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MINUTES OF THE PUBLIC HEARING REGARDING THE DRAFT RULE ON LICENSING OF ENERGY ACTIVITIES IN KOSOVO AND DRAFT RULE ON DISCONNECTION AND RECONNECTION OF CUSTOMERS IN ENERGY SECTOR IN KOSOVO

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The introduction was done by Nick Frydas the chairmen of the ERO Board and the head of ERO he presented to the public the aim of these two very important items of the secondary legislation, the Draft Rule on Licensing of Energy Activities in Kosovo and Draft Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo. He explained the procedure of issuance of this draft rules, starting with the preparation that was done with the help of consultants in ERO (contracted by the donors), than followed by the publication of the draft versions of the Rules on the ERO website, and also after these drafts have been sent to all the important stakeholders with

post and email, was organised the Public Hearing which will be another possibility for all the public to give comments. The comments that were received on these rules till this time were incorporated and will be presented on this PH. Mr. Frydas explained that the Rule on Licensing is issued according to the Article 28 of the Law 2004/9 of the Energy Regulator. Mr. Frydas added that this Rule has some connection with the rule on authorisation that ERO will issue within 3 weeks, but for this rule he said that it has to do with the new installations in the energy sector, while the rule on disconnection is more referred to the existing capacities.

The Draft Rule on Licensing of Energy Activities in Kosovo was presented by Merita Kostari who is the Head of Legal and Licensing Department and also the member of ERO Board. She mentioned big help that was given by the consultants and also by different Regulator of the Region with proposals and different materials from the area of licensing.

Comments on Draft Rule on Licensing of Energy Activities in Kosovo:

Comment by Nick Frydas on the article 43.2, according to him this is a very wake article because it talks for generated or consumed energy, although a installation of energy or hate will be a force measured in power in megawatts. If a self consumption needs to be only 60% of the total rated energy of the generating facility, than a producer can increase the capacity of installation and sell the rest of the capacity to the market.

Mr Frydas proposal was that since any industrial installation is parallel connected to the system of KEK, and therefore they can spill-over to the system electricity generated in their installation, is that if they built their generator bigger than 5 MW they would need a generator license.

Answer by Merita Kostari: On this case the enterprise must certify the percentage of its consumption and he will granted a license for the other part that is for sale, 60% is our proposal but we can go for a higher proposal, because the amount of 60% will be the minimum. Ms. Kostari also added that in the article it is mentioned that if you build a generator of a capacity bigger than 5 MW you should have a license, and the meaning of the Article 43 is coming from the Law on Energy Regulator. But according to her ERO should some how defined what is "self consumption"

Comment by Armand Krasniqi the representative of HPP Lumëbardh was that the ERO Rules are in accordance to all international standards and he had only one small recommendation for the word "Generation", he proposed to use the word production.

Answer by Nysret Avdiu was that this word is used according to the word generator.

Answer also by Ali Hamiti on this comment was that the energy terminology is specific and there is a difference between the word production and generation.

Lutfi Gashi representative of distribution network of KEK, his first question was on article 24.3 point a), where he asked for explanation of this point, because according to him it was very complicated.

Answer by Naim Bejtullahu was that the development of the market with the restructuring of electricity sector is related to the basic principles of the of third parties access, thereof third parties may come from a different organisation which is not part of this structures such as

vertical integrated company such as KEK. The third party access must create such environment which imposes transparent and non discriminatory access.

Comment by V. Stavileci, MEM he proposed to include also the word district heating in articles 1.1, 1.2 (e), 1.3 (e) 3.2 (g), 16, 18 e), f), g), 22 b) , 24.2 (h), 24.4, 24.5. and 24.6. he also made a remark that articles 22.2 and 22.3 are repeated.

Comment by V. Stavileci, MEM on the article 10.2. he proposed to take-out the word “justification” and to add the word “fulfilment” , and also with this rule to be regulated also the natural gas.

Answer: this comment will be accepted and on the Article 10.2 the word “justification” was replaced with the word “fulfilment”. The comment on natural gas will be solved with a special rule after the Law on Natural Gas will be replaced.

Comment by Sherafedin Mumxhiu, MEM he proposed to add also the word “heat” in the title of the rule.

Answer: by Merita Kostari was that the word “energy” has the meaning of electricity, district heating and natural gas.

Comment: on article 32.3. ERO will be limited in the physical inspections of the facilities and documentations that has to do with licensing, until they will grant the license, afterwards this will be the duty of the Ministry of Energy and Mines.

Answer: According to the Law on Energy Regulator, ERO as an independent authority has the right to monitor and do the inspection also after the license was given to the company.

Comment: Fines and penalties must be specified on the Article 44.

Answer: ERO will issue a special Rule on Fines and Penalties and also this Rule is mentioned on the Article 44.2.

Comment by Lutfije Dervishi, KEK on the Article 18/e to be better explained and more clear because some obligations that belongs to transmission are included to the distribution?

Comment by Lutfije Dervishi, KEK on the Article 11 – what kind of unpaimead is mentioned on the rule?

Comment: by Lutfi Gashi, KEK on the Article 24.3 that it should be explained properly the third party access. Is it the competence of ERO the Rule on Disconnection? Does the License include also this aspect? Does ERO determine the border of distribution network?

Answer: ERO has drafted other rules where it is defined in detail the third party access and connections in to the network, especially in the Rule on General Conditions of Energy Supply that will be soon published.

Comment by N. Avdiu, ERO, on the Article 49.2. in case that the energy enterprise does not fulfil all the criteria for the licence, ERO can issue License with provisional conditions. He

proposed that also the Ministry of Environment and Spatial Planning issues “Conditional Permits”.

After the brake was presented the **Draft Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo** this rule was presented by Naim Bejtullahu member of the ERO Board who explained that the rule was issued according to the Primary Legislation on Energy in the Article 58.7. He explained the situation on the energy sector which according to him is the reason why this rule is needed. Mr. **Bejtullahu** said that his rule can not solve the problem itself, this is only one tool that can be given to the energy enterprises, and they can use it to normalise the situation, in relation to the costumers, through the disconnection. After Mr. **Bejtullahu** read the comments that were received from the time when the rule was published till this date, the public had the opportunity to give it's comments and recommendations.

Comments on Draft Rule on Disconnection and Reconnection of Costumer of the Energy Sector in Kosovo:

Comment: by KEK representative Why are the prices of the penalties defined like this, are this in relation to the working hours or to any other issue. And why is the different price for household costumers and non-household

Answer: The estimation of such amounts is evaluated based on the expenses that an energy enterprise may have during the disconnection process.

Comment: Sherafedin Mumxhiu MEM considered the document as a well prepared document and that it has eliminated the mistakes that were on the previous Rule, he proposed to add a sentence in the end of the article 12.1 “heat network and gas network”, than on the article 21. 1if this article will be implemented when temperatures are below 0 degree than the disconnection may not take place. He added that according to him this article is heating upon the generator of electricity. Another comment by him was on the article 27, in case of the compensation of the costumer, was it meant that also other commercial costumer should be compensated.

Answer: by Nick Frydas was that when it is mentioned costumer it was meant every costumer because it is not household costumer but is costumer, so it includes all the costumers. Also Naim Bejtullahu added that the Energy Enterprise has a contract with the costumer and in each contract it is mentioned has the dispositions that in case of any damage how it is going to be compensated.

Comment: **Lutfie Gashi** from KEK on the article 37.1 collective disconnection, if it is collective disconnection because of the debts it is OK, but if it is because of the technical problems this is not convenient, for example a damage has happened in the lines and for two days we could not supply with electricity, and in this draft rule it is written that we must publish this in the newspaper to announce the costumers.

Answer: by Mr. Bejtullahu was that this article does not have to do with the cases that were mentioned, but these cases are regulated on the Article 10. Merita Kostari added that in the rule collective disconnection is mentioned only when it is the issue of non-payment of the debt.

Comment: **Lutfi Gashi KEK** on the terms used on the commercial category, why are the thefts being categorised with all this terms when everybody who works and who has been working in KEK knows that all this actions regarding the misuses of the meter are **thefts**.

Answer: by Naim Bejtullahu The categorisation of the unauthorised use, theft or tempering are different categories, a costumer is considered an unauthorised costumer if it does not have a contract with KEK. And theft is defined as a special act because on the general conditions it should be made a request in order for energy enterprise to develop the procedures on case of tempering of the meter, there might be considered a theft but it might be not.

Comment: Lutfi Gashi KEK, on the 5th page of the presentation the issue of temporary relief due to the health conditions of the costumer, according to him is not defined well and, because it is easy to get a certificate from the doctor and all the Kosovars will have this kind of certificates.

Answer: Azem Kastrati head of Costumer Protection Department said the by EU directives it is protected the right of the costumers who have health problems, while regarding the temperatures in Kosovo during the whole winter maybe there are only 20 days when the temperatures are lower than - 0 degrees. Regarding the collective disconnection the limit is 90% of costumers that do not pay, while the Water Regulator has decided for a limit of 50%.

In the end of the hearing Mr. Frydas explained to the public that all the comments that were received will also be published together with the redrafted Rules on the ERO website, and he asked the public to visit it and continue to send their comments, till to the next session when the Board will present the final version and will vote for the adoption of this Rule.