



Implementation Plan of the Kosovo Energy Strategy for the Period 2009-2011

Who is behind

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Overview

- Electricity
- District Heating
- Liquid Fuels and Natural Gas
- Energy Efficiency and renewable resources
- Protection of the Environment
- Improvement of the investment environment

Basis of Implementation Plan

- Kosovo Energy Strategy 2005-2015
- Action Plan 2006-2008
- EU directives
- Energy Community Treaty

ELECTRICITY – Lignite Mining

Actions

Responsible

Start opening operation for Sibovc mine 2009	MEM/Investor
Switching coal supply for Kosova B and(or) Kosova A from Bardh to Sibovc (south west) 2009	MEM, KEK /Investor
Social programs on depopulation and expropriation of Sibovc area (2008 – 2011)	MEM, MLSW, MESP

ELECTRICITY – Power Generation

Actions

Responsible

Continuing reconstruction of Kosova A units (end 2009 – mid 2011)	KEK/Investor
Start building new power plant(s) Kosova C (2009)	MEM/Investor
Definition of investor and development of contract for hydro PP in Zhur 2010	MEM

ELECTRCITY - Power transmission and distribution

Actions

Responsible

Completion of construction of 400kV capacity with Albania (end 2009)	KOST and MEM
Planning for new interconnection with new power plans (Kosova C and Zhur)	KOST
Provide efficient transmission within Kosovo.	MEM KEK

Electricity Power distribution and supply

Actions

Responsible

Gaining the control over meters by owning them (2009-2011)	KEK/Future Distributor
Maintenance and expansion of the distribution network (2009-2011)	MEM KEK

ELECTRICITY – Electric energy market

Actions

Responsible

Create the legislation on energy market and market makers (2009 -)	MEM & ERO & MEF
Create secondary legislation that maps and mirrors the SEE directives on energy market (2009 -)	MEM & ERO

District Heating

- ❑ Implementation plan of the Kosovo Energy Strategy 2006-2008
- ❑ Adoption of the Law on District Heating and the development of the secondary legislation
- ❑ Supply of heat energy from Kosovo B – Technical design, Tendering and Construction
- ❑ Technical upgrading of the existing systems
- ❑ Capacity building for the district heating companies

District Heating

Actions

Responsible

Supply of heat energy from TTP Kosovo B – continuation of the project (second half of 2009 till 2010)	TERMOKOS DH Company with MEM will supervise the activity, in coordination with ERO
Gradual Substitution of Central Heating network through investment in preisolated pipes in Mitrovica (2009 – 20011)	MEM, "Lisic Pole" and Mitrovica Municipality
Construction of new district heating companies in Peja, Prizren and Gjilan (first half of 2010 – 20012)	MEM
Certification of reduction of emission for DH Companies (first half of 2009 – 2010).	MEM and DH Companies

District Heating with Incinerators

- Prishtina Scenario
 - 500,000 kg of trash per day
 - On average, 1 tone of MSW fuels 500-600 kWh of electricity
 - 500 tones/day could support 12 MW power plant
 - 90% reduction
- Gjakova proposed incinerator is estimated to cost 50 mil Euro

Liquid Fuels

Kosovo Energy Strategy 2006-2008 has produced these factors:

- ❑ Reduction of taxation applied to heating oil and to diesel used to heating oil and to diesel used in agriculture
- ❑ LPG penetration for use in households and for heating
- ❑ Consideration of the technical feasibility and necessary regulatory and institutional arrangements for the introduction of LPG as a fuel in road transport.

Liquid Fuels

Actions	Responsible
Setting the Compulsory Oil Stock Capacity in Kosovo (2009)	The Board of COS (ERO, MTI, MEF, MH, MLSW, and MESP)
TAX break for the use of LPG in households (2009)	MEF, MPS, MLG and Municipalities

Natural Gas

Kosovo Energy Strategy 2006-2008 has produced these factors:

- Assessment of the domestic natural gas market
- Feasibility study regarding alternative natural gas suppliers and pipeline routings

Natural Gas

<p>The development of regulation in line with EU directive EC 55/2003 on the gas market. (2009)</p>	<p>MEM in full accordance with ERO</p>
<p>Natural Gas system infrastructure development (2009-2011)</p>	<p>MEM, MTI, MTPT and MESP</p>

Natural Gas	Time Table															
	2009				2010				2011				2012			
The development of regulation in line with EU directive EC 55/2003.																
	€0.09m															
Natural Gas System infrastructure development																
- Transmission pipeline from FYRM to Prishtina (95 km)																
	€10.00m															
- Deployment of Gas in Prizren, Peja and Mitrovica & the loop with Serbia																
					€0.00m											
- Deployment of Gas in Gjakova, Vushtrri, Kamenica and Podujeva																
													€60.00m			

Energy Efficiency and Renewable Energy Resources

- Establishment of KEEA and its funding mechanism by 2008
- Energy conservation in public sector, businesses and households
- Transportation sector
- Renewable energy resources
- Main issues/barriers toward EE

Energy Conservation in Public Sector and Households

- Demo Project in the public sector by 2009 => By 2013 to be completed for the whole sector (AUK model)
- "House-in-Order Project" by 2012 = 412,000 euros, 714 persons days
- Information campaign
- Implement more rigorous regulation for new buildings by 2011
- Increase of the bill collection to at least 90% in this period
 - Solutions that will be provided to KEK

Transportation sector

- ❑ Increase in taxes by 2009 on gas guzzlers (more than 9L/100km) such as SUV (4X4), trucks
- ❑ Increase in taxes on the second car per licensed driver in this period
- ❑ Subsidize railway
 - Electrification: 1million/km (62km Prishtina – Hani Elezit) in accordance to SEETO
 - Investments? PPP - Railway profitable? or SEETO with financial institutions

Renewable Energy

- By 2010 complete assessment on alternative: hydro, solar, and biomass
- Promotion of the solar water heating
- Revitalization of the small HPs by 2010 in Prizren area: Dikance, Radavce, Burimi, and Prizreni
- HP Zhur 292.8MW? Costs 177milions
- Generating Energy from wastes
 - 500 tonnes/day = 12MW capacity in Prishtina

Overall Barriers toward EE

- ❑ Limited supplies of energy efficient technology/products
- ❑ Political obstacles and lack of cooperation with other ministries
- ❑ Poor enforcement of the previous strategy on EE
- ❑ Misplaced incentives in certain programs
- ❑ Low revenue collection
- ❑ Lack of finance, investment, and interest

Environment Protection

- ❑ Compliance with the Environment Provisions of the Energy Community Treaty
- ❑ Mitigation of Damages to the Environment Done in the Past
- ❑ Reduction of the Pollution Caused by On-Going Activities
- ❑ Prevention of Pollution in the Future

Compliance with the Environment Provisions of the Energy Community Treaty

- ❑ EU Directive 1999/32/EC on reduction of sulphur content of certain liquid fuels by 31st December 2011 by 0.2% mas on heavy oil
- ❑ All the papers and documents for continuation of implementing the KYOTO protocol will be drafted and presented by MEM and MESP
- ❑ Financial sources provided by donor agencies

Mitigation of Damages to the Environment Done in the Past

- Activities taken by KEK, MEM, MESP will be monitored and evaluated by ERO
- KEK is obligated for the action plan to recover the damages of power plants and invest in the infrastructure of the old generating power plants
- Application of friendly environmental technologies for energy production, and clean coal technology
- In addition, ERO will be monitoring the system

Reduction of the Pollution Caused by On-Going Activities

- ❑ “Rrestoration of consequences in the environment created around power plant up to 2010 and thorough implementation of high norms and standards of environmental protection during construction of new capacities of electricity generation aiming the fulfillment of obligation from KYOTO protocol – MEM 2005
- EU-directive 2001/80 (50 mg/m³) - all the rehabilitation units of Kosova A and B must fulfil this requirement.
- ❑ MEM will monitor the strategy taken in 2008 for emissions of NOx from Kosova B.
- ❑ All the rehabilitations planned for Kosova A (like in Tuzla) and B are finalized. Kosova A up to 2008-2009 and Kosova B by 2010-2012

Prevention of Pollution in the Future

- ❑ MEM will require Energy Enterprises to establish an environment management system
- ❑ Establish monitoring system including on line or periodical measurements of emissions
- ❑ The quality control of fuels used in power generation at KEK performed by MEM and ERO to comply with ISO and EU requirements in the European Community Treaty
- ❑ MEM will prepare a report on all the analysis examined at KEK and will present this to the public
- ❑ National Allocation Plan 2011

Issues on Environment

- ❑ Grants by World Bank for Lignite Power Technical Assistance Project
- ❑ Energy Sector Technical Assistance 3 Project
- ❑ Removal of ash

Improvement of Investment Environment

- Pricing Policy – New Tariffs
- Bill Collection
- Tax Incentives
- Adoption of Law on Concession
- Energy Efficiency
- Research and Development (R&D)

Pricing Policy – New Tariffs

<u>Action:</u>	<u>Responsible</u>
Consider economic, environment, social and production costs – in Energy Price	ERO
Promote Continuous Rational Use of Energy	MEM, ERO, Universities - 2009
Allocate certain % of revenue to R&D	Government and EU Mechanisms - 2009

Bill Collection

<u>Action:</u>	<u>Responsible</u>
Improve Internal KEK Revenue Operations	MEM and KEK Management
Strengthen rule of Law – Electricity Inspectors, Regulations	ERO – 2009
Improve Bill Delivery – Box in Buildings	MEM - 2009

Tax Incentives

<u>Action:</u>	<u>Responsible</u>
Efficient Technologies, Materials, Products	MEF
Voluntarily Agreement: Government – Business to invest in energy sector	MEF, MTI, MEM, and Business Associations - 2010
Attractive Loans to implement Efficient Technologies	MEF, MTI - 2009

Adoption of Law on Concession

<u>Action:</u>	<u>Responsible</u>
Unbundling KEK Entities (Generation, Transmission, Distribution)	MEM, ERO

Energy Efficiency

<u>Action:</u>	<u>Responsible</u>
Appliance Labeling	MTI – 2009
Energy Efficiency Audits	MEM with implementation Agencies – 2010
Continuous Educational Sessions, Trainings – Energy Efficiency	MEM, Agencies – (GTZ) 2009 - Ongoing

Research & Development (R&D)

<u>Action:</u>	<u>Responsible</u>
Research on energy efficiency sector	KEK, MEM with EU
Identify possibilities to attract FDI's in KS energy Sector	Development Strategies

Issues for discussion

- National Allocation Plan
- Ownership of Kosova B
- Kosova A existence
- Lacks on District heating law and completion of secondary legislation
- Replacement of DH distribution network in Gjakova with preinsulated pipes