



Republika e Kosovës
Republika Kosova - Republic of Kosovo

ZYRA E RREGULATORIT PËR ENERGJI
REGULATORNI URED ZA ENERGIJU
ENERGY REGULATORY OFFICE



Price regulation mechanisms in the electricity markets in transition

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LEGAL FRAMEWORK

Legal changes

New laws approved by the Parliament have brought radical changes in the energy sector, to ensure the development of competition in the wholesale market and the retail supply of electricity sector.

Generation

Deregulation of the generation price



Transmission

Natural Monopoly
Continued regulation



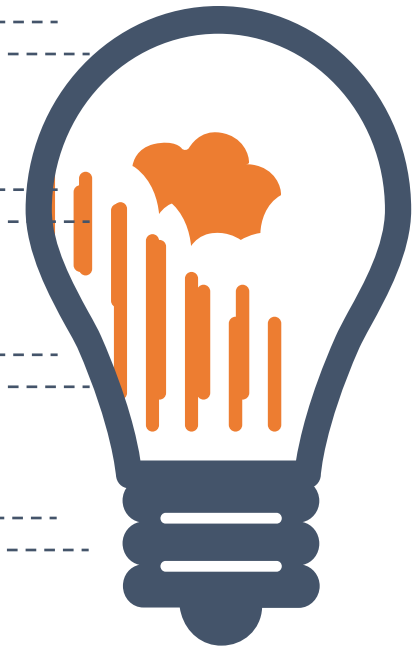
Distribution

Natural Monopoly
Continued regulation



Retail supply

Universal Service Supplier
Supplier of Last Resort



MARKET LIBERALIZATION



Renewable Energy Sources (RES)

RES Fund is established and managed by the Market Operator based Support Scheme

Rule on Support Scheme also defines incentives for **production for self-consumption**



Local Generation

The price is determined in the competitive market starting from 1st April, 2017.





Transmission

Price regulation will continue based on the EU Directives, since transmission is a natural monopoly.

Losses will be procured under competitive market prices



Distribution

Price regulation will continue based on the EU Directives, since the distribution is a natural monopoly.

Losses will be procured under competitive market prices





Supply

Suppliers will participate in the competitive energy market, buying from local generators and imports

The regulator has adopted appropriate procedures for suppliers to enter the energy market in Kosovo (Rule on switching suppliers has been approved);

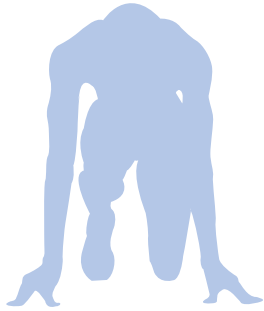
Currently there are 14 suppliers are licensed by ERO;



Retail prices

Deregulation of the price to final customers will be done in a gradual manner using suitable potential approach to the current situation

DEREGULATION OF THE PRICE OF ELECTRICITY



USS

- Households
- Commercial (A.T. €10 million and above than 50 workers)
- They have the right to be supplied with unregulated tariff



35&10kV

Commercial customers connected to voltage level 35 and 10kV will be supplied on competitive electricity market starting from April 1, 2018



110 kV

Industrial consumers connected to the 110 kV voltage level is in the transitional phase to pass to the competitive market from 1st of April 2018



220 kV

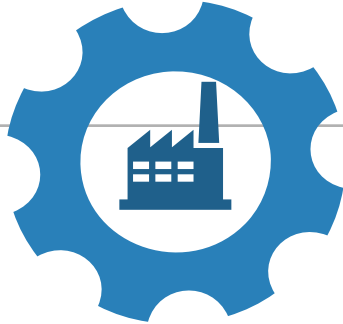
Industrial customers connected to the voltage level of 220kV have already passed in the competitive electricity market



THE FUTURE OF THE ENERGY SECTOR

GENERATION

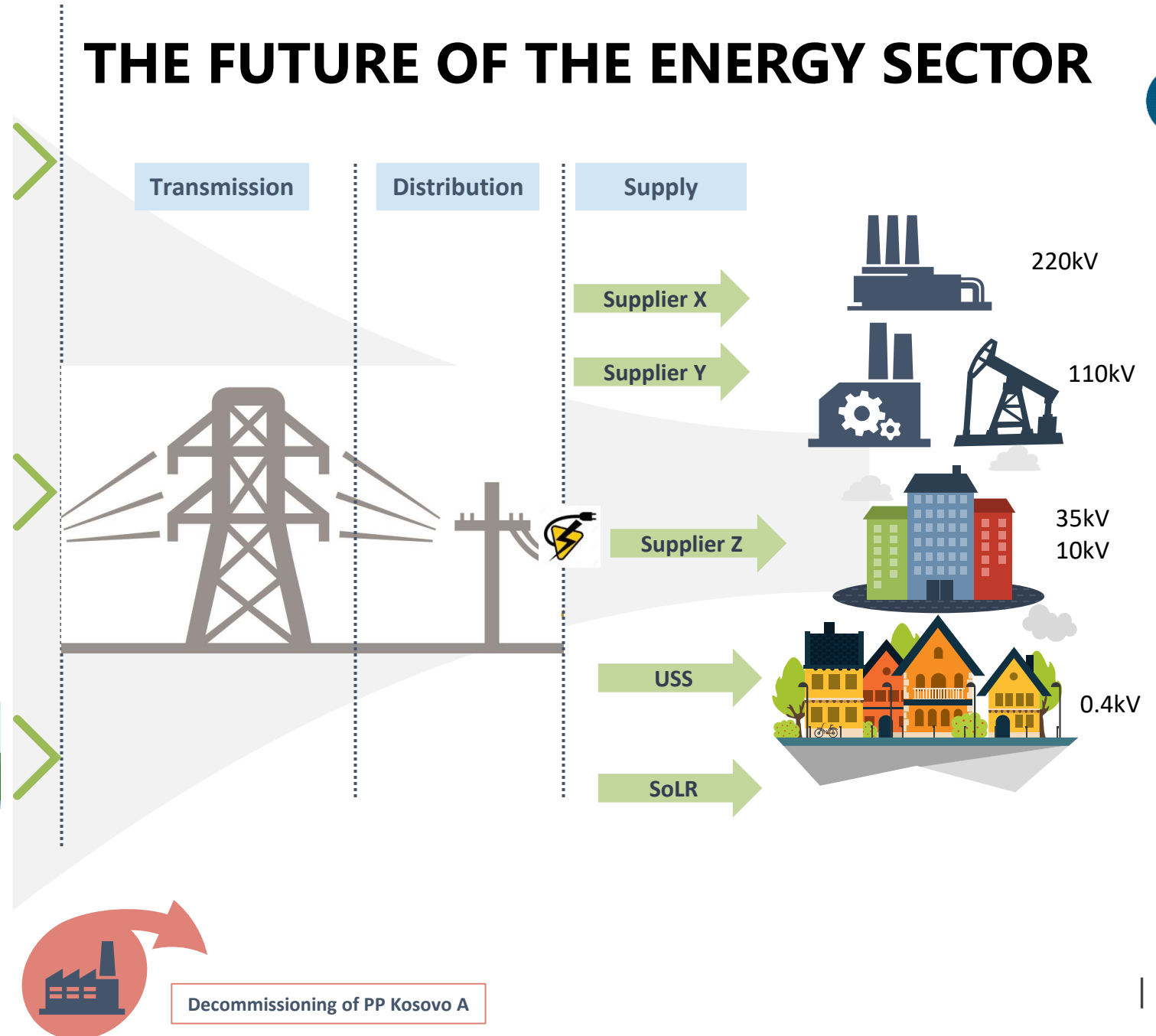
TPP Kosovo B



Refurbishment of
TPP Kosovo B



Renewable energy sources



OTHER CHALLENGES



SECURITY OF SUPPLY



- Construction of new generation capacities
 - *Conventional and RES*
- Market coupling and integration
 - *Albania and Europe*
- Improving the network infrastructure and quality of service
- Amending rule on prosumers
- Development of the rule on PCT tool



Thank you!

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