



Pristina, 11 January 2019

Press Release

ERO discusses with the representatives of Kosovo Manufacturing Club the market opening and the possibility of appointing an electricity supplier

Energy Regulatory Office (ERO) today held a consultation meeting with the representatives of Kosovo Manufacturing Club in order to discuss the possibilities and new obligations provided upon the opening (liberalization) of electricity market.

The purpose of this meeting was to discuss in detail the steps that have been undertaken so far in relation with the market opening and discuss the actions that shall be undertaken by costumers in order to contract electricity in an open market.

Upon this, ERO representatives explained that following the entry into force of third legislation package on energy, ERO no longer regulates the generation/production price and supply prices, except for prices of Universal Service Supplier. Whereas the transmission and distribution tariffs shall continue to be regulated, given that these services are considered services of natural monopoly. ERO notified the representatives of Manufacturing Club with the possibility provided to each customer to choose their own electricity supplier and with the legal criteria that it has set on deregulation of prices.

Pursuant to new energy laws, in addition to the amendment of rules, procedures and methodologies in order to support the implementation of legal requirements, ERO also issued the "Guideline on Liberalization of Electricity Market in Kosovo", which determines the manner, criteria and timing of liberalization of electricity market in Kosovo.

So far, customers connected to the voltage level 220 kV and 110 kV have transcended to the open market. Whereas, according to Law on Electricity "the universal service of supply is entitled to household customers and economic enterprises that employ no more than fifty (50) employees and have an annual turnover of not more than ten (10) million euro". Therefore, based on the provisions of primary legislation and the Guideline on Liberalization of Electricity Market, the customers connected to the voltage level 35 kV, who do not meet the criteria in line with Law on Electricity, shall be subject to the criteria and prices of the electricity supply market by 31 March 2019 at the latest. In relation with other customers, the regulated price for universal service of electricity shall be provided.

However, despite legal obligations, all costumers, without exception, are entitled to choose their supplier. With this purpose, ERO has already licensed 7 suppliers, where customers can purchase their energy.

Representatives of Manufacturing Club raised their concerns in relation with the functioning of the free market and the problems they have regarding electricity supply. Upon this, ERO tried to explain its regulatory and monitoring role in the free market as well as the obligation to protect customers in new circumstances in the open market.