Euro to review and prepare the Feasibility study and Technical Specification.</td></tr>
<tr><td>Construction start date (month/year):
2007 with consultancy company to prepare Technical specification, and starting with construction on 2008 year.</td><td>Completion date (month/year):
12/2011</td></tr>
<tr><td colspan="2">Main risk(s) of delay (short risk assessment) Procurement procedures ,installation of fiber optic</td></tr>
<tr><td colspan="2">Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market.
SCADA/EMS system must be flexible and able to accommodate the future evaluation of control requirements for an electrical system that in the next few years could be involved in the scenarios of the free electric power markets of Southeast Europe and to full fill the requirement to be part of UCTE synchronous zone network.</td></tr>
</table>

<table>
<tr><td>Project title and description:
<u>Package Project SS 400/110 kV – Ferizaji 2</u>

The south-eastern sector of the Kosovan system (from Ferizaj through to Gjilani and Berivojca) faces the problem of insecurity and unreliability of power supply at the present level of load, even without taking into account the load growth forecast for that area. It is currently supplied via three 110kV circuits, two from Prishtina-4 transformation substation, and one from Theranda substation.

Detailed probalistic reliability studies have shown that the new Ferizaji 2 400/110kV substation allows for a significant reduction of power and energy losses and decrease of EENS related to transmission network constrains.

SS 400/110kVFerizaji 2 shall be constructed near the existing 400kV interconnection line OHL420 kV Shkupi. The connection will be lopped arrangement on existing line.

Project Package:
- SS 400/110kV Ferizaji 2 with one Transformer 300MVA
- 400kV double circuit line, 2xACSR 3x490/65mm2 - 2.2km
- 110kV double circuit line,2xACSR 3x490/65mm2 -6km
- Construction of new 110kV line 37km Ferizaj 2 SS Gjilan with ACSR 3x240/40mm2 conductors
- Two Line bays on existing 110kV SS Bibaj</td><td>Kosovo

South–East part of Kosova: Ferizaji, Gjilani, Vitia, Sharri, Shtime, Berivojce</td></tr>
<tr><td>Type of project:

'green investment'
Origin of funding:

- Public / donor required</td><td>Name of client: (beneficiary/owner)

KOSTT</td></tr>
<tr><td>Implementing consultancy agency:

- N/A</td><td>Overall project value (Euro):
18 Million</td></tr>
<tr><td>Status of the project:

- Pre-feasibility study is done by KOSTT</td><td>Significance of the project: (national/bilateral/regional)

National project of high priority</td></tr>
<tr><td>Construction start date (month/year):
Mid-2008</td><td>Completion date (month/year):
2010</td></tr>
<tr><td colspan="2">Main risk(s) of delay (short risk assessment):
The procurement procedures and solving of landownership issues during the construction works.</td></tr>
<tr><td colspan="2">Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market.

Reinforcement of the network in this area by 400kV investments enhances Kosovo’s transmission system capabilities and demonstrates that the SS together with the connection of 110kV lines is very profitable.</td></tr>
</table>

<table>
<tr><td>Project title and description:
<u>Package Project SS 110/10(20) – Prishtina 6</u>

New GIS urban substation SS PR6 110/10(20) kV instead of existing TS Prishtina 3 35/10kV is needed to meet high electric demand growth in Prishtina city.

For the supply of SS PR 6 from PR4 220/110kV it is required installation of a double circuit underground cable line 10kV with the length of 5,3km.

Within this project it is foreseen installation of:
- two transformer 2x40MVA
- Two line bay 110kV
- one bus coupler 110kV
- two transformer bay 110kV
- two transformer bay 10(20)kV
- One bus coupler 10(20)kV and 14 line bay 10(20)kV</td><td>Kosovo

Region - Prishtina</td></tr>
<tr><td>Type of project:

'green investment'
Origin of funding:

- Public / donor required</td><td>Name of client:
(beneficiary/owner)

KOSTT/KEK</td></tr>
<tr><td>Implementing consultancy agency:

- Not identified</td><td>Overall project value (Euro):
10.6 Million Euro.

KOSTT: 6.54 Million
KEK: 4.06 Million</td></tr>
<tr><td>Status of the project:
-KOSTT/KEK team has prepared pre-feasibility study.</td><td>Significance of the project:
(national/bilateral/regional)

National project of high priority</td></tr>
<tr><td>Construction start date (month/year):
2008</td><td>Completion date (month/year):
end of 2009</td></tr>
<tr><td colspan="2">Main risk(s) of delay (short risk assessment),

Procurement procedures and problem during the opening of underground channels and time deliver of transformer</td></tr>
<tr><td colspan="2">Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market.

Stability of electricity supply in Prishtina region, and full fill the N-1 criteria, quality transmission of date through the underground fiber optic from Prishtina 4 up to National Dispatch Center, unloading of SS Prishtina 3.</td></tr>
</table>

Project title and description: **<u>Installation of TR3, 150MVA, in SS 220/110kV Prishtina 4</u>** The existing SS 200/110kV Prishtina 4 with two installed TR 2x150MVA does not meet the National Grid Code's N-1 security criterion**.** That is to say, the outage of a single 220 or 110kV circuit or of a 220/110kV transformer would in many cases put the system at an unacceptably high risk of overload, leading to damage to primary plant and/or to cascade tripping of circuits and the consequent widespread loss of supply. Main objective of this project is to install the new transformer with capacity 150MVA in Prishtina 4 Installation of two transformer bay 220kV and 110kV with all protection and control equipment. With 2x150MVA units, the secured (N-1) transformation capacity is only 300 (120% overload factor); with 3x150MVA units, it is 360MVA, which has significance for security of supply at load peaks. Also, with only two units, the risk to security of supply is more acute during planned maintenance of the transformers and bays.	**Kosovo** Region - Prishtina
Type of project: - Rehabilitation/expansion **Origin of funding:** - Public / donors required	**Name of client: (beneficiary/owner)** KOSTT
Implementing consultancy agency: Not identified	**Overall project value (Euro):** 2,1Million
Status of the project: Pre-feasibility study it was done from CESI-Italy and KOSTT team	**Significance of the project: (national/bilateral/regional)** National project of high priority
Construction start date (month/year): 2008	**Completion date (month/year):** end of 2009
Main risk(s) of delay (short risk assessment) delivery in time of transformer	
Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market. Ensures meeting of the Grid Code N-1 security criterion**.**	

<table>
<tr><td>Project title and description:
<u>Installation of TR3 150MVA in SS 220/110kV Prizreni 2</u>

The existing SS 200/110kV Prizreni2 with two installed TR 2x150MVA does not meet the Grid Code's N-1 security criterion. That is to say, the outage of a single 220 or 110kV circuit or of a 220/110kV transformer would in many cases put the system at an unacceptably high risk of overload, leading to damage to primary plant and/or to cascade tripping of circuits and the consequent widespread loss of supply.

Main objective of his project is to install:
- a new transformer with capacity 150MVA in SS PZ2, and
- two transformer bay 220kV and 110kV with all protection and control equipment.

With 2x150MVA units, the secure (N-1) transformation capacity is only 300 (120% overload factor); with 3x150MVA units, it is 360MVA, which has significance for security of supply at load peaks. Also, with only two units, the risk to security of supply is more acute during planned maintenance of the transformers and bays.</td><td>Kosovo

Region: Prizren</td></tr>
<tr><td>Type of project:

- Rehabilitation/expansion

Origin of funding:

- Public / donors required</td><td>Name of client:
(beneficiary/owner)

KOSTT</td></tr>
<tr><td>Implementing consultancy agency:

Not identified</td><td>Overall project value (Euro):

2,1Million</td></tr>
<tr><td>Status of the project:

Pre-feasibility study it was done by KOSTT staff</td><td>Significance of the project:
(national/bilateral/regional)

National project of high priority</td></tr>
<tr><td>Construction start date (month/year):
2008</td><td>Completion date (month/year):
end of 2009</td></tr>
<tr><td colspan="2">Main risk(s) of delay (short risk assessment)
Procurement procedures and delivery time of transformers.</td></tr>
<tr><td colspan="2">Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market.

Meet the Grid Code's N-1 security criterion and better quality supply with energy.</td></tr>
</table>

Project title and description: **Rehabilitation of Line 212, SS Kosova A – SS Shkupi up to SS Ferizaji as 110kV line** This OHL 220 kV, no.212, SS Kosova A – SS Shkupi was in function since 1963. During the last war in 1999 and after this line was damaged up to no. 51 (18 km length). Due to needs for reinforcement of the transmission grid in southeast part of Kosova it is very important and necessary to put in operation this line. Detailed studies have shown that it is very important and necessary to rehabilitate this line and operate it as 110kV with installed of new TR 150MVA in SS Kosova A. Main objectives of this project are: - Construction of new towers which are damaged - Installation of 20 km of conductors 3x360mm2 with insulators, and installation of 31 km OPGW - In SS KOS A, installation of new TR 150MVA, two new transformer bay 220kV and 110kV, new line bay 110kV, - Replacement of existing bus bar 240mm2 with 490mm2 in SS Bibaj 110/35kV.	**Kosovo** **Regions:** Prishtina and Ferizaji
Type of project: - Rehabilitation/expansion **Origin of funding:** - Public / donors required	**Name of client: (beneficiary/owner)** KOSTT
Implementing consultancy agency: No	**Overall project value (Euro):** 3.6 Million
Status of the project: Pre-feasibility study is done from KOSTT staff	**Significance of the project: (national/bilateral/regional)** Bilateral project of high priority
Construction start date (month/year): 2008	**Completion date (month/year):** end of 2009
Main risk(s) of delay (short risk assessment) Construction of new towers overcomes the difficulties posed by the limited space for extending the 110kV bar at Ferizaj substation. Time delivery of transformers is a potential risk	
Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market. This project is of regional importance. It will enhance interconnection capacity between Kosovo and Macedonia. It directly will contribute to the regional market development.	

<table>
<tr><td>Project title and description:
<u>Package Project SS 110/10(20) kV – Fushë Kosovë</u>

The new SS Fushe Kosova 110 /10 (20) kV substation will be connected with single circuit line the 110 kV busbar of TPP Kosova A.

The Fushe Kosova substation is needed to meet electricity demand growth in the Prishtina region.

The TC Kosovo A – Fushe Kosove 110 kV line serves to supply the new 110/20 kV Fushe Kosove distribution substation

The new 5.066 km line would be constructed with ACSR 240mm^2 conductors to connect SS Fushë Kosova –SS TC Kosova A including the line bay in TC Kosovo A substation.

In this project there are included the following elements:
- Two transformer 2x20 MVA
- Two OHL 110 kV
- One couple bay 110kV
- Two transformer bays 110kV

Implementation of this project will eliminate bottlenecks, reduce losses, enhance stability of electricity supplying, and increase network security, etc.</td><td>Kosovo

Regions: Prishtina and Fushë Kosova</td></tr>
<tr><td>Type of project:

'green investment'
Origin of funding:

- Public / donor required</td><td>Name of client:
(beneficiary/owner)

KOSTT /KEK</td></tr>
<tr><td>Implementing consultancy agency:

Not identified</td><td>Overall project value (Euro):
5.2 Million

KOSTT: 2.243 Million
KEK: 2.957 Million</td></tr>
<tr><td>Status of the project:

KOSTT/KEK team has prepared pre-feasibility study</td><td>Significance of the project:
(national/bilateral/regional)

National project of high priority</td></tr>
<tr><td>Construction start date (month/year):

Year 2008</td><td>Completion date (month/year):

Year 2009</td></tr>
<tr><td colspan="2">Main risk(s) of delay (short risk assessment):

Procurement procedures, transfer of land (expropriation), delivery time of equipment may delay the project. This is a packaged project and must be implemented jointly with KEK</td></tr>
<tr><td colspan="2">Short narrative description of the project, focusing especially on the regional value (if any) and the contribution to the regional energy market.</td></tr>
</table>

Attachment

Following is a ***list of studies and technical assistance*** required to advance the timely implementation of Kosovo commitments in the framework of Energy Community Treaty.

I. Ministry of Energy and Mining

1. Assessment/study on electricity market opening and its financial implication

Conduct a study on electricity market opening and its financial implication for Kosovo, including development of a workable schedule.

2. Assistance to the implementation of the Action Plan on MoU on Social Issues

Continued assistance to the implementation of the Action Plan on the MoU on Social Issues will be required in the medium term period, including legal audit and impact analysis of Employment Law Directives.

3. Review of compliance of the Kosovo law with the Acquis on competition and state aid

Conduct an assessment of the compliance of the Kosovo law with the acquis on competition and state aid, including proposed institution and framework arrangement for ensuring such compliance in the future.

4. Development of a plan to adopt EU standards and environment regulation

Design and develop a realistic plan for adopting and implementing the relevant EU standards in Kosovo. Identify, develop and adopt priority energy and mining sector related regulation on environment.

5. Development of an electricity demand side management programme

Design and develop a comprehensive demand side management programme particularly for the electricity, including a plan and mechanisms for the promotion of the energy efficiency by the KEK JSC (the national power utility.

6. Development of the energy code for buildings in Kosovo

Develop and adopt an energy code for building in Kosovo which will substantially contribute to energy efficiency.

7. Assessment of Potentials for Renewable Energy (excluding small hydropower)

ToR is prepared for a comprehensive assessment of renewable energy sources and potential of their utilization, including schemes and mechanisms supporting their development.

II. Energy Regulatory Office (ERO)

1. Assistance to developing and enhancing ERO's monitoring capabilities

Development of ERO's capabilities in (i) monitoring activities of the functioning of internal and regional electricity market, (ii) setting the rules on management and allocation of interconnection capacity, and monitoring of the unbundling process of the vertically integrated energy enterprise KEK J.S.C. into generation, distribution, public supply, supply & trade within the KEK J.S.C. as unbundled units with unbundled accounts and activities. Further, assistance is required in the area of (i) mutual recognition of licensees among ECSEE parties, (ii) development of procedures for entering of the eligible customers into competitive market and vice-versa, and (iii) development of supportive schemes for vulnerable customers and the impact of such schemes to the tariff structure.

2. Promotion of power generation from renewables

Assistance is required in (i) establishing the framework of the market for renewable energy sources, (ii) issuing of the certificate of origin and green certificates, (iii) defining of best mechanisms of support for renewable energy sources at national level, and (iv) developing of monitoring mechanisms for the market of renewable energy sources.

III. KEK J.S.C. – The National Utility

1. Incorporation and operationalisation of DSO in Kosovo

Technical assistance to establishing an independent distribution system operator (DSO) in Kosovo according to the relevant law in Kosovo and the EU Directive 2003/54

2. Preparation of Distribution Network Codes

As requested by the Law, the DSO needs to develop new codes such as;

- Distribution Code
- Metering Code
- Customer Protection Code
- Construction and reconstruction Code
- Customer Connection Code
- Code for use and maintenance of assets
- Tariff Calculation

3. Study on potential privatization of electricity supply in Kosovo

Privatization of electricity supply as a possibility to increase billing and collection rate of electricity and reduce high commercial losses.

4. Feasibility study on unbundling of Generation Division in KEK J.S.C.

Study on the feasibility of creating two power generation companies from the existing KEK JSC Generation Division - Thermo Plant Kosovo A and Thermo Plant Kosovo B in Kosovo

5. Institutional development of the Regulatory Office of KEK J.S.C.
Institutional development and capacity building of the Regulatory Office in KEK J.S.C., dealing with all issues concerning the regulated activities of KEK J.S.C.

IV. KOSTT – Independent Transmission Company

A. Priority needs

1. Interconnector Trading
Assistance in interconnector trading including (i) Methodologies for calculation according to SEE rules, and (ii) Procedures for allocation of Available Interconnector Transport (ATC) capacity.

2. Scheduling
Assistance on scheduling including (i) procedures on scheduling in order to fulfill duties according to SEE/UCTE Rules.

3. Legal and regulatory issues
Assistance in order to adapt secondary regulation within the SEE region

4. Common SEE Training
Assistance to coordinate/harmonize activities for e.g. scheduling/balancing and eventual Grid operation (for TSO)

5. Software and Hardware Platform (IT and communication) for the Market Operation functional requirements

6. Development of Procurement procedures for Capital Projects
Development of procurement procedures for capital investment projects in accordance to the European rules, FIDIC, etc.

B. Other needs

1. Study to review KOSTT Investment Plan to identify potential improvement of the transmission capacities in the regional market context

2. Institutional development of the Legal and Regulatory Office of KOSTT J.S.C.
Institutional development and capacity building of the Legal and Regulatory Office in KOSTT J.S.C., dealing with all issues concerning the legal and regulated activities of KOSTT J.S.C**.**

3. Public Relation
Support to developing capacities on creating, managing communication within the company and key stakeholders in order to build, manage and sustain a positive image, as well as to become able to define policies, procedures, protocols and forms for enhancing the image of KOSTT J.S.C.