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Ministria e Ekonomisë
Ministarstvo Ekonomije -Ministry of Economy

PROGRESS REPORT FOR 2022 - 2023

OF

KOSOVO ENERGY STRATEGY IMPLEMENTATION

PROGRAM (KESIP)

FOR THE PERIOD 2022-2025

Prishtina, April 2024

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1 Abbreviations:

| | |
|-----------------|--|
| EU | European Union |
| RES | Renewable Energy Sources |
| RES-E | Electricity generated from renewable sources. |
| CERT | Community Emergency Response Team |
| CO ₂ | Carbon Dioxide |
| EE | Energy Efficiency |
| ESCO | Energy Service Company |
| ESIA | Environmental and Social Impact Assessment |
| ESIP | Energy Strategy Implementation Program (ESIP) |
| KFEF | Kosovo Energy Efficiency Fund |
| GHG | Greenhouse Gases |
| IPF9 | Infrastructure Project Facility - Technical Assistance 9 |
| KEDS | Kosovo Electricity Distribution Company |
| KEK | Kosovo Energy Corporation |
| KfW | Reconstruction Credit Institute |
| KOSTT | Kosovo Transmission, System and Market Operator |
| Ktoe | Kilo ton of oil equivalent |
| MEST | Ministry of Education, Science, Technology and Innovation |
| MCAK | Millennium Challenge Account-Kosovo |
| MCC | Millennium Challenge Corporation |
| ME | Ministry of Economy |
| FMC | Millennium Foundation Kosovo |
| MFLT | Ministry of Finance, Labour and Transfers |
| MESPI | Ministry of Environment, Spatial Planning and Infrastructure |
| MW | Mega Wat |
| MWt | Mega Wat thermal |
| NO _x | Nitrogen Oxides |
| DH | District Heating |
| DSO | Distribution System Operator |
| TSO | Transmission System Operator |
| SAIDI | System Average Interruption Duration Index |
| SAIFI | System Average Interruption Frequency Index |
| SCADA | Supervisory Control and Data Acquisition |
| SO ₂ | Sulfur Dioxide |
| EU ETS | European Union Emissions Trading System |
| WBIF | Western Balkans investment Framework |
| ERO | Energy Regulatory Office |

2 EXECUTIVE SUMMARY

The Ministry of Economy (ME) drafted the Kosovo Energy Strategy Implementation Program (KESIP) for the period 2022-2025, which was approved on 5 September 2023 by the Government of the Republic of Kosovo (GRK).

Pursuant to Article 7, point 7 of Law No. 05/L-081 on Energy, the Ministry of Economy (ME), has a legal obligation to monitor the implementation of the Kosovo Energy Strategy. Therefore, the Ministry drafted the Annual Report for 2022-2023, on the progress of the implementation of the Kosovo Energy Strategy Implementation Program for the period 2022-2025, as well as the level of implementation of the Energy Strategy for the period 2022-2031 which is in accordance with the requirements of the Administrative Instruction of the Government of the Republic of Kosovo No. 07/2018 on Planning and Drafting Strategic Documents and Action Plans.

The Progress Report on the Implementation of the Energy Strategy for 2022 - 2023 is drafted based on the Kosovo Energy Strategy Implementation Program (KESIP) for the period 2022-2025. It presents detailed activities for the implementation of the objectives outlined in the Energy Strategy of the Republic of Kosovo for the period 2022-2031.

The Kosovo Energy Strategy Implementation Programme (KESIP) for the period 2022-2025 includes a list of five (5) strategic objectives, fifteen (15) specific objectives and ninety (90) activities planned to be implemented for the development of the energy sector.

The Progress Report aims to highlight the extent of the implementation of the projects presented in the Kosovo Energy Strategy Implementation Program (KESIP) for 2022 - 2023, identify challenges and propose recommendations for decision-making by the relevant authorities.

The Progress Report includes all projects and activities that started before or during 2022-2023 and continue in the coming years, as well as projects and activities that start and end in 2022-2023.

The strategic objectives are:

- Objective 1: Improving system resilience;
- Objective 2: Decarbonisation and promoting renewable energy;
- Objective 3: Increased Energy Efficiency (EE);
- Objective 4: Strengthening regional cooperation and market functioning;
- Objective 5: Protecting and empowering consumers.

In 2022, the following achievements can be estimated:

Investment in the distribution network where the improvement of the quality of electricity supply is achieved, and the reduction of losses in the distribution network. The installation of electricity meters is another achievement through which the accuracy in measurement, remote measurement, billing and accurate and fast reading has been increased.

Investing in Information Technology (IT) - This investment will achieve data protection, cybersecurity, simplification of the company's data structure and increase productivity. All these

investments affect the improvement of the reliability of the energy system of the Republic of Kosovo.

Another noteworthy achievement is the implementation of Energy Efficiency (EE) measures. With the implementation of Energy Efficiency (EE) measures, in public buildings (at the municipal level), electricity savings in the amount of 0.78 ktoe/year have been achieved. In addition to the public sector, the implementation of Energy Efficiency (EE) measures has also been in the residential sector (twenty-six (26) multi-apartment buildings), and through this investment, it is estimated that up to thirty percent (30%) electricity savings will be achieved.

Another sector that is considered to have made progress in the implementation of activities is the heating sector. Investments have been made in the expansion and rehabilitation of the District Heating (DH) network in Prishtina. A total of 17,834 meters of “Termokos” network pipe have been rehabilitated, expanded and densified. The installation of metering devices for “Termokos” customers has improved the District Heating (DH) system in Prishtina.

Investments have also been made in the Gjakova City Heating Plant, with the installation of meters and the rehabilitation of three hundred and fifty-five (355) substations.

To support vulnerable consumers and other consumers, subsidies for vulnerable families and subsidies for electricity bills have been implemented.

In 2023, the following achievements can be estimated:

Investment in the medium voltage network and low voltage network includes projects for network reinforcement and conversion from 10kV to 20kV. This investment has achieved improvements in the quality of electricity supply and reduction of losses in the distribution network. Investments in the installation of meters are considered another achievement, through which accuracy in measurement, remote measurement, billing, and accurate and fast reading have been achieved. There has also been investment in Information Technology (IT) for the distribution network, which will achieve data protection, cybersecurity, simplification of the company’s data structure, and increased productivity. All these investments contribute to the improvement of the reliability of the electricity system of the Republic of Kosovo.

Another significant achievement is the implementation of Energy Efficiency (EE) measures.

With the implementation of Energy Efficiency (EE) measures, in public buildings (at the municipal level), electricity savings in the amount of 1.67 ktoe/year have been achieved.

To support consumers in need and other consumers, subsidies for vulnerable families and subsidies for electricity bills have been implemented.

In 2023, there has also been progress in the implementation of activities in the heating sector, with continued investments in the expansion and rehabilitation of the District Heating (DH) network in Prishtina and the installation of metering devices for “Termokos” customers, improving the District Heating (DH) system in Prishtina.

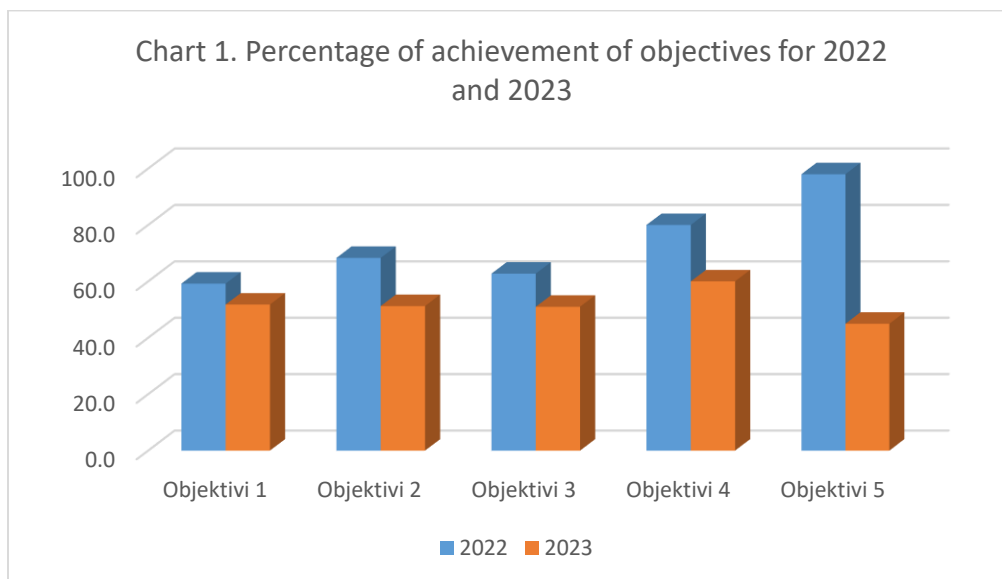
Investments have also been made in the Gjakova City Heating Plant in the modernization and digitalization of the heating system, as well as new connections for public buildings.

Another achievement for 2023 is the creation of legal infrastructure through the adoption of several bylaws, such as: Administrative Instruction No. 01/2023 on Utilization and Support of Energy Generation from Renewable Sources; Administrative Instruction No. 02/2023 on the Target of Electricity from Renewable Energy Sources (RES); Secondary legislation on prosumers.

The achievement of objectives for 2022 was seventy-three point seven percent (73.7%), while for 2023 the achievement of objectives was fifty-one point eight percent (51.8%).

The achievements of the objectives for 2022 - 2023 are presented in tabular and graphical form below.

| | 2022 | 2023 |
|--------------------|--------------|--------------|
| Objective 1 | 59.2% | 51.8% |
| Objective 2 | 68.3% | 51.3% |
| Objective 3 | 62.8% | 51.0% |
| Objective 4 | 80.0% | 60.0% |
| Objective 5 | 98.0% | 45.0% |
| Total | 73.7% | 51.8% |



3 PROGRESS IN THE IMPLEMENTATION OF THE OBJECTIVES OF THE STRATEGIC DOCUMENTS

This Progress Report presents the level of implementation of activities and projects planned for 2022 - 2023.

To prepare this report, an Inter-Institutional Coordination Group (ICG) was established, where the Ministry of Economy (ME) prepared the matrix and forwarded it to all members of the group to report on achievements, challenges and issues in the implementation of planned projects for 2022 - 2023. After receiving inputs from the members of the Coordination Group (CG), further elaboration of the matrix was done and finalization was completed.

Based on the data provided by the responsible institutions in the submitted matrix, the narrative section of this report was prepared.

The narrative section describes the progress of each strategic objective, outlining achievements, reasons for delays in some activities/projects, and challenges for some projects that have not been fully realized.

The following description is based on the structure of the Kosovo Energy Strategy Implementation Program (KESIP) for the period 2022 - 2025, which includes activities and projects for 2022 - 2023.

4 PROGRESS AGAINST THE OBJECTIVES

Objective 1: Improving system resilience

Improving system resilience includes all activities that ensure the security of electricity supply and the functioning of a sustainable power system.

In 2022, in the implementation of this objective, the activities that have been fully completed are among the key indicators for achieving the measures, with an average achievement of this objective. The planned and completed activities have contributed to improving the resilience of the system, achieved through the following activities:

- Medium voltage projects 35/10(20) kV;
- Installation of meters;
- Capital investments in Information Technology (IT).

In 2023, the activities that have been fully completed are among the key indicators for achieving specific objectives, with an average achievement of this objective. The planned and completed activities have contributed to improving the resilience of the system, achieved through the following activities:

- Medium voltage projects 35/10(20) kV;
- Installation of meters;
- Capital investments in Information Technology (IT);
- Support for the new load/connections 110/10 (20) kV (TSO & SS) (SS Kastriot Ferizaj 3 and TS Malisheva), (SS Kastrioti Ferizaj 3 and TS Malisheva);
- Approval of the Law on Cybersecurity;
- Gas Development Master Plan and Environmental Impact Assessment;
- Feasibility study for the North Macedonia-Kosovo Gas Interconnection Pipeline.

Objective 2: Decarbonisation and promotion of renewable energy

The path towards reducing carbon dioxide emissions from the sector will be accompanied by the development of large-scale RES capacities, based on their technical and economic potential.

The majority of planned activities involve the initiation of drafting legislative acts, bylaws, plans and feasibility studies, aimed at creating suitable infrastructure for investments.

In 2022, the initial drafts of the following documents were prepared:

- Law on Renewable Energy Resources (RES);
- Drafting of secondary legislation on prosumers;
- Connection tax methodology in the Distribution System Operator (DSO).

In 2023, some of the activities foreseen for this year and carried over from 2022 were drafted and approved:

- Administrative Instruction No. 01/2023 on Utilization of Energy Generation from Renewable Sources;
- Administrative Instruction No. 02/2023 on the Target of Electricity from Renewable Energy Sources (RES);
- Secondary legislation on prosumers;
- Connection tax methodology in the Distribution System Operator (DSO);
- Announcement of the auction for the contracting of the first pilot auction for 100MW solar.

Objective 3: Increased Energy Efficiency (EE)

Increased Energy Efficiency (EE) is essential for achieving four (4) objectives of the Energy Strategy: it improves energy supply security and reduces dependency on imports, decreases the burden on consumers, and reduces GHG emissions and air pollution.

In 2022, the number of activities implemented during this year that have contributed to increasing Energy Efficiency (EE) is satisfactory. These activities include:

- Implementation of Energy Efficiency (EE) measures in the residential sector (twenty-six (26) multi-apartment buildings);

- Implementation of Energy Efficiency (EE) measures in the residential sector;
- Implementation of Energy Efficiency (EE) measures in public buildings (at the municipal level);
- Expansion and rehabilitation of the District Heating (DH) network in Prishtina;
- Improvement of the performance of the District Heating in Gjakova.

In 2023, several activities are planned that, upon completion, will contribute to increasing Energy Efficiency (EE). The number of activities implemented in 2023 are among the activities that have contributed to the increase in Energy Efficiency (EE), with an average achievement noted. These activities include:

- Expansion and rehabilitation of the District Heating (DH) network in Prishtina;
- Installation of metering devices for “Termokos” consumers;
- Implementation of Energy Efficiency (EE) measures in public buildings (at the municipal level);
- Implementation of Energy Efficiency (EE) measures in the residential sector.

Objective 4: Strengthening regional cooperation and market functioning

The Republic of Kosovo is committed to implementing all obligations of the Energy Community Treaty (ECT) for the establishment of a free, integrated and competitive energy market.

In 2022, one activity was planned and implemented to a satisfactory extent. This activity involves:

- Coupling with the day-ahead market with Albania through the Alpex power exchange.

The activities planned for 2023 mainly focus on adjusting the legal infrastructure to remove barriers to market functioning, as well as activities related to market coupling with Albania. The number of activities implemented regarding legislation is among those that contribute to removing barriers to market functioning, with an average achievement noted. Meanwhile, regarding strengthening regional cooperation, a satisfactory level of achievement has been observed. These activities include:

- Cooperation with the day-ahead market with Albania through the Alpex power exchange.
- Draft Law on Energy;
- Draft Law on Electricity;
- Draft Law on Energy Regulator.

Objective 5: Protecting and empowering consumers

The Energy Strategy follows the individual-centred approach and sets objectives in these areas. For this purpose, several activities are planned in the Kosovo Energy Strategy Implementation Program (KESIP) for the period 2022-2025.

In 2022, an activity was planned that contributed to achieving the aforementioned objective. This activity has been satisfactorily implemented.

- Support for vulnerable consumers through existing support schemes;

In 2023, several activities are planned to be carried out. These activities for 2023 are found to have been unsatisfactorily implemented. These activities include:

- Support through subsidizing alternative methods (wood and pellets) for heating purposes for vulnerable groups;
- Support for families through subsidizing the current month's electricity bill, based on the percentage of energy savings compared to the same month of the previous year;
- Support through subsidizing a portion of the bill for beneficiaries of social and pension schemes, as well as families selected through a formal tested scheme.

5 RISKS AND STEPS TO ADDRESS THEM

During the monitoring of the Kosovo Energy Strategy Implementation Program (KESIP) for the period 2022-2025, several risks related to institutional capacity, financial capacity, regulatory environment, partnerships and engagement of other institutions, as well as external factors that emerged during the implementation of activities, have been identified, affecting the implementation of the strategic document.

As part of the monitoring of the Kosovo Energy Strategy Implementation Program for the period 2022-2025, the Ministry of Economy (ME), specifically the Department of Energy (DE), has coordinated the process of drafting the Progress Report of the planned activities. This monitoring has been carried out in cooperation with responsible institutions where risks have been identified, which will be addressed in the coming years with concrete measures. The Ministry of Economy will continue to cooperate and coordinate with relevant institutions and key energy sector undertakings in addressing all the risks they continue to face.

The identification of delays in the implementation of some planned projects directs us to take necessary steps, specifically in eliminating barriers that hinder the development of the energy sector. Planning projects and activities by responsible institutions for electricity is crucial for the success and development of the energy sector. Facilitating bureaucratic procedures to avoid project delays and setbacks also plays an important role.

Challenges and shortcomings:

The challenges, shortcomings and obstacles encountered during the monitoring of this document are related to the institutional capacity, financial capacity, regulatory facility, partnership and

engagement of other institutions, as well as other external factors impacting the level of implementation of the strategic document.

During the implementation of planned projects and activities, responsible institutions may face challenges, shortcomings and obstacles depending on the nature of the projects. Some of the challenges identified during the implementation of some projects and activities include the non-signing of agreements for project financing and their ratification in the Assembly of the Republic of Kosovo. Other challenges presented include delays in obtaining permits from relevant institutions for construction, land expropriation, and rising market prices, old contract prices, delays in procurement processes.

Conclusions and recommendations for next steps

During the monitoring of the Progress Report, it can be noted that satisfactory progress has been achieved. Specifically, in 2022, the realization of objectives was achieved to an extent of around seventy-three percent (73%), while in 2023, there was lower progress of around fifty-one percent (51%).

One of the reasons for the obstacles to the realization of activities is the non-ratification of financial agreements, as well as improper planning of implementation timelines for activities. Another obstacle that has caused delays in the timely implementation of activities is their interconnection with strategic documents and programs that were initially required to be approved and applicable. Bureaucratic procedures for obtaining various permits for the implementation of planned activities, as well as procurement procedures, are also considered as another obstacle. The lack of workforce with specific profiles due to the absence of educational programs is another challenge.

Recommendations:

For the next steps, based on the conclusions and findings from the reporting of institutions on the implementation of activities and measures within the framework of strategic objectives, the following recommendations are made:

- Better planning of timelines for the approval of the legal framework;
- Facilitation of procedures for obtaining permits to avoid delays in the commencement of project implementation;
- Timely property expropriation where projects are planned to be implemented;
- More accurate planning of activities and implementation timelines of projects by institutions, taking into account the obstacles and challenges they may face during project implementation;
- Timely signing and ratification of financial agreements by responsible institutions;
- Revision of curricula at the secondary and higher education levels to align with specific job profiles.

6 ANNEX - PROGRESS REPORT MATRIX FOR 2022-2023

MONITORING OF THE IMPLEMENTATION OF ESIP 2022-2025: STRATEGIC OBJECTIVE 1

SO1: IMPROVING SYSTEM RESILIENCE

| No. | Strategic and specific objectives, indicators and actions | Base value | | Last year's objective 2031 | Outcome | | | | | |
|--|--|--------------------------------|-----------|----------------------------|-------------------|------------------------------------|--------|-------------------------|------------------------------|------------------------------|
| I. STRATEGIC OBJECTIVE 1: IMPROVING SYSTEM RESILIENCE | | | | | | | | | | |
| 1 | Indicator: System Average Interruption Duration Index (SAIDI) | SAIDI: 80.83 hours/year (2021) | | SAIDI: 51.84 hours/year | | | | | | |
| 2 | Indicator: System Average Interruption Frequency Index (SAIFI) | SAIFI: 58.27 (2021) | | SAIFI: 40.86 | | | | | | |
| I.1 Specific Objective: Increasing the system flexibility | | | | | | | | | | |
| | Indicator | Base value | | Last year's objective 2031 | | | | | | |
| 1 | Flexible adjustment capacity level | 5 MW (2022) | | 170 MW | | | | | | |
| No. | Action | Dead line | Budget | | Source of funding | Leading and supporting institution | Output | References to documents | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |

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|-------|---|------|-----|-----------------|--------|----------------|----------------------------------|-----------------------------|--|---|
| I.1.1 | Preparation of pre-feasibility, feasibility and technical projects for the battery storage system | 2025 | € - | \$ 1,180,837.00 | Donors | MCC, ME, KOSTT | Prepared technical documentation | Energy Strategy 2022 - 2031 | | The responsible institution reported that this activity is not weighted by the percentage Design and Supervision Consultant for the battery energy storage system (BESS) was contracted and started work in November 2023. Currently, work has started on the basic BESS design including the battery system and the connection to the transmission network, as well as the preparation of the bidding package for BESS construction. |
| I.1.2 | Technical and legal support for the integration of batteries - MCC Project | 2025 | € - | \$ 1,916,000.00 | Donors | MCC, ME, KOSTT | Prepared technical documentation | Energy Strategy 2022 - 2031 | | The responsible institution reported that this activity is not weighted by the percentage The Support Consultants for the battery energy storage system (BESS) were contracted in May 2023 and were engaged in the design and completion of the legal framework to enable the connection of batteries to the network as well as the analysis of |

| | | | | | | | | | | |
|-------|---|------|--------------|--------------|-------------|-----------------|---|-----------------------------|--|---|
| | | | | | | | | | | options for ownership of batteries for KOSTT. These two consultants provided general support for preparing documentation for the establishment of the new public enterprise MFES by decision of the Government, as well as support for meeting the preliminary conditions. Regarding the operationalization of the enterprise, the inclusion of a consultant for technical assistance in the procurement plan of MCA-Kosovo has been approved, which will support the enterprise in drafting the business plan, technical regulations on battery operation, corporate governance and financial policies, etc. |
| I.1.3 | Gas Development Master Plan and Environmental Impact Assessment (EIA) | 2023 | € 750,000.00 | € 750,000.00 | WBIF / IPF9 | ME, MESPI, MIET | Gas Master Plan and Finalized Environmental Impact Assessment | Energy Strategy 2022 - 2031 | 0% The reason for the non-implementation of the activity in 2022 is that the gas policies were still undefined since the Energy Strategy was | 100% The Gas Development Master Plan in Kosovo has been completed, and on 7 November 2023, approval was granted by MESPI regarding |

| | | | | | | | | | still in the drafting process. | the Environmental Strategic Assessment Report. |
|------------|--|-------------------|--------------|-----------------------------------|-------------------|------------------------------------|------------------------------------|-----------------------------|---|--|
| I.1.4 | Feasibility study for the North Macedonia – Kosovo Gas Interconnection Pipeline. | 2023 | € 325,000.00 | € 325,000.00 | WBIF/IPF 9 | ME, MESPI, MIET | Feasibility study finalized | Energy Strategy 2022 - 2031 | 0% The reason for the non-implementation of the activity in 2022 is that the gas policies were still undefined since the Energy Strategy was still in the drafting process. | 100% This study has been completed and as such has been reported in Q2 2023 |
| I.1.5 | Study to identify the potential of geothermal energy in Kosovo | 2025 | | | Donors | ME | Feasibility study conducted | Energy Strategy 2022-2031 | | |
| I.2 | Specific Objective: Modernization of networks and loss reduction in network | | | | | | | | | |
| | Indicator | Base value | | Last year's objective 2031 | | | | | | |
| 1 | Distribution losses | 18.48% [2021] | | 9% | | | | | | |
| 2 | The amount of variable RES capacity that the network is able to process/integrate | 147 MW [2021] | | 2000 MW | | | | | | |
| No. | Action | Dead line | Budget | | Source of funding | Leading and supporting institution | Output | References to documents | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |
| I.2.1 | Development of the system (SCADA & Telecommunications) | Annual | € - | € 5,684,923.33 | KOSTT | KOSTT | ENTSO-E requirements have been met | Energy Strategy 2022 - 2031 | | 0% The project is delayed and has not started due to the delay in the ratification of the agreement with |

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|-------|---|--------|----------------|----------------|-------|-------|--|-----------------------------|--|---|
| | | | | | | | | | | KFW. Financial execution €0. The project has been transferred to the group of projects for financing under KfW Phase VII. |
| I.2.2 | Strengthening and rehabilitating the existing electricity network (TSO) | Annual | € 2,400,000.00 | € 2,260,000.00 | KOSTT | KOSTT | Increasing network credibility and security | Energy Strategy 2022 - 2031 | 0% The project is part of the package of projects planned for investment through KfW phase VII credit. Due to delays in signing and ratifying the Agreement, implementation is planned for the period from 2024-2027. | 0% The project is delayed and has not started due to the delay in the ratification of the agreement with KfW. Financial execution €0. The project has been transferred to the group of projects for financing under KfW Phase VII. |
| I.2.3 | Construction of new transmission capacities and transformational capacities - Shunt-variable reactor (100 MVar) | 2025 | € - | € 1,000,000.00 | KOSTT | KOSTT | Increasing network credibility and security. Meeting the Network Code requirements | Energy Strategy 2022 - 2031 | | 0% The project is delayed and has not started due to the delay in the ratification of the agreement with KfW. Financial execution €0. The project has been transferred to the group of projects for financing under KfW Phase VII. |
| I.2.4 | Load support/New nodes 110/10 (20) kV(TSO & DSO) (SS Katriot Ferizaj 3 and TS Malisheva)(SS Katrioti Ferizaj 3 and TS Malisheva | Annual | € 3,000,000.00 | € 5,061,277.00 | KOSTT | KOSTT | Reduction of energy losses and unserved power | Energy Strategy 2022 - 2031 | 37.50% 1. Construction of NS 110/35/10(20)kV Ferizaj 3 by the end of 2022 completed 60% of the works, but issues related to expropriation and servitude with | 57.50% 1. The project for SS Ferizaj 3 - Kastriot was completed in June 2023 on time and within budget but is not yet energized (40%). The energization of |

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|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | <p>landowners in the Ferizaj region have impacted the delay of the 110kV line project, which affects the n= Energization of the Substation. The project is expected to be completed in Q2 2024.</p> <p>2. The contract for the construction of the SS Fushe Kosova was signed at the beginning of 2022. Throughout this year, efforts have been made to prepare the documentation for obtaining the construction permit. The project progressed by 15% in 2022, which is on schedule and within budget. It is expected to be completed in 2024.</p> <p>3. The SS Malisheva project is in the phase of preparing construction documentation in accordance with the laws, and the tendering process is expected during 2024.</p> | <p>the substation is related to the "Construction of the 110kV line/cable for the connection of the new 110/35/10(20)kV substation Ferizaj 3 - Kastrioti" project. The construction of the line has been delayed due to a suspension by the MESPI, as a result of some complaints filed before the court by landowners.</p> <p>2. The "Construction of the SS Fushe Kosova" project continued with construction and installation after obtaining the construction permits in 2023. By the end of 2023, 75% of the work has been completed, totaling 90% of the work. The project is expected to be fully completed in 2024 on schedule and within budget. For the SS Malisheva project, documentation - design for the application for construction permits is being prepared in accordance with the law. The budget</p> |
|--|--|--|--|--|--|--|--|--|--|

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| | | | | | | | | | spent for 2023 is €3,934,964.56 |
| I.2.5 | Medium Voltage Projects 35/10(20) kV | Annual | € 9,247,735.33 | € 13,216,444.00 | KEDS | KEDS | Improvement of the quality of electricity supply | Energy Strategy 2022-2031 Distribution System Operator Development and Investment Plan for the period 2023-2027 | <p>196%, clarification: the project value presented in 2022 is the executed value, but the planning was lower</p> <p>€9,247,735.33 have been invested in the medium voltage network, which includes projects for strengthening the network and converting the network from 10 kV to 20 kV. From these projects, the following will be achieved: Improvement of the quality of electricity supply, supply security, reduction of losses in the distribution network, rehabilitation, and modernization of the existing network, etc.</p> |
| | | | | | | | | | <p>86%</p> <p>€11,326,311.65 have been invested in the medium voltage network, which includes projects for strengthening the network and converting the network from 10 kV to 20 kV. From these projects, the following will be achieved: Improvement of the quality of electricity supply, supply security, reduction of losses in the distribution network, rehabilitation, and modernization of the existing network, etc.</p> |

| | | | | | | | | | | |
|-------|------------------------------|--------|----------------|----------------|------|------|--|---|--|--|
| I.2.6 | Low Voltage Projects 0.4 kV. | Annual | € 6,086,381.41 | € 7,025,149.00 | KEDS | KEDS | Improvement of the quality of electricity supply | Energy Strategy 2022-2031 Distribution System Operator Development and Investment Plan for the period 2023-2027 | <p>66%, clarification: the project value presented in 2022 is the executed value, but the planning was higher</p> <p>€6,086,381.41 have been invested in the low voltage network, which includes projects for strengthening and expanding the network. From these projects, the following will be achieved: Improvement of the quality of electricity supply, supply security, easier access to measurement points, reduction of losses in the distribution network, etc.</p> | <p>125%</p> <p>€8,746,941.75 have been invested in the low voltage network, which includes projects for strengthening and expanding the network. From these projects, the following will be achieved: Improvement of the quality of electricity supply, supply security, easier access to measurement points, reduction of losses in the distribution network, etc.</p> |
| I.2.7 | Smart Grid | Annual | € 14,513.93 | € 2,413,843.29 | KEDS | KEDS | Improvement of the quality of electricity supply | Energy Strategy 2022-2031 Distribution System Operator Development and Investment Plan for the period 2023-2027 | <p>2%, clarification: the project value presented in 2022 is the executed value, but the planning was higher</p> <p>€14,513.93 has been invested in the smart grid. From these projects, the following will be achieved: Monitoring and control of the entire grid in real-time, increasing the quality of supply, real-time</p> | <p>13%</p> <p>€ 319,420.90 investments have been made in the smart grid. From these projects, the following will be achieved: Monitoring and control of the entire grid in real-time, increasing the quality of supply, real-time grid information, rapid response to breakdowns, etc.</p> |

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|-------|---|--------|----------------|----------------|------|------|--|---|---|--|
| | | | | | | | | | information, rapid response to breakdowns, etc. | |
| I.2.8 | Installation of meters | Annual | € 1,612,032.60 | € 4,000,015.00 | KEDS | KEDS | Reduction of commercial losses. For the period 2022-2025, it is projected that approximately 121,782 new meters will be installed - new connections, while around 86,578 meters are expected to be replaced. | Energy Strategy 2022-2031 Distribution System Operator Development and Investment Plan for the period 2023-2027 | 137%, clarification: the project value presented in 2022 is the realized value, but the planning was lower 1,612,032.6 € have been invested in the installation of meters, where 20,013 meters have been replaced, and 25,782 new meters - new connections, have been installed. From these projects, the following will be achieved: Accuracy in measurement, remote measurement, accurate and fast billing and reading, reduction of commercial losses, etc. | 112% €4,473,568.6 have been invested in the installation of meters, where 27,901 meters have been replaced, and 24,750 new meters - new connections, have been installed. From these projects, the following will be achieved: Accuracy in measurement, remote measurement, accurate and fast billing and reading, reduction of commercial losses, etc. |
| I.2.9 | Capital investments in Information Technology | Annual | € 896,096.30 | € 1,544,650.00 | KEDS | KEDS | Safe operation of DSO | Energy Strategy 2022-2031 Distribution System Operator Development | 113%, clarification: the project value presented in 2022 is the executed value, but the planning was lower. €896,096.3 have | 77% €1,190,419.8 investments have been made in Information Technology. From these projects, |

| | | | | | | | ent and Investment Plan for the period 2023-2027 | been invested in the Information Technology From these projects, the following will be achieved: Data protection from malicious attacks, cybersecurity, simplification of the company's data structure and business processes, increased productivity, etc. | the following will be achieved: Data protection from malicious attacks, cybersecurity, simplification of the company's data structure and business processes, increased productivity, etc. | |
|------------|---|-------------------|-----------|-----------------------------------|---|------------------------------------|---|---|--|--|
| I.3 | Specific Objective: Rehabilitating the existing energy generation capacity | | | | | | | | | |
| | Indicator | Base value | | Last year's objective 2031 | | | | | | |
| 1 | Number of renewed lignite units | 0 [2021] | | 3 or 4 | | | | | | |
| 2 | Number of closed lignite units | 0 [2021] | | 1 or 2 | | | | | | |
| No. | Action | Dead line | Budget | | Source of funding | Leading and supporting institution | Output | References to documents | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |
| I.3.1 | Rehabilitation of Kosova B1 unit | 2024 | € - | € 7,500,000.00 | KEK: €49.5 million EU grant: €38.5 million (Electrofilters & De-Nox) | KEK, ME, ERO | Reduction of dust, NOx and SO2 emissions Dust: 20 mg/ Nm ³ , NOx: 200 mg/ Nm ³ , SO2: 600 mg/ Nm | Energy Strategy 2022-2031 KEK Development Strategy 2021-2025 | | 0% KEK - This project was initially postponed over the years due to the pandemic, while in 2022 it was postponed due to additional works on the Dilations (boilers). However, this project has |

| | | | | | | | | | | |
|-------|---|-------------------|----------------|-----------------|--|--------------|---|---------------------------|--|--|
| | | | | | | | | | | ultimately been rescheduled to be implemented in 2026. |
| I.3.2 | Rehabilitation of Kosova B2 unit | 2025 | € - | € 7,500,000.00 | KEK - €49.5 million EU Grant - €38.5 million (Electrofilters & De-Nox) | KEK, ME, ERO | | | | 0% KEK - This project was initially postponed over the years due to the pandemic, while in 2022 it was postponed due to additional works on the Dilations (boilers). However, this project has ultimately been rescheduled to be implemented in 2025. |
| I.3.3 | Rehabilitation of a unit of Kosova A | 2024 | - | € 15,000,000.00 | KEK | KEK, ME, ERO | Increase capacity from 130 MW to 180 MW.. | Energy Strategy 2022-2031 | | 20% The project is in the process of preparation for 2023. |
| I.3.4 | Machinery, conveyor belts, expropriations and other investments in the expropriation of mines | 2024 | € 3,800,000.00 | € 48,200,000.00 | KEK | KEK, ME, ERO | Investment in mine | Energy Strategy 2022-2031 | 30% KEK - As part of this project, partial expropriations were completed in 2022, and preparations for machinery were also relocated throughout 2023 due to difficulties in Public Procurement. | 30% KEK - As part of this project, partial expropriations were completed in 2022, and preparations for machinery were also relocated throughout 2023 due to difficulties in Public Procurement. |
| I.4 | Specific Objective: Ensuring cybersecurity of the energy sector | | | | | | | | | |
| | Indicator | Base value | | | Last year's objective 2031 | | | | | |

| 1 | | Nonexistent | | Exist | | | | | | |
|-------|--|-------------|--------------|-----------|-------------------|------------------------------------|-------------|---------------------------|--|---|
| No. | Action | Dead line | Budget | | Source of funding | Leading and supporting institution | Output | References to documents | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |
| I.4.1 | Adoption of the Law on Security Measures for Network and Information Systems | 2022 | € 120,000.00 | € - | Kosovo Budget | MIA, MF, | Law adopted | Annual Performance Report | 70% During 2022, a Draft Law has been drafted. | 100% In the Legislative Program for 2022, ME planned to draft the Draft Law on Security Measures for Network and Information Systems (deadline for approval 30.06.2022). Additionally, the Ministry of Internal Affairs also planned to draft the Law on Cybersecurity (deadline for approval 24.04.2022). Since both Draft Laws aimed to transpose the same directive, after consultations between the respective cabinets of ME and MIA, it was decided that the Ministry of Economy would withdraw from the Legislative Program the drafting of the Draft Law on |

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|-------|---|------|-----|--------------|-----------------------|---|--|--|--|--|
| | | | | | | | | | | <p>Security Measures for Network and Information Systems.</p> <p>Law No. 08/L-173 on Cybersecurity was published in the Official Gazette of the Republic of Kosovo / No. 4 / 27 February 2023 and includes all elements for securing networks and information systems, eliminating the need for another law to be drafted.</p> |
| I.4.2 | Approval of bylaws stemming from the Law on Security of Network and Information Systems | 2023 | € - | € 100,000.00 | Kosovo Budget | MIA, ME, ERO, KOSTT | Secondary legislation adopted. | Adoption of the Law on Security of Network and Information Systems | | <p>40%</p> <p>MIA is drafting bylaws deriving from the Law on Cybersecurity, which provides for minimum security measures for network and information systems for essential service operators and digital service providers.</p> |
| I.4.3 | Establishment of the Sectoral Energy Computer Emergency Response Team (eCERT) in Kosovo | 2025 | € - | € 252,250.00 | Kosovo Budget, donors | ME, National CERT, MIA, ERO, KOSTT, KEK, KEDS | Sectoral Energy Computer Emergency Response Team (eCERT) in Kosovo established | Energy Strategy 2022 - 2031 | | <p>20%</p> <p>The Terms of Reference have been compiled and the procurement process will start in February.</p> |

MONITORING OF THE IMPLEMENTATION OF ESIP 2022-2025: STRATEGIC OBJECTIVE 2

SO2: DECARBONISATION AND PROMOTING RENEWABLE ENERGY

| No. | Strategic and specific objectives, indicators and actions | Base value | Last year's objective 2031 | Outcome |
|--|--|---------------------------|-----------------------------------|---------|
| II. STRATEGIC OBJECTIVE 2: DECARBONISATION AND PROMOTING RENEWABLE ENERGY | | | | |
| 1 | Reduction of GHG emissions in the electricity sector compared to 2019 | 0% [2019] (6316 ktCO2) | -32% | |
| 2 | The share of renewable energy sources in the consumption of the electricity sector (RES-E) | 6.3% [2021] | Minimum 35% | |
| II.1 Specific Objective: Gradual implementation of the carbon price | | | | |
| | Indicator | Base value | Last year's objective 2031 | |

| 1 | Gradual implementation of the carbon price | Not introduced [2021] | | Integration into EU ETS | | | | | | |
|-------------|--|-----------------------|-----------|-------------------------|-------------------|------------------------------------|---|-----------------------------|------------------------------|--|
| No. | Action | Deadline | Budget | | Source of funding | Leading and supporting institution | Output | References to documents | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |
| II.1.1 | Drafting of the Long-Term Decarbonisation Strategy | 2024 | € - | € 37,228.13 | Kosovo Budget | MESPI | Strategy drafted and adopted | Draft Law on Climate Change | | 40% A draft of the Long-Term Decarbonization Strategy has been prepared. |
| II.1.2 | Transposition and implementation of regulations MRR (EU) 2018/2066, AVR (EU) 2018/2067, and AR (EC) and 765/2008 | 2025 | € - | € - | Kosovo Budget | MESPI | Transposed regulation concerning monitoring, reporting and verification | Draft Law on Climate Change | | |
| II.1.3 | The establishment of supportive infrastructure and governance system | 2025 | € - | € - | Kosovo Budget | ME, MESPI | Functioning of the governance system for monitoring, reporting and verification of carbon emissions | Draft Law on Climate Change | | |
| II.1.4 | Carbon pricing impact study | 2024-2025 | € - | € - | IMF | MESPI | Study completed | | | |
| II.2 | Specific Objective: Promotion of renewable energy in the electricity consumption | | | | | | | | | |

| | Indicator | Base value | | Last year's objective 2031 | | | | | | |
|--------|--|---------------|-------------|----------------------------|-------------------|------------------------------------|--------------------------------|-----------------------------|---|---|
| 1 | Total renewable capacity in the electricity sector (including prosumers) | 279 MW [2021] | | 1600 MW | | | | | | |
| 2 | Capacity of self-consumer producers (prosumers) | 2 MW (2021) | | Minimum 100 MW | | | | | | |
| No. | Action | Deadline | Budget | | Source of funding | Leading and supporting institution | Output | References to documents | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |
| II.2.1 | Drafting the Law on Renewable Energy Sources | 2023 | € 12,000.00 | € 2,000.00 | ME, donors | ME | Law on RES drafted and adopted | Energy Strategy 2022 - 2031 | 70% The working group has been established and a draft has been drafted, which has also passed the procedure of public discussion. | 90% of Law No. 01/164 on the Promotion of the use of Renewable Energy Sources was approved by the Government of Kosovo on 9 October 2023 is currently with the Assembly for review and adoption (for the second reading) |
| II.2.2 | Approval of bylaws related to Law on Renewable Energy Sources | 2024 | € - | € 8,000.00 | ME, donors | ERO | Secondary legislation adopted | Energy Strategy 2022 - 2031 | | 50% Have been approved: - Administrative Instruction No. 01/2023 on Utilization of Energy Generation from Renewable Sources; - Administrative Instruction No. 02/2023 on the Target of |

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|--------|--|------|-------------|-------------|--------|-----------|-------------------------------------|-----------------------------|--|--|
| | | | | | | | | | | Electricity from Renewable Energy Sources |
| II.2.3 | Drafting of secondary legislation on prosumers | 2023 | € 6,000.00 | € - | Donors | ERO | Secondary legislation adopted | Rules for the prosumers | 70% The initial draft was prepared in 2022. | 100% During 2023, this rule has been subject to public consultation. After receiving their comments and reviewing them, it was approved by the ERO Board. |
| II.2.4 | Finalization of DSO registration fee methodology | 2023 | € 20,000.00 | € - | ERO | ERO, DSO | Grid integration | Grid Code | 70% The methodology was submitted by KEDS in 2022. | 100% In 2023, ERO has put this methodology into public consultation. After the completion of the public consultation, and the review of comments received from stakeholders, it has been approved by the ERO Board |
| II.2.5 | Drafting of the National Energy and Climate Plan 2025-2030 | 2024 | | € 30,000.00 | GIZ | ME, MESPI | NCEP has been finalized and adopted | Energy Strategy 2022 - 2031 | | 70% The draft document for the National Energy and Climate Plan 2025-2030 is drafted. The document has been submitted to the Energy Community Secretariat for comments. On 28 December 2023, ECS has sent back comments on the NECP 2025-2030 document. The working group is addressing the comments and finalizing the dimensions. The NCEP Strategic Environmental |

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|--------|---|------|------------|-------------|--------------------|---------|---|-----------------------------|--|--|
| | | | | | | | | | | Assessment has also been prepared. |
| II.2.6 | Announcement of the first pilot auction | 2023 | € 4,000.00 | € 20,000.00 | Kosovo Budget | ME, ERO | Organizing competitive auctions to increase the share of RES starting with 100 MW | Energy Strategy 2022 - 2031 | 100% The working group for designing the competitive scheme for renewable energy sources has been established. The location has been provided in cooperation with relevant institutions and the Municipality of Rahovec. | 100% The auction was announced on 12 May 2023 |
| II.2.7 | Awarding and contracting of the first pilot auction | 2023 | € - | € 4,000.00 | Kosovo Budget | ME, ERO | | Energy Strategy 2022 - 2031 | | 0% The postponement of the solar energy auction has come as a result of requests from the majority of investors to prepare themselves for the competitive bidding process. The deadline for submitting bids has been extended until 31 January 2024. |
| II.2.8 | Construction of capacities of 100 MW | 2025 | € - | € - | Private investment | ME, ERO | Construction of the FV 100 MW solar power plant | Energy Strategy 2022 - 2031 | | |
| II.2.9 | Establishment of a unit for the development of new capacities | 2024 | € - | € - | Kosovo Budget | ME | Unit for capacity development from RES established | Energy Strategy 2022 - 2031 | | 100% The Project Implementation Unit for RES has been established as a unit within the Department according to Regulation No. 04/2023 on Internal Organization |

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|---------|--|-----------|-----|--------------|--|-----------|--|--|--|--|
| | | | | | | | | | | and Systematization of Jobs in ME (Legal Office). |
| II.2.10 | Construction of the 100 MW solar power plant in KEK | 2025 | € - | € 500,000.00 | €10,000,000 KEK Donat ion by KfW, EIB | KEK | Constructio n of the 100 MW solar plant, which is expected to be operational in 2025 | Energy Strategy 2022 - 2031 KEK Developm ent Strategy 2021- 2025 | | 20% During 2023, the tendering process for the selection of the company for the preparation of the tender dossier for the construction of the solar park was conducted |
| II.2.11 | Feasibility study for identificatio n of public lands suitable for PV and wind (third phase) | 2023 | € - | € 299,000.00 | European Commissio n | ME, MESPI | Assessment of appropriate publicly-owned RES locations | Energy Strategy 2022 - 2031 | | 0% The deadline for completion has been extended until 2024 due to delays in collecting data from relevant institutions. Consequently, the drone survey of the studied locations has also been postponed. |
| II.2.12 | Preparatory work for launching the second technology-specific auction | 2023-2024 | | € 9,000.00 | ME, donors | ME | Drafting the Tender File and Announcing the Auction | Energy Strategy 2022 - 2031 | | 20% The Ministry of Economy, supported by USAID, has started the preparation of the proposal for the wind auction by considering the possibility of using the IMF fund to co-invest in this project based on public-private partnerships (PPPs). |
| II.2.13 | Support for wind generating capacities, including technical preparation of specific projects | 2025 | € - | € 500,000.00 | Donors | Donors | Technical studies, wind measuring equipment and other relevant technical assistance | Energy Strategy 2022 - 2031 | | 0% The World Bank has applied to the Trust Fund to provide funds for technical assistance, but they have not yet been provided at this stage. Thus, at this stage, only the engagement of the |

| | | | | | | | | | | wind expert remains - as an individual expert of the World Bank who assists the Ministry of Economy in the development projects for auctions on publicly-owned lands. |
|-------------|--|-------------------|--------|---|-------------------|-----------------|--|-----------------------------|------------------------------|---|
| II.2.14 | Promoting and facilitating the integration of renewable energy sources and energy efficiency practices | 2026 | | € 264,100.00 | Lux Dev | ME, KFEE, MESPI | Implementation of EE & RES measures, assisting in the design of the EE & RES regulatory framework and ensuring access to financing mechanisms for small-scale RES and EE | Energy Strategy 2022 - 2031 | | 20% On 10 November 2023, a bilateral agreement was signed between the Government of the Republic of Kosovo and the Government of the Grand Duchy of Luxembourg regarding the cooperation project for the development of “KSV/024: Energy Transition and Climate Mitigation in Kosovo” |
| II.3 | Specific Objective: Promotion of sustainable use of renewable energy for heating | | | | | | | | | |
| | Indicator | Base value | | Last year's objective 2031 | | | | | | |
| 1 | Installed capacity of RES in central heating systems | 15 MWh | | Be determined by the feasibility study. | | | | | | |
| No. | Action | Deadline | Budget | | Source of funding | Leading and | Output | References to | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year | Year | | | | | | |

| | | | 2022 | 2023 | | supporting institution | | documents | | |
|--------|---|------|----------------|----------------|-------------|---------------------------------|------------------------------------|-----------------------------|---|---|
| II.3.1 | Feasibility Study & Environmental and Social Impact Assessment (ESIA) for district heating systems in 9 municipalities of Kosovo (Gjilan, Ferizaj, Prizren, Peja, Drenas, Obiliq, North and South Mitrovica & Zveçan) | 2023 | € 1,000,000.00 | € 1,350,000.00 | WBIF/IPF 10 | ME, MESPI, Municipalities, MFLT | Feasibility Study & ESIA completed | Energy Strategy 2022 - 2031 | <p>30%</p> <p>Period October 2021 – February 2024 Due to local elections in Kosovo, municipal representatives have requested the postponement of field visits to cities. Therefore, these visits were conducted in the first months of 2022 in 7 municipalities except for North Mitrovica and Zveçanit. To carry out this activity, technical assistance required on-site surveys, which the municipalities were unable to conduct. Therefore, on 07.12.2021, the technical assistance launched a tender to identify a company that could collect data for thousands of residential buildings in 9 municipalities. In the first round, no company applied. On 25.01.2022, the tender was relaunched, and in March 2022, the winning company was announced to perform this service. However, due to contract formalities, the work did not begin until mid-June 2022. It is worth noting the difficulties in communication with the two northern municipalities, North</p> | <p>30%</p> <p>Ongoing activity. Study and ESIA expected to be completed by Q2 2024</p> |

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| | | | | | | | | <p>Mitrovica and Zvecan. Due to rapid construction activities in Kosovo, especially in the municipalities involved in this study, the situation changed. The orthophotos used for analyzing the objects were not updated, leading to significant differences found. Detailed additional fieldwork was necessary, and calculations had to be adjusted for 74,000 buildings, which took time. This activity is ongoing. Preliminary reports with terms of reference have been submitted. The Environmental and Social Impact Study is expected to be completed by Q2 2024.</p> | |
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| II.3.2 | Solar4Kosovo – Feasibility study for the development of the solar central heating project | 2024 | € - | € - | KfW, EBRD | Termokos | Feasibility study completed | <p>70%</p> <p>1. Feasibility study - completed, 2. ESIA (Environmental and Social Impact Assessment) project - in the final phase. 3. The location of 25 ha of land for this project has been identified and approved. The location is in the Hade e Re area. 4. The procedure for pre-qualification for the selection of the consulting company for the project has started.</p> <p>Energy Strategy 2022-2031 Termokos Development Plan 2022-2031</p> | <p>80%</p> <p>Regarding the development of the project for the Construction of the new solar power plant for central heating “Solar4 Kosovo II”, the following activities were conducted in 2023: The feasibility study for this project has been completed.</p> <ul style="list-style-type: none"> The ESIA (Environmental and Social Impact Assessment) Project has been completed, as developed by CES-iC and funded by KfW. The consulting company for the project has been selected - “iC consultanten” company from Vienna. An agreement has been signed between Termokos and the Ministry of Finance and the conditions for signing this contract have been established. <p>Explanation: The contract with the consulting company “iC consultanten” was signed in January 2024. Consultations have continued for:</p> <ul style="list-style-type: none"> Preparation of documents for environmental permits, Preparation of documentation for expropriation. |
|--------|---|------|-----|-----|-----------|----------|-----------------------------|---|--|

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|--------|---|------|-----|--|---|----------|--|--|--|
| II.3.3 | Construction of the Solar District Heating Project – Solar4Kosovo | 2027 | € - | | KfW, EBRD, WB IF, National Contribution | Termokos | Additional 50 MWth of solar energy for Termokos, benefiting up to 12,000 households. | Energy Strategy 2022-2031 Termokos Development Plan 2022-2031 | |
|--------|---|------|-----|--|---|----------|--|--|--|

MONITORING OF THE IMPLEMENTATION OF ESIP 2022-2025: STRATEGIC OBJECTIVE 3

SO3: INCREASED ENERGY EFFICIENCY

| No. | Strategic and specific objectives, indicators and actions | Base value | Last year's objective 2031 | Outcome |
|--------------|--|-------------------|-----------------------------------|---------|
| III. | STRATEGIC OBJECTIVE 3: INCREASED ENERGY EFFICIENCY | | | |
| 1 | Indicator: The level of final energy consumption | 1516 ktoe [2017] | 1877 ktoe | |
| 2 | Indicator: Cumulative energy savings achieved in the construction sector | 2.7 ktoe [2021] | 266.4 ktoe | |
| III.1 | Specific Objective: Improving energy efficiency in buildings | | | |
| | Indicator | Base value | Last year's objective 2031 | |

| 1 | Total cumulative energy savings in public buildings | 2.6 ktoe [2021] | | 33.9 ktoe | | | | | | |
|---------|--|-----------------|-----------|-------------|---|------------------------------------|----------------------------------|-----------------------------|------------------------------|---|
| 2 | Total cumulative energy savings in residential and commercial public buildings | 0.1 ktoe [2021] | | 232.5 ktoe | | | | | | |
| 3 | The number of buildings with near-zero energy consumption | 0 | | 150 | Improving the energy efficiency of new public buildings | | | | | |
| No. | Action | Deadline | Budget | | Source of funding | Leading and supporting institution | Output | References to documents | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |
| III.1.1 | Review of the Law on Energy Efficiency | 2023 | € - | € 10,800.00 | Kosovo Budget, donors | ME, MESPI, KFEE | Law on Energy Efficiency adopted | Energy Strategy 2022 - 2031 | | 40% In 2023, the initial draft of the Law on Energy Efficiency was drafted |

| | | | | | | | | | | |
|---------|---|------|--------------|--------------------|-----------------------|-----------------|--|--|---|---|
| III.1.2 | Approval of bylaws related to Law on Energy Efficiency | 2024 | € - | - | Kosovo Budget, donors | ME, MESPI, KFEE | Approval of secondary legislation related to the Law on Energy Efficiency | Law on Energy Efficiency | | |
| III.1.3 | Review of the Law on Energy Performance of Buildings | 2023 | € 22,600.00 | - | Kosovo Budget, donors | MESPI | Law on Energy Performance of Buildings adopted | National Development Plan 2023-2025 | 20% During 2022, a Concept Document on the Field of Energy Performance in Buildings was drafted and approved (the Concept Document on the Field of Energy Performance in Buildings was approved by the Government of the Republic of Kosovo on 30 April 2022 with the recommendation of amending the Law No. 05/L-101 on Energy Performance in Buildings) | 90% The draft law was approved at the 148 th meeting of the Government of the Republic of Kosovo held on 29.06.2023. The Assembly of the Republic of Kosovo voted in principle the Draft Law No. 08/L-242 on the Energy Performance of Buildings on 15.12.2023 |
| III.1.4 | Adoption of bylaws related to the Energy Performance of Buildings | 2024 | € 150,000.00 | € 20,000.00 | Kosovo Budget, donors | MESPI | Adoption of secondary legislation related to the energy performance of buildings | Law on Energy Performance of Buildings | 0% For your information, the Draft Law was approved at the 148 th meeting of the Government of the Republic of Kosovo held on 29.06.2023. The Assembly of the Republic of Kosovo voted in principle the Draft Law No. 08/L-242 on the Energy Performance of Buildings on 15.12.2023. Thus, the bylaws remain to be drafted and approved after the adoption and entry into force of this Law. | |

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|-------------|---|------|----------------|-----------------------|--|--------------|---|--|--|---|
| III.1. 5 | Developing the National Register of Energy Performance of Buildings | 2023 | € 90,000.00 | € 20,000.00 | Kosovo Budget: €20,000 Donors : €90,000 | MESPI, ME | There is a functional national register | Law on EE & Law on Energy Performance of Buildings | <p>80% KAEE/ME, in cooperation with the Ministry of Environment, Spatial Planning and Infrastructure, has redesigned the National Energy Certification Registry Software for the Energy Audit component, the Software has been redesigned with the support of GIZ and the same is installed in AIS. Part of this Register will be Energy Auditors who have been informed through one-day Training related to NREPB.</p> | <p>90% According to Law No. 05/L-101 on Energy Performance in Buildings, Article 13, paragraph 5 is part of the drafting by KAEE, while MESPI is part of this register only to the energy performance component in buildings which is in the final phase. As general information, this register has been developed and the same has been activated on the AIS servers and managed by ME for the part of Energy Auditors' policies. The platform has been supported by GIZ - KEP project, and MESPI in cooperation with ME is in the finalization phase for the energy performance part as well as its connection with the Kosovo EPC software. (KAEE/ME, in cooperation with the Ministry of Environment, Spatial Planning</p> |
|-------------|---|------|----------------|-----------------------|--|--------------|---|--|--|---|

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| | | | | | | | | | | and Infrastructure, has redesigned the National Energy Certification Registry Software for the Energy Audit component. The software has been redesigned with the support of GIZ, and the same has been installed at AIS. Part of this Register will be Energy Auditors who have been informed through one-day Training related to NREP. During 2023, the Platform was interconnected with e-Kosovo and other platforms). |
| III.1.6 | Drafting and approving the Building Renovation Strategy | 2024 | € - | € - | Donors | MESPI | Building Renovation Strategy approved | Law on EE & Law on Energy Performance of Buildings | | |
| III.1.7 | Public outreach campaign | Annual | € 10,000.00 | € 5,000.00 | Kosovo Budget, donors | ME, KFEE, MESPI | Public outreach campaigns organized | Energy Strategy 2022 - 2031 | 90% Promotional campaigns have been organized regarding energy efficiency measures, including the organization and publication of the Public Call for Energy Efficiency Measures through video spots, | 90% Organization of promotional campaigns regarding Public Calls for Energy Efficiency Subsidies. Promotion includes interviews, video |

| | | | | | | | | | | |
|---------|---|--------|----------------|----------------|---------------------------------------|------|---|-----------------------------|---|--|
| | | | | | | | | | advertisements and brochures. | spots, advertisements, brochures, and visual presentations. |
| III.1.8 | Implementation of Energy Efficiency measures in public buildings (center level) | 2023 | € - | € 2,400,000.00 | Kosovo Budget, Donors (WB) | ME | 12 public buildings at the central level (05. ktoe) | Energy Strategy 2022 - 2031 | | 60% The renovation of the buildings included in LOT 1 has reached progress of 60%, while for LOT 2, the contract was signed in January and the works started in February. |
| III.1.9 | Implementation of Energy Efficiency measures in public buildings (at the municipal level) | Annual | € 6,435,061.23 | € 9,924,938.77 | Kosovo Budget, Donors (EU, WB-KEEREP) | KFEE | Energy saving about 3 ktoe/year | Energy Strategy 2022 - 2031 | 79% KFEE published two public calls in 2020 and 2021 inviting all municipalities to apply for public buildings and street lighting systems, aiming to improve energy efficiency under the Municipal Energy Efficiency Project (MEEP) supported by the World Bank, the European Union, and the Government of Kosovo. From these calls, 150 Project Initiation Agreements have been signed, and out of these, KFEE signed Energy Service Agreements for 86 buildings with municipalities. Contracts have been awarded for consultancy (energy audits, design, and supervision) and for the | 60% KFEE has issued two public calls in 2020 and 2021, inviting all municipalities to apply for public buildings and street lighting systems, with the aim of improving energy efficiency under the Municipal Energy Efficiency Project (MEEP), supported by the World Bank, the European Union and the Government of Kosovo. From these calls, 150 Project Initiation Agreements have been signed, and |

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| | | | | | | | | <p>implementation of works. During 2022, the majority of the implementation works for 41 of these buildings have been completed, and the energy-saving value has reached 0.78 ktoe/year. The budget allocated for implementation contracts and consultancy during this year is €5,103,039.88.</p> | <p>out of these, KFEE signed Energy Service Agreements for 86 buildings with municipalities. Contracts have been awarded for consultancy (energy audits, design, and supervision) and for the implementation of works. During 2023, the implementation of works has been completed for 42 of these projects, bringing the total number of completed projects to 83, while the energy savings value has reached 1.67 ktoe/year. The budget spent on implementation contracts as well as consultancy contracts during this year is €5,962,226.03. Additionally, three consultancy contracts (energy audit, design, and supervision) have been contracted for 34 new projects from previous public calls.</p> |
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| III.1.10 | Implementation of Energy Efficiency measures in public buildings (at the municipal level) | 2023 | € - | | Kosovo Budget, KfW, WBIF | ME | 8 school buildings (1 ktoe) | Energy Strategy 2022 - 2031 | |
| III.1.11 | Green Cities Framework 2 Window 2 - Energy Efficiency in Public Buildings in Prishtina | 2025 | € - | € 1,000,000.00 | Loan from the EBRD. | Municipality of Prishtina | Implementation of EE measures in up to 47 buildings owned by the municipality. Energy saving 1 ktoe | Energy Strategy 2022 - 2031 | 30% A tender process has been conducted to select a Consultant for detailed design. The next phase is expected in March. |
| III.1.12 | Implementation of Energy Efficiency measures in public buildings in Prizren | 2025 | € - | € 1,000,000.00 | Loan from the EBRD. | Municipality of Prizren | Implementation of EE measures in up to 47 buildings owned by the municipality. Energy saving 1 ktoe | Energy Strategy 2022 - 2031 | 10% Only the assessment is done. Pending tendering. |
| III.1.13 | Implementation of energy efficiency measures in the residential sector (26 multi-apartment buildings). | 2022 | € 4,850,000.00 | € - | MMC-Millennium Foundation Kosovo | MCC, ME, Municipality | 26 multi-apartment buildings renovated, achieving savings of up to 30% | The Law on EE, the Law on Energy Performance of Buildings, the 4 th National Action Plan for EE | 100% Implementation of MCC projects was completed on 30 September 2022 (such as the renovation of individual houses under the energy efficiency measures). For some other projects for which we received approval for deadline extensions from MCC, we completed them |

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| | | | | | | | | | on 29 November 2022 (renovation of multi-apartment buildings as well as the project for installing district heating meters / Termokos). Implementation of EE measures in the residential sector for 17,500 customers of District Heating; renovation of 26 multi-apartment buildings; renovation of 1,200 individual houses; efficient equipment for 410 women-led businesses. |
| III.1.14 | Feasibility study for the implementation of Energy Efficiency measures in the residential and private sector | 2024 | € - | € - | Donors (WBIF) | KFEE | Feasibility study completed | Energy Strategy 2022 - 2031 | |

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| <p>III.1. 15</p> <p>Implementat ion of energy efficiency measures in the residential sector (individual houses)</p> | <p>2024</p> | <p>€ -</p> | <p>€ 5,000,000. 00</p> | <p>European Commission / IPA Funds</p> | <p>KFEE</p> | <p>Energy saving - 2 ktoe/year</p> | <p>Energy Strategy 2022 - 2031</p> | <p>1% During 2023, KFEE announced a Public Call for Applications for the implementation of the Emergency Project for the Implementation of Energy Efficiency Measures for Individual Residential Houses, with the support of the European Union under the IPA program, the Energy Support Package, and the Government of Kosovo with the support of the European Union under the IPA program, the Energy Support Package of the Government of Kosovo. From this call, 3321 applications were reviewed, of which 2150 were pre-approved with a value of €8,230,050.00, and there are 1010 cases on the waiting list and 161 have been cancelled. KFEE received around 700</p> |
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| | | | | | | | | | | applications for disbursement from citizens who have completed the works. These applications are in the process of verification by 9 companies engaged by KFEE, and the first disbursement agreements have been signed by the first beneficiaries who have submitted complete documentation and passed verification. The budget spent for this process during 2023 is €41,137.61. |
| III.1.16 | Implementation of energy efficiency measures in the residential sector (multi-apartment social buildings owned by municipalities). | 2024 | € - | € 5,000,000.00 | European Commission / IPA Funds | KFEE | Energy saving - 2 ktoe/year | Energy Strategy 2022 - 2031 | | 1% During 2023, KFEE announced a Public Call for Applications for the Emergency Project for Energy Efficiency Measures of Multi-Apartment Social Buildings (MASB) owned by Municipalities, with the support of the European Union under the IPA program, the Energy Support Package, and the |

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| | | | | | | | | | | Government of Kosovo with the support of the European Union under the IPA program, the Energy Support Package of the Government of Kosovo. From this call, Project Initiation Agreements have been signed for 29 multi-apartment social buildings in 13 municipalities. In 2023, three consultancy contracts (energy audit, design and supervision) were contracted for 22 buildings, which have been completed up to the tendering phase for work contracts. The budget spent on these contracts during 2023 is €55,200.00. |
| III.1.17 | Implementation of energy efficiency measures in the residential sector and MSMEs. | 2025 | € - | € - | Donors (WBIF) | KFEE | Energy saving 0.14 ktoe | Energy Strategy 2022 - 2031 | | 50% |

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| III.1. 18 | Implementat ion of energy efficiency measures in the residential sector | 2022/20 23 | € 5,000,000. 00 | € 10,000,000 .00 | Kosovo BudgetDonors | ME | Subsidy schemes for efficient heating equipment, efficient household appliances & solar systems | Energy Strategy 2022 - 2031 | <p>The Ministry of Economy launched three public calls to support household consumers, especially vulnerable consumers, subsidizing investments in efficient household appliances (washing machines, dishwashers, and refrigerators or fridge-freezers); subsidizing investments in renewable energy – solar systems for heating sanitary water; and subsidizing investments in installing efficient heating devices [heat pump, efficient air conditioner/ventilation (high-efficiency air-to-air heat inverter-type pump), biomass boilers (wood, pellets, briquettes), individual biomass stoves]. Committees are working on evaluating applications</p> <p>98.2% Public Call for Energy Efficiency Subsidies for the household residential sector The Ministry of Economy, through the former KAEE, issued the Public Call for Energy Efficiency subsidies in heating devices such as Heat Pumps, air-to-air heat inverters, biomass boilers, and individual biomass stoves. An amount of €6 million was distributed to citizens who invested in heating systems. From this process, 9514 citizens/applicants benefited, with a total value of 4,910,000 Euro.</p> |
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| | | | | | | | | | | according to the criteria set out in the call, so the total subsidy amount this year has been €5 million, while the remaining €5 million has been carried over to 2024 for applicant subsidies. |
| III.1.19 | Implementation of energy efficiency measures in the residential sector (Micro, Small and Medium-Sized Enterprises - MSMEs). | 2023 | € - | € 5,000,000.00 | European Commission / IPA Funds | ME | Subsidy schemes for efficient heating equipment, efficient work appliances & solar systems | Energy Strategy 2022 - 2031 | | <p>20%</p> <p>The Ministry of Economy launched a public call to support MSMEs in installing efficient heating devices. The call is still open, and reimbursement has not yet begun. Committees are currently evaluating applications based on the criteria outlined in the call, so the €5 million has been carried over to 2024 for applicant subsidies. (DEE_Public call for support of micro, small and medium-sized enterprises</p> |

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| | | | | | | | | | (MSMEs) in investing in efficient heating devices was opened in November 2023, and the application period for the first phase is until January 2024. Subsidy payments will be executed during 2024.) |
| III.1.20 | Installation of solar PV systems in regional water companies (RWCs) | 2024 | € - | 100,000.00 | KfW | ME | Diversification of energy sources in RWCs, about 26% of energy consumption will be covered by RES | Energy Strategy 2022 - 2031 | 99.60% The feasibility study for this project has been completed and carried out by SRP-Hidroing and CES. The report has been submitted for comments to the Cabinet and to the Department of Energy. The project is a continuation of the phases V and VI and the value of the project is 15,000,000 Euro. The entire project is a donation from KfW and is conducted according to German Procurement Laws. The project provides for the deployment of |

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| | | | | | | | | | | <p>solar panels in the Regional Water Supply Companies: Peja, Gjakova, Prizren and Prishtina. In 2023, for the Feasibility Study, the first (1) payment (40% of the amount) was made, totalling 39,862.00 Euro. The second payment was made in 2024, covering 50% of the amount, totalling 49,827.50 Euro. The final invoice, 10% of the amount, totalling 9,965.50 Euro, remains to be paid. The total expenses for the feasibility study amount to 99,655.00 Euro.</p> |
| III.1.21 | Development of the ESCO market | 2024/2025 | € - | € - | Donors | ME | Three types of sample contracts have been developed for ESCO and a methodology for defining ESCO | Administrative Instruction on Energy Service Providers | | |
| III.2 | Specific Objective: Promoting efficient cogeneration and efficient district heating systems | | | | | | | | | |

| | Indicator | Base value | | Last year's objective 2031 | | | | | | |
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| 1 | Increasing of cogeneration capacity in "Termokos" (Pristina) | 140 MWh | | 280 MWh | | | | | | |
| 2 | The number of consumers connected to district heating systems (Pristina & Gjakova) | 17.791 | | 38,240 in Prishtina and Gjakova. For other municipalities, it will be decided based on the feasibility study. | | | | | | |
| No. | Action | Deadline | Budget | | Source of funding | Leading and supporting institution | Output | References to documents | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |

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| III.2.1 | Expansion and rehabilitation of the district heating network in Prishtina | Yearly | € 9,200,000.00 | € 6,676,063.00 | KfW/Termokos | Termokos | Expanded and rehabilitated district heating network | Energy Strategy 2022-2031, Termokos Development Plan 2022 - 2031; | <p>70%</p> <p>1. Rehabilitation of heating network -8,726 m pre-insulated pipe, 2. Expansion of heating network -3,810 m pre-insulated pipe. 3. Densification of the heating network - 5,298m pre-insulated pipe. Total of -17,834 m of pre-insulated pipe.</p> | <p>99%</p> <p>1.Rehabilitation of heating network -2 348 m pre-insulated pipe, 2. Expansion of the heating network - 5,816 meters of pre-insulated pipes. 3. Densification of the heating network - 512 meters of pre-insulated pipes. Total of -17,834 m of pre-insulated pipe. As for the installation of thermostats in 2023, the following have been implemented: In the course of the expansion and densification of the network -153 new substations, Rehabilitation of existing substations -118 new substations. Automation of substations - 22 substations. Additionally, as part of this project, two heat storage tanks with a capacity of 2 x 400 m³ have been constructed/installed. These tanks, located in the</p> |
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| | | | | | | | | | | <p>courtyard of Termokos, will serve to accumulate thermal energy.</p> <p>Explanation: This project will be completed in 2024, therefore, the budget allocated for this project will be finalized in 2024.</p> |
| III.2.2 | Feasibility study for increasing the thermal capacity at the Kosova B Cogeneration from 140 MWth to 280 MWth. | 2023 | € - | € 1,500,000.00 | IPA / Municipality of Prishtina / Termokos | Termokos / KEK | Feasibility study finalized | Energy Strategy 2022-2031 Termokos Development Plan 2022-2031 | <p>20%</p> <p>On 17.06.2022, an agreement was signed between the European Investment Bank (EIB) and Termokos for the project to double the thermal energy capacities extracted from the Kosovo BPP</p> <p>EIB allocated a grant of €1.5 million to finance preliminary studies for this project.</p> | <p>30%</p> <p>The international consulting company, the consortium “ERI-ITA” continued preparing the Feasibility Study and Decarbonization Plan.</p> |
| III.2.3 | Doubling the production capacity of cogeneration from 140 MWth to 280 MWth and expanding the transmission network. | 2025 | € - | € - | IPA/Municipality of Prishtina/Termokos | Termokos / KEK | Doubled generating thermal capacities. It is expected to meet the budget up to the value of 80,000,000 from donors and international financial | Energy Strategy 2022-2031 Termokos Development Plan 2022-2031 | <p>60%</p> <p>For this project, during 2023, the consortium consulting company “ERI-ITA” conducted the following activities:</p> <ul style="list-style-type: none"> • Introduced the initial design for the installation of pipes in THU and | |

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| | | | | | | | | | institutions. The project is expected to be completed and 2027. | | | HES1&HES2. <ul style="list-style-type: none"> • The new Masterplan is being updated. • The proposed transition to the thermoelectric network Kosovo B - Termokos is introduced. • Work is ongoing with the municipality of Prishtina to allocate a location for HRS-2. • The decarbonisation project has been submitted as completed. The same should be presented to the Enterprise Board and representatives of the Municipality of Prishtina. |
| III.2.4 | Installation of metering devices for Termokos” consumers; | 2023 | € 6,000,000.00 | € 4,000,000.00 | MFK | MFK / Termokos | Controlled heating costs and consumption for up to 17,500 customers of Termoko | Energy Strategy 2022-2031 Termokos Development Plan 2022-2031 | 58% The contract for this project was signed in April 2022, between MFK (Millennium Foundation-Kosovo) and the contractor “ENERCO LLC” Sh.P.K – Prishtina and started to be implemented on 27.07.2022. During 2022, the following were realized: Completed buildings - 10,117; Thermostatic valves - 44,631; Allocators - 36,302; Thermal energy | 78% The contract for this project was signed in April 2022 between MFK (Millennium Foundation-Kosovo) and the contractor “ENERCO LLC” Sh.P.K – Prishtina and started to be implemented on 27.07.2022. During 2023, the following were | | |

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| | | | | | | | | | meters - 451; Circulating pump -9 | realized: Completed buildings - 7,092. Thermostatic valves - 32,724 Allocators - 8,388. Thermal power meters - 2,711. Circulating pumps -164. Balancing valves - 18. |
| III.2.5 | Improvement of the performance of the district heating in Gjakova | 2023 | € 2,361,000.00 | € 823,000.00 | Swiss State Secretariat for Economic Affairs (SECO), Municipality of Gjakova | DH Gjakova | Improving the performance of DH Gjakova, improving the heating network of the regional hospital; connecting additional public facilities | DH Development Plan 2022-2023; | <p>75% Reduction of water losses in the primary thermosetting network. - Rehabilitation of the distribution network and substations - the rehabilitation of the network has involved the complete renovation of the northern branch of the network, and interventions/repairs in some segments of the southern branch; also, the rehabilitation of substations includes various levels of renovation depending on the condition of the substations.</p> <p>Installation of meters to prepare billing according to consumption, enabling citizens to pay for what they spend, and the rehabilitation of 355 substations.</p> <p>Corporate development (Consulting services)</p> | <p>15% Modernization and digitalization of the heating system with remote monitoring and control system - “Scada system” Optimization of the district heating system in the city of Gjakova. Now the Gjakova City Heating Plant will have central monitoring, eliminating numerous problems in a real-time approach. Billing has been prepared to be active according to consumption, enabling citizens to save heating energy and pay for what they have spent. The Gjakova City Heating Plant is</p> |

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| | | | | | | | | <p>- It has included the development of a new modern business concept aimed at transforming the company into a market-oriented company; (systematization, supply chain process, technical, consumer care), and legal and administrative aspects.</p> <p>The improvement of the heating network of the regional hospital and the connection of additional public facilities has been extended from 2022-2023</p> <p>- The renovation of the secondary network of the Regional Hospital of Gjakova – has included the renovation of the secondary heating network/internal installations for heating of spaces and sanitary water and the renovation of substations within the Regional Hospital.</p> <p>- New connections to public buildings - including the installation of short segments of the network (from the main pipeline to the building substations).</p> | <p>now ready to provide many services by further automating the district heating system.</p> <p>The improvement of the heating network of the regional hospital and the connection of additional public facilities has been extended from 2022-2023</p> <p>- The renovation of the secondary network of the Regional Hospital of Gjakova – has included the renovation of the secondary heating network/internal installations for heating of spaces and sanitary water and the renovation of substations within the Regional Hospital.</p> <p>- New connections to public buildings - including the installation of short segments of the network (from the main pipeline to the building substations).</p> |
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MONITORING OF THE IMPLEMENTATION OF ESIP 2022-2025: STRATEGIC OBJECTIVE 4

SO4: STRENGTHENING REGIONAL COOPERATION AND MARKET FUNCTIONING

| No. | Strategic and specific objectives, indicators and actions | Base value | | Last year's objective 2031 | Outcome | | | | | |
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| IV. | STRATEGIC OBJECTIVE 4: STRENGTHENING REGIONAL COOPERATION AND MARKET FUNCTIONING | | | | | | | | | |
| 1 | Market integration into pan-European energy markets | N/A | | Membership in the pan-European market area | | | | | | |
| IV.1 | Specific Objective: Strengthening regional cooperation | | | | | | | | | |
| | Indicator | Base value | | Last year's objective 2031 | | | | | | |
| 1 | Offered cross-border capacity /Nominal cross-border capacity | Export: 22-24%, Import: 24-26% | | Each direction is 70%. | | | | | | |
| No. | Action | Deadline | Budget | | Source of funding | Leading and supporting institution | Output | References to documents | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |

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| IV.1. 1 | Coupling with the day-ahead market with Albania through the ALPEX power exchange. | 2023 | € - | € 1,400,000.00 | ALPEX | ALPEX, KOSTT, ERO, ME | Integration of wholesale energy markets | ALPEX rules | <p>80%</p> <p>On 10 February 2022, in Tirana, the Albanian Power Exchange-ALPEX J.S.C, signed an agreement with the Service Provider composed of Hellenic Exchanges-Athens Stock Exchange (ATHEX), Hellenic Energy Exchange S.A.(HEnEx S.A.), and EnEx Clearing House S.A. (EnExClear S.A.), who will provide the Trading Platform and Services for the Day-Ahead Market and the Intraday Market. After the completion of the public consultation of ALPEX Rules and Procedures documents, on 27 December 2022, ERE and ERO approved the aforementioned documents, which constitute the main basis for the commencement of ALPEX's operation, such as:</p> <ul style="list-style-type: none"> • ALPEX Rules, • Trading Procedures, • Clearing and Settlement Procedures, • ALPEX Definitions. <p>Following a joint review and subsequent activities, on 16 December 2022, the Agreement between KOSTT and ALPEX was signed for the transfer of rights and obligations from KOSTT J.S.C to ALPEX J.S.C for organizing the day-ahead energy market, one-day market, and final balancing calculations.</p> | <p>90%</p> <p>After the successful operationalization of the Power Exchange in the commercial area of Albania in April 2023, ALPEX managed the process of implementing the operationalization of the Power Exchange for the commercial area of Kosovo and the coupling of the market with Albania. In this regard, it conducted training processes for potential exchange members on the training platform implemented by ALPEX. One of the key processes undertaken is the one on 21.06.2023 where the application of ALPEX J.S.C to ERO to be nominated as the Nominated Market Operator (NEMO) for the trading zone of Kosovo. As part of this, at the joint meeting of the two Regulatory Entities (ERE and ERO) held on 17 July 2023 in Pristina, both of these Regulatory Entities appointed ALPEX J.S.C as the NEMO for Kosovo (ERO) and Albania (ERE). As part of the processes related to clearing and settlement, ALPEX J.S.C also organized workshops/training with potential participant banks in these processes for the trading zone of Kosovo. Confirmation has been received from ProCredit</p> |
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| | | | | | | | | <p>With the support of USAID, ALPEX managed the operationalization process of the exchange from 23 November 2022, announcing the start of training for potential exchange members on a training platform with the same trading model that ALPEX will implement. This training will enable ALPEX in the role of the market operator and other potential market participants to participate in a trading environment to gain the necessary knowledge related to the offering of electricity in the organized market as well as the results of this process in a real environment.</p> | <p>Bank, and the Agreement has been signed where ProCredit Bank will act as the Settlement Bank and General Clearing Member for the trading zone of Kosovo. ALPEX is in negotiations to sign the Agreement on the General Clearing Member with other Banks as well. ALPEX - Kosovo Branch has so far enrolled enterprises from both public and private sectors in the energy sector, such as:</p> <ol style="list-style-type: none"> 1. Transmission, System and Market Operator - KOSTT J.S.C 2. Kosovo Energy Corporation– KEK J.S.C 3. Hydroeconomic Enterprise Iber-Lepenc J.S.C <p>The following companies are currently in the final phase of membership:</p> <ol style="list-style-type: none"> 1. Kosovo Electricity Supply Company J.S.C. – KESCO 2. Future Energy Trading shpk 3. Enerco SHPK <p>On 31.01.2024 ALPEX J.S.C started operating in the commercial area of Kosovo and, also on the very same day started coupling of the Kosovo-Albania market (Market Coupling).</p> |
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| IV.1.2 | Coupling with the intraday market with Albania through the ALPEX power exchange. | 2024 | € - | | ALPEX | | Integration of wholesale energy markets | ALPEX rules | | 60% ALPEX Rules, Trading and Settlement Procedures have been established and approved by ERO. It is planned that during Q1 or Q2 2024, the intra-day market will also be operational. |
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| IV.1.3 | Feasibility study on regional/European market coupling (SDAC, SIDC) | 2024 | € - | € - | Donor, Kosovo Budget | KOSTT, ERO, ME | Integration of wholesale energy markets | Energy Strategy 2022 - 2031 | | |
| IV.2 | Specific Objective: Removal of barriers for the effective functioning of the market | | | | | | | | | |
| | Indicator | Base value | | Last year's objective 2031 | | | | | | |
| 1 | BSA withdrawal status | BSA available | | BSA not available | | | | | | |
| 2 | Number of bids available to non-household customers | 1 | | > 6 | | | | | | |
| No. | Action | Deadline | Budget | | Source of funding | Leading and supporting institution | Output | References to documents | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |
| IV.2.1 | Drafting and adoption of Law on Energy | 2023 | € - | € 13,500.00 | Kosovo Budget | ME, ERO, KOSTT, KEK | Law adopted and harmonized with EU directives | Energy Strategy 2022 - 2031 | | 50% On 22 December 2023, the Draft Law on Energy was forwarded to stakeholders for preliminary discussion with a legally mandated deadline of 15 working days. This process will be |

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| | | | | | | | | | | concluded on 17 January 2024. |
| IV.2.2 | Drafting and adopting bylaws based on the Law on Energy | 2024 | € - | € - | Kosovo Budget | ME, ERO, KOSTT | Secondary legislation adopted | Energy Strategy 2022 - 2031 | | |
| IV.2.3 | Drafting and adopting the Law on Electricity | 2023 | € - | € 10,800.00 | Kosovo Budget | ME, ERO, KOSTT | Law adopted and harmonized with EU directives | Energy Strategy 2022 - 2031 | | 50% Work meetings have been held by the inter-institutional working group with experts engaged by Tetra Tech. A consolidated draft has been prepared. |
| IV.2.4 | Drafting and adopting bylaws based on the Law on Energy | 2024 | € - | € - | Kosovo Budget | ME, ERO, KOSTT, KEK | Secondary legislation adopted | Energy Strategy 2022 - 2031 | | |
| IV.2.5 | Drafting and adopting the Law on Energy Regulator | 2023 | € - | € 13,500.00 | Kosovo Budget | ME, ERO | Law adopted and harmonized with EU directives | Energy Strategy 2022 - 2031 | | 50% Work meetings have been held by the inter-institutional working group with experts engaged by Tetra Tech. A consolidated draft was prepared. |
| IV.2.6 | Drafting and adopting bylaws based on the Law on Energy Regulator | 2024 | € - | € - | Kosovo Budget | ME, ERO | Secondary legislation adopted | Energy Strategy 2022 - 2031 | | |
| IV.2.7 | Initiation of studies on the barriers of the competitive electricity market and on the most appropriate method of | 2025 | € - | € - | Kosovo Budget, donors | ME, ERO | Increased competition in the market | Energy Strategy 2022 - 2031 | | |

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| phasing out the BSA | | | | | | | |
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MONITORING OF THE IMPLEMENTATION OF ESIP 2022-2025: STRATEGIC OBJECTIVE 5

SO5: CONSUMER PROTECTION AND EMPOWERMENT

| No. | Strategic and specific objectives, indicators and actions | Base value | Last year's objective 2031 | Outcome |
|------------|---|------------|----------------------------|---------|
| V. | STRATEGIC OBJECTIVE 5: CONSUMER PROTECTION AND EMPOWERMENT | | | |
| 1 | The number of new schemes dedicated to vulnerable customers | N/A | 4 | |
| 2 | Number of programs supporting energy efficiency and self-consumption community projects | 1 | > 5 | |
| V.1 | Specific Objective: Protection of vulnerable consumers | | | |

| | Indicator | Base value | | Last year's objective 2031 | | | | | | |
|-------|--|--|----------------|--|-------------------|---|------------------------|---|--|--|
| 1 | Price support scheme for vulnerable consumers | Existing support scheme (not properly targeted) [2021] | | Poverty-tested scheme related to the reformed social assistance scheme | | | | | | |
| No. | Action | Deadline | Budget | | Source of funding | Leading and supporting institution | Output | References to documents | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |
| V.1.1 | Supporting vulnerable consumers through existing support schemes | Annual | € 4,500,000.00 | € 4,500,000.00 | Kosovo Budget | Ministry of Finance, Labour and Transfers | Annual support schemes | Medium-Term Expenditure Framework 2023-2025 | 98% Based on Agreement No. 2945 signed by MFLT and KESCO, in 2022, the users of the following schemes were subsidized: Social Assistance Scheme (SAS) 21,897 families, Scheme for Families of Martyrs, War Invalids (FMWI) 9,984 families, Scheme for the Blind (SB) 1,260 families, and Scheme for Paraplegic and Tetraplegic Persons (SPTP) 2,354 families. In total, | 0% The practice of previous years has not been implemented, as the Program for Supporting Vulnerable Consumers was approved by the Government of Kosovo in September 2023, and the application for subsidy for all categories was launched in September 2023. |

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| | | | | | | | | | 35,495 families have been subsidized. | |
| V.1.2 | Creation of a new support scheme for vulnerable consumers | Yearly | € - | € - | Kosovo Budget | Annual support schemes | Medium-Term Expenditure Framework 2023-2025 | | | |
| V.1.3 | Designing a five-year program for the protection of vulnerable consumers | 2023/2024 | € - | € 10,000.00 | Donors | Drafting and adoption of the program for vulnerable consumers | Energy Strategy 2022 - 2031 | | | 80% The program was drafted by the Working Group of the Ministry of Finance, Labour and Transfers, while the Support Program for Vulnerable Consumers was approved by the Government of Kosovo in September 2023 for the payments of 2023. |
| V.1.4 | Drafting and adoption of a one (1) year program for the implementation of measures to support vulnerable consumers | 2023 | € - | € 10,000.00 | EU-Funds, IPA | One (1) year program drafted and adopted | Minister's decision on the establishment of the working group | | | 80% The program was drafted by the Working Group of the MFLT, while the Support Program for Vulnerable Consumers was approved by the Government of Kosovo in September 2023. |

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| V.1 .5 | Support through subsidizing part of the bill for beneficiaries of social and pension schemes as well as households who are selected through a formal tested scheme | 2023 | € - | € 20,000,000.00 | EU-Funds, IPA | Number of vulnerable families supported through direct subsidy (200,000 beneficiaries) | Measure 1: Action Plan - Mitigating the immediate socio-economic impact of the energy crisis | 20% Based on the program approved by the Government of Kosovo in September, the application process for energy subsidies Phase I and Phase II was opened in January 2024. For the September 2023 applications, the first instalment payment has been made by the Department of Social Schemes, leaving 5 payment instalments remaining to complete the payment for 2023. |
| V.1 .6 | Support through subsidizing alternative methods (wood and pellets) for heating purposes for vulnerable groups | 2023 | € - | € 5,000,000.00 | EU-Funds, IPA | Number of families in need benefiting from support (10,000 families) | Measure 1: Action Plan - Mitigating the immediate socio-economic impact of the energy crisis | 33.65% Based on the value of the Implementation Commission. 41,204 families in the amount of 1,682,799.29 for the first payment instalment. There are 5 more instalments left to be paid. |
| V.1 .7 | Supporting households by subsidizing the current month's electricity bill based on the percentage | 2023 | € - | € 15,000,000.00 | EU-Funds, IPA | Number of households supported through energy-saving | Measure 1: Action Plan - Mitigating the immediate socio-economic impact of the energy crisis | 11.21% Based on the value of the Implementation Commission. 41,204 families in the amount of 1,682,799.29 for the first payment instalment. There are 5 more instalments left to be paid. |

| | of energy savings they have made compared to the same month of the previous year | | | | | | | | | |
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| V.2 | Specific Objective: Number of consumers | | | | | | | | | |
| | Indicator | Base value | | | Last year's objective 2031 | | | | | |
| 1 | Implementation of energy awareness-raising and information campaigns | 6 [2021] | | | 9 per year | | | | | |
| 2 | Diversity and comparability of services provided to consumers | There are no offers available | | | Alternative offers available to all customers | | | | | |
| No. | Action | Deadline | Budget | | Source of funding | Leading and supporting | Output | References to documents | Implementation progress | Implementation progress 2022 |
| | | | Year 2022 | Year 2023 | | | | | | |

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| V.2.1 | Drafting legislation on the Price Comparison Tool, with detailed guidelines on the information to be provided in the Tool | 2023 | € - | € 20,000.00 | Donors | ERO | The legal framework enables the development of the Price Comparison Tool | Energy Strategy 2022 - 2031 | | 50% The rule with the relevant instructions has been drafted and is expected to be operational in 2024 |
| V.2.2 | Development of Price Comparison Tool | 2023 | € - | € 7,000.00 | ERO | ERO | Fully operational Price Comparison Tool | Energy Strategy 2022 - 2031 | | 50% The application needed for the preparation of the platform for publishing price comparison data is expected to be completed in the first quarter of 2024. |
| V.3 | Specific Objective: Protection of human health and the environment | | | | | | | | | |
| | Indicator | Base value | | | Last year's objective 2031 | | | | | |
| 1 | Dust, NOx and SO ₂ emissions of lignite power plants | TPP Kosova B: Dust: over 300 mg/ Nm ³ , NOx: over 500 mg/ Nm ³ SO ₂ : over 600 mg/ Nm ³ TPP Kosova A: Dust: over 50 mg/ Nm ³ , NOx: over 600 mg/ Nm ³ SO ₂ : over 600 mg/ Nm ³ | | | TPP Kosova B: Dust: 20 mg/ Nm ³ NOx: 200 mg/ Nm ³ SO ₂ : 200 mg/ Nm ³ TPP | | | | | |

| | | | | | Kosov a A: Dust: 20 mg/ Nm ³ NOx: 200 mg/ Nm ³ SO ₂ : 200 mg/ Nm ³ | | | | | |
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| No. | Action | Deadli ne | Budget | | Source of fundin g | Leading and supporti ng institutio n | Output | Referenc es to documen ts | Implementation progress 2022 | Implementation progress 2023 |
| | | | Year 2022 | Year 2023 | | | | | | |
| V.3 .1 | Increasing the KEPA capacities for monitorin g, evaluating and reporting emissions from large combustio n plants | 2025 | - | € 9,000.00 | Kosov o Budget | MESPI, Kosovo Environm ental Protectio n Agency (KEPA) | Increasin g the KEPA staff capacitie s for monitori ng, evaluatin g and reporting emission s from large combusti on plants | Administr ative Instructio n on the Rules and Standards of the Discharge s on Air and Stationary Sources of Pollution | | 80% In 2023, as part of the “Capacity Development Project for Air Pollution Control in Kosovo” supported by JICA, 5 KEPA officers were trained for monitoring, assessing, verifying and reporting emissions from large combustion plants. The emission data from large combustion plants for 2023 have been reported to the European Environment Agency under the obligations of the Energy Community - Reporting on Combustion Plants. (https://cdr.eionet.europa.eu/xk/eu/energycommunity/envzcosca/). |

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