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ENERGY REGULATORY OFFICE



Consultation Paper

Concept Document for the Amendment of the Rule (ERO/Rule No. 03/2023) on Prosumers of Renewable Sources

DISCLAIMER

This Consultation Paper has been prepared by ERO to leverage stakeholder comments. [The Report does not represent an ERO decision and should not be interpreted as such.](#)

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List of abbreviations

ALPEX	Albanian Power Exchange
CAPEX	Capital Expenditure
CBAM	Carbon Border Adjustment Mechanism
DSO	Distribution System Operator
EBRD	European Bank for Reconstruction and Development
ERO	Energy Regulatory Office
ETS	Emissions Trading System
EU	European Union
LV	Low Voltage
MOT	Market Operator Tariff
MV	Medium Voltage
PV	Photovoltaic
RED II	Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources
RED III	Directive (EU) 2023/2413 amending Directive (EU) 2018/2001
RES	Renewable Energy Sources
SOT	System Operator Tariff
TSO	Transmission System Operator



Executive Summary

This Concept Document outlines the guiding principles for the amendment of the Rule (ERO/Rule No. 03/2023) on Prosumers of Renewable Sources to align it with the Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources (RES Law) adopted in 2024. The document has been prepared by the Energy Regulatory Office (ERO), and its advisors financed by the European Bank for Reconstruction and Development (EBRD), as a basis for leveraging stakeholder feedback. The comments received during the public consultation will inform the drafting of the amended Rule.

A self-consumer, or renewables self-consumer, is a consumer who both draws electricity from the grid and generates electricity for its own use while feeding any surplus back into the network. The Rule regulating self-consumers, presently in force, was adopted by the ERO in August 2023. Shortly after, in May 2024, the Kosovo Parliament adopted the RES Law. While broadly aligned with the principles of the Rule, the RES Law provides more details on the rights and responsibilities of renewable self-consumers and obliges ERO to adopt secondary legislation to implement them. Among others, the RES Law requires ERO to establish the participation threshold, the valuation of surplus electricity, the settlement and credit periods, the recovery of network costs from self-consumers, simplified notification procedures, the allocation of connection, metering and network-reinforcement costs between the self-consumer and the network operator, and the conditions applicable to jointly acting self-consumers.

This Concept Document assesses the compliance of the Rule against these legal requirements and identifies which provisions are aligned, partial, divergent or missing, in the context of Kosovo's obligations as a Contracting Party to the Energy Community Treaty and the relevant EU acquis. The document also reviews the performance of the scheme to date, noting that the Rule has incentivized investments in over 40 MW of capacity across 1,400 self-consumers, still short of the 100 MW target foreseen in the Energy Strategy for 2031.

Self-consumption reduces the volume of electricity withdrawn from the network and lowers network losses, and surplus injected locally may be consumed nearby without passing through the wider system. At the same time, because use-of-system tariffs in Kosovo are volumetric, electricity generated and consumed behind the meter carries no network charge, leading to avoided payments which are recovered from other consumers. The existing self-consumer fee on injected energy addresses this only partially and does not reach installations with very high self-consumption or with zero injections to the grid. The environmental benefit of self-consumption, increasingly relevant under the European Union Carbon Border Adjustment Mechanism, is recognized as a wider societal benefit rather than a cost to be recovered through electricity tariffs.

On this basis the document sets out the direction ERO proposes on each design question that the RES Law requires the amended Rule to resolve, together with the considered alternatives. Differentiated capacity thresholds would be retained at the current levels. The capacity eligible for the scheme remains limited in every case by the contracted connection capacity, by the requirement that annual injection remain below annual withdrawal, and by any local network limitation imposed on justified technical grounds. Electricity injected into the network is valued at the ALPEX day-ahead market price for the hour of injection, with any self-consumer-specific fees identified separately. The monetary-credit utilization period is extended to a calendar year running from 1 January to 31 December. Network costs are recovered on a transitional basis through a component linked to the installed capacity of the self-consumer's renewable generation facility, measured as the rated inverter capacity in kW AC, with fixed network-cost recovery addressed in the longer term through the general network tariff methodology rather than a permanent self-consumer-specific charge. The document also proposes a tiered registration procedure, fixed sharing coefficients for jointly acting self-consumers, technical safeguards for storage, and a transparent framework for local network constraints.



1. Introduction

The Energy Regulatory Office (ERO) is reviewing and amending the Rule on Prosumers of Renewable Sources in order to align it with Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources (the “RES Law”) and with the European Union acquis that Kosovo has committed to implement under the Treaty establishing the Energy Community.¹ A self-consumer (renewables self-consumer) is a consumer who both draws electricity from the grid and generates electricity for their own use, while feeding any surplus back into the electricity grid. Self-consumers are a key instrument for decarbonization and energy security, and they allow ordinary households and businesses to take an active part in the energy market.

The current Rule, adopted on 18 August 2023, established a net-billing support scheme, eligibility criteria, a self-consumer fee, technical requirements and provisions for jointly acting self-consumers. The RES Law, adopted in 2024, introduces new and more detailed requirements for renewables self-consumers and obliges ERO to adopt secondary legislation to ensure implementation.² Because the current Rule pre-dates the RES Law, several of its provisions must now be revised and updated so that they are fully consistent.

This Concept Document outlines the guiding principles for the amendment of the Rule on Prosumers of Renewable Sources and has been prepared by ERO and its advisors, financed by the European Bank for Reconstruction and Development (EBRD), as a basis for leveraging stakeholder feedback. The comments received during the public consultation will inform the drafting of the amended Rule, which will be developed following a subsequent thorough review of stakeholder comments.

The document is structured as follows:

- Chapter 2 provides an overview of the process of drafting the amended Rule on Prosumers;
- Chapter 3 sets out the legal and policy framework, starting with Kosovo’s national legislation and its relationship to the Energy Community obligations and the EU acquis;
- Chapter 4 assesses the current Rule on Prosumers and identifies the gaps against the requirements of the RES Law;
- Chapter 5 sets out how the amended Rule will address the core design questions that the RES Law requires it to resolve: eligibility and thresholds, the compensation framework and the valuation of surplus electricity, the credit period, network charges, registration and reporting, metering and supplier obligations, jointly acting self-consumers and communities, and storage;
- Annex 1 presents the international best-practice review that informs the recommended design.

2. An overview of the process

ERO places a strong emphasis on public consultation as a fundamental component of regulatory policy development. The amendment of the Rule on Prosumers will involve two stages of public consultation: (i) an initial consultation on this Concept Document, focused on the conceptual framework: the compensation model, the valuation of surplus electricity, the participation threshold, network charges, registration and reporting; and (ii) a subsequent consultation on the draft amended Rule itself, aimed at reviewing the extent to which it aligns with the conclusions of the first phase. This two-

¹ Energy Regulatory Office, Rule on Prosumers of Renewable Sources, ERO/Rule No. 03/2023 (Prishtina, 18 August 2023).

² Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources, Assembly of the Republic of Kosovo (2024);



step process ensures that stakeholder input is integrated at both the conceptual and drafting stages of the Rule.

Figure 1 An overview of the process of developing the Rule on Prosumers



ERO invites energy sector stakeholders and interested parties to contribute to this process by reviewing and commenting on the proposed Concept Document. Parties wishing to submit any comments regarding ERO's proposals are invited to send their written feedback via email to ero.pricing-tariffs@ero-ks.org no later than 16 October 2026. Comments may also be marked for the attention of the Pricing and Tariffs Department and mailed to the following address:

Energy Regulatory Office, Str. Besa Imami, Beni Dona Building, Annex Donika 2, Entrance B, Floor 3, 10000 Prishtina

2.1. Relevant documents

This Concept Document should be read together with the principal legal and policy instruments that govern the self-consumer framework in Kosovo:

Law on the Promotion of the Use of Renewable Energy Sources	https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=89043
Law No. 05/L-084 on the Energy Regulator	https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=12694
Law No. 05/L-085 on Electricity	https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=12744
Law No. 05/L-100 on State Aid	https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=13270
Rule on Prosumers of Renewable Sources	https://www.ero-ks.org/zrre/sites/default/files/Publikimet/Legislacioni/Rregullat/Rule%20on%20Prosumers.pdf
Rule on Licensing of Energy Activities in Kosovo	https://ero-ks.org/2017/Rregullat/07_2017_RREGULLA%20PER%20LICENCIMIN%20E%20AKTIVITETEVE%20TE%20ENERGJISE%20KOSOVE.pdf
Rule on Authorization Procedure for Construction of Energy Projects	https://www.ero-ks.org/zrre/sites/default/files/Publikimet/Vendimet/Vendimet%202022/Authorization%20Procedure%20for%20Construction%20of%20Energy%20Projects_ANG_%20per%20Kon.pdf

3. Legal and policy framework

This chapter lays out the legal and policy framework within which the new Rule on Prosumers shall be written. Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources (the "RES Law") is the foundation legislation for this document and it establishes the rights and obligations of renewable self-consumers and assigns specific regulatory tasks to the Energy Regulatory Office (ERO). These provisions are complemented by the Law on the Energy Regulator, the Law on Energy and the



Law on Electricity, which set ERO's general mandate to regulate the electricity sector and to adopt secondary legislation.

Kosovo's national legislation has been developed under the country's obligations as a Contracting Party to the Energy Community Treaty, and it transposes relevant parts of the European Union energy acquis. The Renewable Energy Directive and the Electricity Market Directive therefore remain useful for understanding the objectives and principles behind the national framework.

This chapter starts with the applicable national legal framework and then explains its relationship with Kosovo's Energy Community obligations and the relevant EU acquis.

3.1. Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources

The Law on the Promotion of the Use of Renewable Energy Sources was adopted in 2024 and establishes the legal basis for the regulation of renewable self-consumers in Kosovo. It defines the main rights of self-consumers, the treatment of surplus electricity, the applicable connection and registration procedures, and provides specific responsibilities for ERO and for electricity-sector operators. The provisions most relevant to the revised self-consumer Rule are Articles 28 to 31 and Articles 36 to 38.³

Articles 28-31 define the main rights and obligations of individual and jointly acting self-consumers, including generation, storage, electricity sharing and sale of surplus electricity. They also establish the net-billing scheme, requiring suppliers to purchase surplus electricity and ERO to determine key elements such as eligibility thresholds, surplus valuation, settlement and credit periods, as well as methodologies for specific network fees or tariffs applicable to self-consumers. The Law also requires simplified registration procedures, including a 30-day process for households, and gives ERO responsibility for defining certain criteria applicable to jointly acting self-consumers.

Articles 36 to 38 regulate grid access, connection and the allocation of connection costs, requiring transparent and non-discriminatory connection procedures and a simplified notification process for self-consumer installations of up to 50 kW. Article 38 allocates the costs of connecting renewable energy technologies to the system. Under Article 38.1 the self-consumer bears the cost of the connection point, including construction and installation works, the metering devices required to record the electricity supplied and received, and any network-reinforcement costs. Under Article 38.2, where the network operator itself assigns changes to the connection point or to the metering devices after the connection has been approved, the operator bears those costs; the operator also covers the cost of optimising, strengthening and expanding the distribution system under the charging methodology approved by ERO. ERO's broader authority to adopt and implement the revised Prosumer Rule is supported by the Law on the Energy Regulator, Law on Energy and Law on Electricity, which provide its general regulatory, tariff-setting and secondary-legislation powers. In addition, any financial support provided to self-consumers must comply with Kosovo's State-aid framework, including the Law on State Aid.

3.2. National energy policy and targets

The legal framework is supported by Kosovo's broader energy policy objectives. The Energy Strategy of the Republic of Kosovo 2022-2031 identifies the expansion of renewable energy generation and distributed energy resources as important components of the transformation of the electricity sector, with self-consumers expected to contribute through distributed solar generation. The Strategy foresees an indicative level of about 100 MW of installed self-consumer solar capacity by 2031⁴. The development of an effective self-consumer framework therefore serves both a legal and a policy

³ Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources, Assembly of the Republic of Kosovo (2024).

⁴ Ministry of Economy, Energy Strategy of the Republic of Kosovo 2022–2031, approved by the Assembly on 8 March 2023 and published on 16 March 2023.



function. It implements the rights and obligations set under national law while supporting wider objectives on renewable-energy deployment, consumer participation and decentralized generation. The framework must balance these objectives against network cost recovery, the efficient use of the distribution system, non-discrimination between network users and the financial sustainability of the electricity system.

3.3. Relevant EU acquis and regulatory principles

As a Contracting Party to the Energy Community, Kosovo transposes relevant EU energy legislation once it is incorporated into the Energy Community acquis.

For renewables self-consumers, the key instruments are Directive (EU) 2018/2001 (RED II)⁵, later amended by Directive (EU) 2023/2413 (RED III)⁶, and Directive (EU) 2019/944⁷. RED II establishes core rights for renewables self-consumers, including the right to generate, store and sell renewable electricity, protection from discriminatory or disproportionate charges, and appropriate remuneration for electricity injected into the grid, while also providing the framework for renewable energy communities.

Directive (EU) 2019/944 complements this through the broader concept of the active consumer, including principles on cost-reflective and non-discriminatory network charges, separate treatment of electricity injected and withdrawn, avoidance of unjustified double charging of stored electricity, and citizen energy communities. These provisions have informed Kosovo's national framework, including Law No. 08/L-258.

For the revision of the Prosumer Rule, the EU and Energy Community framework provides important context and guidance on principles such as non-discrimination, appropriate valuation of injected electricity, cost-reflective network use, avoidance of double charging, simplified procedures and energy sharing. However, Kosovo's national legislation remains the primary legal basis for ERO's decisions and for the revised Rule, while the Energy Community acquis and underlying EU legislation help guide its interpretation and implementation.

4. Assessment of the current Rule (ERO/Rule No. 03/2023) and gap analysis

This chapter establishes the starting point for the revision of the Rule. The current Rule on Prosumers of Renewable Sources is a functioning framework that already allows consumers to become self-consumers and to be remunerated for their surplus. It was, however, adopted in August 2023 (before Law No. 08/L-258 entered into force) and therefore does not yet implement several of the Law's specific requirements. The chapter first summarizes the current Rule, then assesses it article-by-article against the Law, identifying the legislative gaps and reviewing the practical experience of the scheme to date.

4.1. An overview of the current Rule

The Rule is built around a net-billing support scheme: a self-consumer's surplus electricity is valued in money and credited against the value of the electricity it draws from the grid, rather than being netted unit-for-unit as under the earlier net-metering approach. Its key features are the following:

⁵ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast), Official Journal of the European Union L 328 (21 December 2018)

⁶ Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Official Journal of the European Union L, 2023/2413 (31 October 2023).

⁷ Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity (recast), Official Journal of the European Union L 158 (14 June 2019)



- **Eligibility:** Any consumer connected to the distribution or transmission network may become a self-consumer, subject to the network operator's consent, the use of new generating equipment, the condition that the installed capacity does not exceed the consumer's contracted connection capacity and that annual injections do not exceed annual withdrawals (Articles 3 and 5).
- **Capacity thresholds:** Participation in the support scheme is capped by consumer type: 7 kW for low-voltage households; 15 kW for low-voltage non-households not billed for active power; 100 kW for low-voltage non-households billed for active power; and 200 kW for medium-voltage and transmission-connected non-households. A self-consumer that produces more than 10% above its consumption over a year loses its self-consumer status (Articles 5 and 6).
- **Remuneration of surplus:** Surplus electricity fed into the grid is paid at the energy-component price multiplied by a coefficient C, 0.85 at low voltage and 0.80 at medium voltage and transmission (minimum 0.70 for self-consumers outside the scheme). The resulting monetary credit is reset every six months, on 1 January and 1 July, and any unused balance is lost. Network charges are not netted from the bill (Article 9).
- **Network costs.** Self-consumers pay a self-consumer fee together with the System Operator Tariff and Market Operator Tariff on injected energy, plus a 3% DSO margin for reading and billing services (Article 10).
- **Contract and technical rules.** The power purchase agreement is available for twelve years (Article 7). Self-consumers must install a disconnection switch, avoid island-mode operation, and use a bi-directional meter plus a generation meter (Article 12). Network operators must give priority to self-consumer applications, review applications from self-consumers within 30 days, and issue an admission certificate within seven days of receiving the request for technical admission (Article 11).
- **Jointly acting self-consumers, register and State aid.** Consumers in the same multi-apartment building may act jointly (Article 14). ERO maintains a register of self-consumers (Article 16). The scheme's commencement is conditional on meeting the State-aid requirements (Article 21).

4.2. Gap analysis against Law No. 08/L-258

In this section of the report we assess the compliance of the Rule against Articles 28 to 31, 36 and 37 of the Law. This assessment is organized into four categories:

- provisions that are already broadly aligned;
- provisions that are partial and need to be completed or made more precise;
- provisions which diverge from the Law and must be changed; and
- requirements that are missing and must be added.

The table below maps each principal requirement of the Law to the corresponding position in the current Rule, defines the status, and indicates the amendment needed. Each item is examined in detail in the relevant section of Chapter 5.



Table 1 Mapping of Law No. 08/L-258 requirements to the current Rule on Prosumers

No	Requirement of the Law (Article)	Position in the current Rule	Status	Amendment needed
1	Right to build and connect (Art. 28.1, 28.1.1). Any final consumer is entitled to build a self-consumer facility, provided the facility is connected to the consumer's internal installations.	Requires connection to internal installations (art. 3.3.3) and network-operator consent (art. 3.3.1)	Aligned	Confirm; express the entitlement as a right subject only to the conditions set in the Law
2	Capacity limited to contracted connection capacity, with a power to limit (Art. 28.1.2). Installed capacity may not exceed the contracted connection capacity. The DSO or TSO may limit the maximum allowed capacity in specific areas and for a specific period due to technical limitations in the grid. ERO must monitor those cases and the operator's actions to remove the limitation, and is responsible for resolving disputes between the operator and the self-consumer.	Installed capacity capped at contracted connection capacity (art. 3.3.4). No provision on operator limitation or ERO monitoring	Partial	Add the limitation power with justification, duration and a remedial plan; add ERO monitoring.
3	Annual netting limit and the twelve-month date (Art. 28.1.3). Annual injection must be lower than annual withdrawal. Where injection over the twelve-month period exceeds consumption, the excess above consumption is not compensated. ERO must define the date from which the twelve-month period runs.	Annual surplus must be lower than annual withdrawal (art. 3.3.6). Separately, a self-consumer producing more than 10% above consumption during a calendar year loses self-consumer status (art. 5.9).	Divergent	Replace loss of status with the Law's remedy of non-compensation of the excess; define the start date of the twelve-month period and align it with the credit period
4	Terminology and definitions. The Law regulates the "Renewables Self-Consumer" and the "Jointly acting Renewables Self-Consumer" and defines the "Threshold" as the boundary of the net-billing scheme.	Uses "self-consumer" and "self-consumer of renewable sources" (art. 2).	Partial	Adopt the Law's terminology consistently
5	Storage and the prohibition on double charging (Art. 28.2.2). Self-consumers may install, own and operate storage combined with the generating facility without any double charge, including network charges for stored electricity that remains within the premises. The storage system may be charged only from the consumer's own renewable generation, and may not be charged from the network, which would constitute non-authorized use of electricity.	No express storage provisions	Missing	Add storage rules, the no-double-charge principle, the configuration or metering requirement evidencing that storage is not charged from the network. Where an energy storage facility is used exclusively for self-consumption and falls within the defined threshold, no energy storage permit shall be required for energy storage facilities up to 1 MW.



No	Requirement of the Law (Article)	Position in the current Rule	Status	Amendment needed
6	Retention of consumer rights and supplier switching (Art. 28.2.3, with Art. 28.2.5). The self-consumer retains its rights and obligations as a final consumer, including protective measures and the right to switch supplier. It may contract with its supplier under the support scheme adopted by ERO, or on mutually agreed terms for supply and injection.	Not expressly addressed	Missing	State that self-consumer status does not affect consumer rights or the right to switch supplier, and set out how accumulated credit is treated on switching
7	Registration as a final consumer and authorization (Art. 28.3.1, 28.3.2). The self-consumer must be registered as a final consumer, if it is not already, and must have obtained authorization from ERO to install the facility where such authorization is required by the Law on the Energy Regulator.	Authorization for construction required (Art. 3.2, 4). Rule 03/2023 makes authorization obligatory before construction (art. 4.1), sets the documents in Annex 2 (art. 9.1), reviews within 30 days of submission (art. 16.2), issues the authorization for 24 months extendable by 12 (art. 19.1, 19.2), and exempts self-consumption from the financial guarantee (art. 18.7)	Aligned	Confirm the interaction between authorization for construction and the grant of self-consumer status, and align the two decisions
8	Specific fees or tariffs for self-consumers (Art. 28.4, with Art. 28.2.1.1 and 28.2.1.2). ERO must design a specific methodology for network operator cost recovery caused by self-consumers, including specific fees or tariffs for self-consumers as a separate subclass of network users, so as to maximize support to the grid and to mitigate risks related to cost reflectivity and cost recovery. Any such charge must not be discriminatory or disproportionate, network charges on electricity consumed from or fed into the grid must be cost-reflective, and no charge or fee may be applied to self-generated electricity that remains within the consumer's premises.	Self-consumer fee = SOT + MOT on injected energy + 3% DSO margin (art. 10)	Partial	Develop a dedicated cost-reflective fee or tariff methodology applying to self-consumers as a distinct tariff group, differentiated by the voltage level of connection and charged per kW of installed AC capacity per year. Require the fee to be reviewed periodically.
9	Jointly acting self-consumers in multi-apartment buildings (Art. 29.1 to 29.4, with Art. 28.2.6). Self-consumers in the same building, including multi-apartment blocks, are entitled to generate, store, share and sell surplus renewable electricity, including through power purchase agreements and suppliers, free of discriminatory or non-proportionate procedures and	Provided for as jointly acting self-consumers (art. 14), with rights to generate, store, share and sell surplus	Partial	Align with Art. 29: add organisation under the law on Condominiums and ERO criteria for multi-apartment installations; confirm energy-sharing rules and the treatment of participants with different suppliers



No	Requirement of the Law (Article)	Position in the current Rule	Status	Amendment needed
	tariffs, of network tariffs that are not cost-reflective, and of any charge on the renewable energy kept within their premises. They may install and operate storage without double charging, retain their rights as final consumers, and receive remuneration reflecting market value. They may arrange sharing of the energy produced on their site between themselves, without prejudice to the applicable network charges, fees, levies and taxes. They must be organized in compliance with the law on Condominiums. ERO must define the criteria for installing self-consumer facilities in such buildings.			
10	Net-billing scheme and supplier obligations (Art. 30.1, 30.1.1, 30.1.2). ERO must define the net-billing scheme by secondary legislation, including the Threshold. Suppliers must conclude supply contracts on the criteria set in that legislation and must offtake all excess electricity. Self-consumers are entitled to remuneration through a monetary credit in euro. Netting of credits is calculated by netting the value of electricity withdrawn against the value of electricity fed in within a billing period, and shall be reflected in the supplier's bill.	Net-billing established; supplier must offer a self-consumer contract and take surplus (arts. 7, 9)	Aligned	Confirm supplier obligations and contract criteria; add balancing-group participation
11	Credit carry-over and utilization period (Art. 30.1.3, 30.2.3). Where the monetary credit exceeds the value of the energy component withdrawn in the billing period, the credit must be carried to the next billing period. It must be used within a period defined by ERO not exceeding one year, after which it is void.	Monetary credit reset every six months (1 Jan / 1 Jul); unused credit is lost (arts. 9.5, 9.6)	Aligned	Review the utilization period and cut-off date. Confirm roll-over of credits from billing periods.
12	Threshold determination (Art. 30.2.1). ERO must determine the Threshold that governs access to the net-billing scheme.	Fixed thresholds of 7 / 15 / 100 / 200 kW by consumer type (art. 5)	Aligned	Retain the thresholds now in force as the general eligibility thresholds, each of them subject to the contracted connection capacity, to the annual net-consumer requirement and to any local network limitation; installations above the Threshold remain entitled to operate as self-consumers outside the support scheme.



No	Requirement of the Law (Article)	Position in the current Rule	Status	Amendment needed
13	Value of excess electricity for each tariff period (Art. 30.2.2, with Art. 28.2.4). ERO must determine the prices or the methodology for the monetary value of excess electricity fed into the network for each tariff period and must revise them at least every two years. The remuneration must reflect the market value of the electricity, and may consider its long-term value to the network, to the environment and to society.	Methodology set: Energy-component price × coefficient C (0.85 LV; 0.80 MV and transmission), reviewed at least every two years (art. 9)	Partial	Review the compensation methodology considering the market value and long-term value of excess electricity.
14	Procedures for applying the scheme (Art. 30.2.4). ERO must define the procedures for applying the net-billing scheme.	Application and authorization steps set out (arts. 3.2, 4);	Aligned	Review and define procedure for entering, operating under and leaving the net-billing scheme
15	Duration of entitlement to the scheme (Art. 30.2.5). ERO must define the period during which self-consumers are entitled to benefit from the net-billing scheme.	Power purchase agreements have a duration of twelve years (art. 7.6)	Partial	Confirm the twelve-year period as the period of entitlement; set the treatment on expiry; set the treatment of self-consumer capacity modifications; set the transitional treatment of self-consumers authorized under the Rule now in force.
16	Bi-directional metering (Art. 30.3, with Art. 28.3.3 and 28.3.6). The network operator must install at the connection point a bi-directional meter recording electricity fed into and taken from the network separately. For jointly acting self-consumers, the number and type of metering devices must be defined in secondary legislation. The self-consumer must deliver electricity through the same metering point through which it purchases, and must meet ERO's technical requirements for additional metering devices.	Bi-directional and generation metering required (art. 12); jointly acting self-consumers (art. 14)	Partial	Confirm metering requirements for self-consumers; Set metering requirements for jointly acting self-consumers
17	Reporting rules and estimation methodology (Art. 30.5.1 to 30.5.3, with Art. 28.3.5). ERO must adopt reporting rules under which self-consumers submit data on generated and consumed electricity, directly or through the network operator. Quantities for household and jointly acting self-consumers must be estimated using a methodology established by ERO. The data must feed the calculation of the renewable share in gross final energy consumption. ERO must also designate the entity	Basic data collection to ERO (art. 16); no estimation methodology; no designated format or deadlines	Partial	Add reporting rules designating the DSO as the reporting entity for generation and consumption data, set the format, periods and deadlines, and adopt an estimation methodology for jointly acting self-consumers



No	Requirement of the Law (Article)	Position in the current Rule	Status	Amendment needed
	responsible for data collection and set the format, periods and deadlines.			
18	Criteria for installations above the Threshold (Art. 30.7). ERO must draft and adopt secondary legislation determining the criteria and conditions for installing self-consumer facilities above the Threshold.	“Self-consumers outside the support scheme” only partly addressed (art. 8)	Partial	Define clear criteria and conditions for above-Threshold facilities, including the sale of surplus and a zero-export option.
19	Authorization procedures and the thirty-day household process (Art. 31.1.1, 31.1.2). ERO must adopt rules on authorization and network connection under which procedures are clear, simple, comprehensive, transparent, proportionate and streamlined across all administrative levels and competent authorities, including communication through a single point of contact. Procedures for households must be simplified so that they can be completed within thirty days of the application.	Rule 03/2023 already provides a lighter track for self-consumption: four documents only (art. 9.1 and Annex 2), no public consultation (art. 9.2), no financial guarantee (art. 18.7), and review within 30 calendar days from submission (art. 16.2), extendable by 30 days for complex cases (art. 16.3). The overall multi-permit process is nevertheless much longer in practice, and there is no single point of contact	Partial	ERO regulates the authorization procedure with separate Rule on Authorization, hence no need to amend the Rule in this context.
20	Self-consumer register (Art. 31.2.1 to 31.2.6). ERO must establish a register of self-consumers containing at least the name and address, the category of consumer, the technology used, the location of the facility, the installed capacity and the contracted connection capacity.	Register with name and address, category, technology, location, installed and connection capacity (art. 16)	Aligned	Confirm content; add rules on maintenance, access, updating and publication of an aggregated version
21	Network development and connection on non-discriminatory criteria (Art. 36.1 to 36.5). Operators must develop the network and smart grids so that secure operation is maintained as renewable generation grows, and must connect renewable producers, renewable energy communities and self-consumers under the grid codes and charging methodologies approved by ERO. Connection must rest on objective, transparent and non-discriminatory criteria without added administrative burden, and operators must make available the maximum capacity of the system. Each applicant must receive technical information, a detailed cost estimate identifying the most favourable	Network-operator obligations partly covered: seven-day admission certificate and thirty-day priority review (art. 11)	Partial	Connect self-consumers under the approved grid codes and charging methodologies; require publication of available capacity; require the cost estimate, processing timetable and indicative connection timetable to be given to applicants



No	Requirement of the Law (Article)	Position in the current Rule	Status	Amendment needed
	connection point, a processing timetable by voltage level and an indicative connection timetable, for which the operator may charge its reasonable costs under the methodology approved by ERO.			
22	Simple-notification connection procedure up to 50 kW (Art. 37.1, 37.2). The DSO must propose, and ERO must approve, a simple procedure for grid connection of self-consumers and demonstration projects with an electrical capacity of up to 50 kW, provided grid stability, reliability and safety are maintained. The DSO may, within thirty days of the application, approve or reject the connection, or propose an alternative connection point on justified grounds of safety or technical incompatibility of system components.	No simple-notification connection procedure. Rule 03/2023 contains no Art. 37 procedure, and instead requires a concluded connection agreement as a precondition of the ERO application (art. 9.1.3). ERO decides on self-consumer status within thirty days (art. 4)	Missing	The DSO shall develop a simplified procedure for the connection of self-consumers and demonstration projects with a capacity of up to 50 kW and submit it to ERO; the amended Rule shall set a 90-day deadline, for its development and for ERO's approval.
23	Connection and metering costs (Art. 38.1, 38.2). The self-consumer bears the cost of the connection point, including construction and installation, the metering devices needed to record electricity supplied and received, and potential network reinforcement costs. Where the network operator requires changes to the connection point or the metering devices after connection approval, the operator bears those costs. The operator covers the costs of optimising, strengthening and expanding the distribution system under the relevant charging methodology.	Self-consumer bears the cost of metering devices (art. 13); no provision on reinforcement costs or on operator-initiated changes	Partial	Set out the allocation of connection, metering and reinforcement costs, and the operator's liability for changes it initiates after approval



4.3. Practical experience and performance to date

Apart from the legal assessment in Chapter 4.2, ERO has considered the practical implementation of the current framework and its effects. The current rule generated interest in self-consumption, due to the increased size thresholds, increased power prices, and the simplification of licensing procedures for households.

By August 2026, the aggregate capacity covered by authorizations for self-consumption was approximately 40 MW (Figure 2) and the number of authorized self-consumers surpassed 1,400 (Figure 3). Both figures are drawn from ERO's authorization records as of August 2026 and cover authorized installations only. ERO is in addition aware of self-consumers with self-generation outside the support scheme, in particular zero-export installations, that are operational without having obtained an authorization. These are not reflected in the figures below, so the self-consumption capacity actually installed is higher than the authorized capacity shown. Figure 2 Figure 3

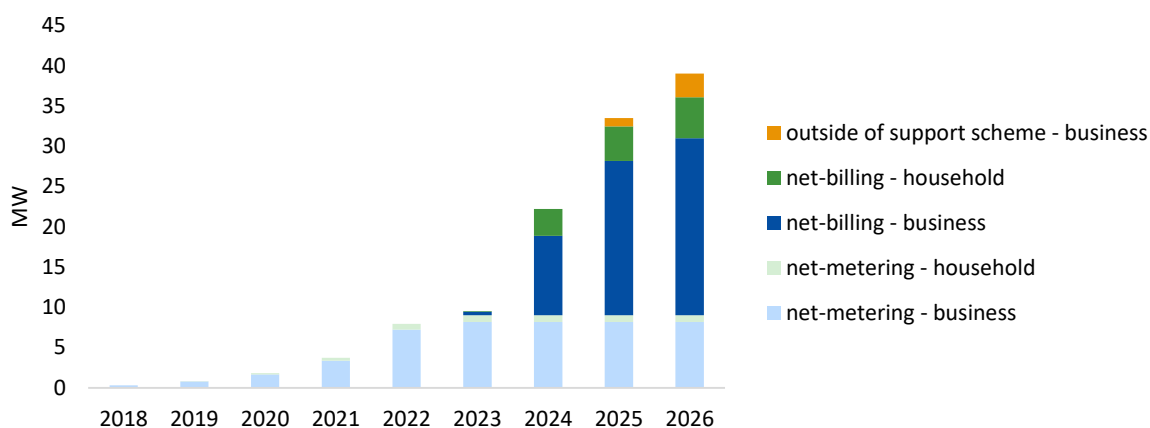


Figure 2 Cumulative installed capacity (in MW) of authorized self-consumers (August 2026)

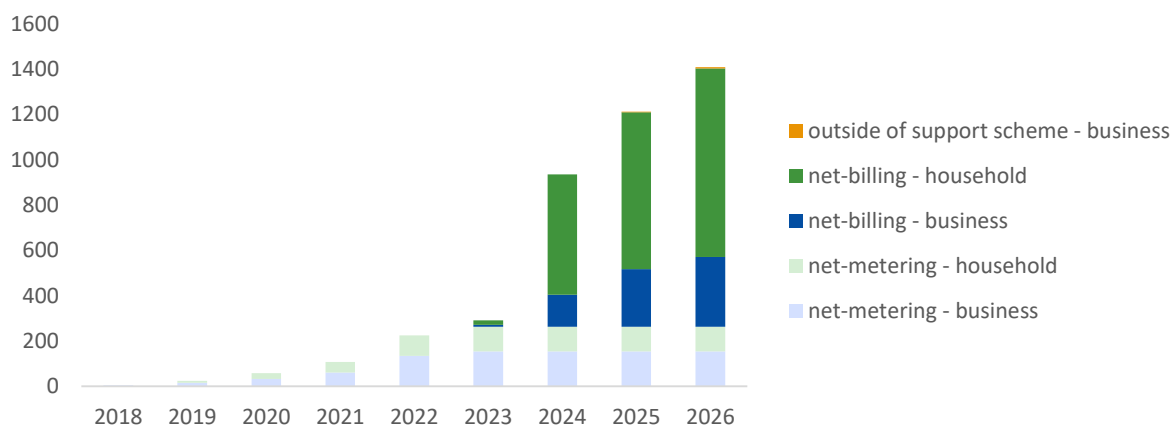


Figure 3 Cumulative number of authorized self-consumers (August 2026)

Authorized installed capacity remains below the indicative level of around 100 MW of self-consumer solar by 2031, indicating that further development of the framework may be required to support achievement of the relevant policy objectives.

4.3.1. Valuation of surplus electricity

Under the current methodology, the value of surplus electricity is linked to the energy component of the retail tariff and an applicable coefficient. For many regulated consumers, the energy component reflects the flat electricity price supplied by KEK under the Bulk Supply Agreement, which may not capture the actual value of solar electricity injected into the network. As a result, the remuneration



for injected electricity may not adequately reflect its system and market value. Moreover, ERO has also noticed reduced capture rates⁸ from solar PV systems in ALPEX (Figure 4), reflecting the tendency for solar generation to be concentrated in hours when wholesale electricity prices are comparatively lower.

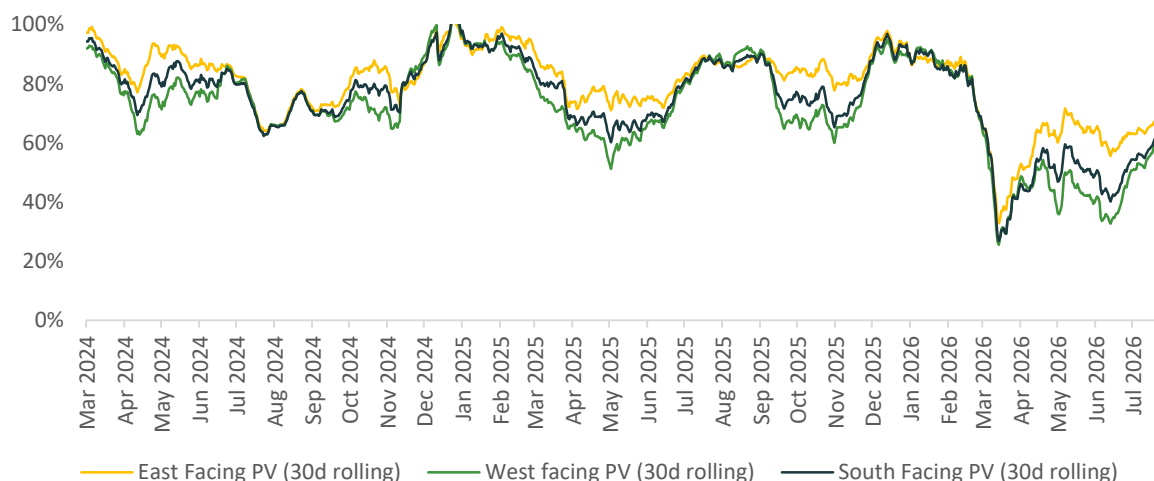


Figure 4 Estimated 30-day rolling PV capture rates in ALPEX

Figure 4 compares the value of a unit of solar electricity with the average value of electricity on the day-ahead market over the same period (month). A capture rate of 100 per cent would mean that solar output is, on average, worth exactly the market average. A rate below 100 per cent means that solar generation is concentrated in hours when prices are below average, so each kilowatt-hour injected is worth less than the average price would suggest. The rate tends to decline as more photovoltaic capacity is connected in the region, because a growing share of that capacity generates at the same time and depresses prices in precisely those hours.

Thus, a remuneration formula anchored to an annual or average price systematically over-values injected solar electricity relative to what it is worth at the moment of injection (Figure 5), and the resulting difference is borne by other network users. Moreover, the gap widens as regional solar capacity grows, so a coefficient set today would drift further from market value with each year that passes, whereas an hourly market reference follows that change automatically.

Capture rate is measured here as the ratio between the average ALPEX day-ahead price weighted by the hourly solar generation profile and the simple average ALPEX day-ahead price over the same period, calculated from ALPEX day-ahead prices and a representative Kosovo solar profile.

ERO will therefore assess how the revised methodology can provide fair and transparent remuneration while remaining cost-reflective and preserving appropriate incentives for self-consumption and efficient investment decisions.

⁸ A capture rate is the share of the average market electricity price a power plant actually earns. A solar plant with a 80% capture rate sells its output for 80% of the average monthly price in the market.

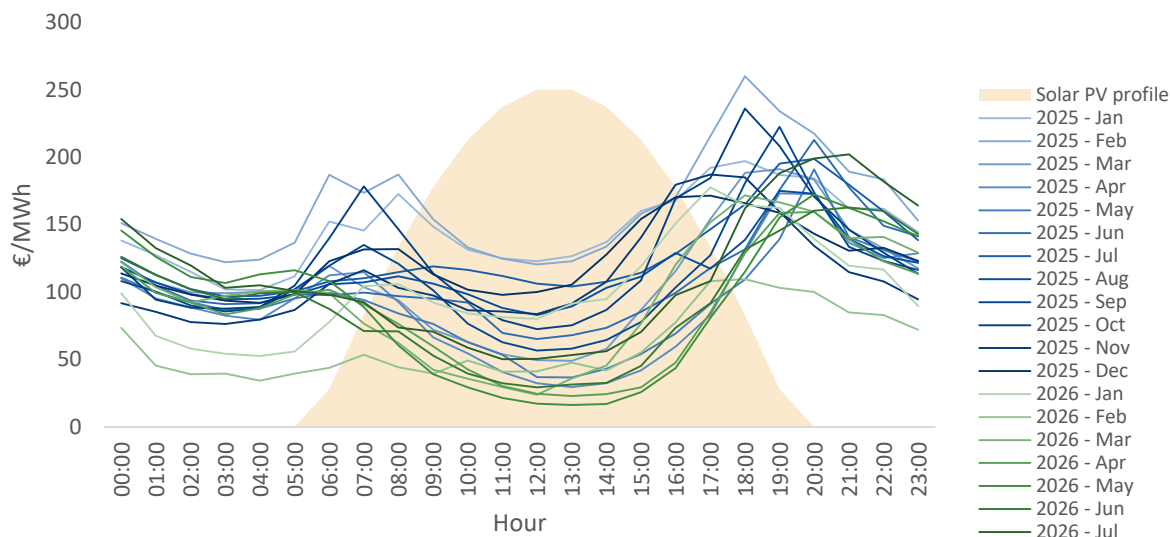


Figure 5 Hourly day-ahead prices by month (2025 / 2026) vs solar PV profile

4.3.2. Credit-utilization period

Under the current Rule, surplus exports are converted into a monetary credit and used to offset the supply component of the retail tariff. On a monthly basis, excess credits can be carried forward until the applicable cut-off date, after which any remaining balance expires. Given the seasonal profile of solar PV generation and electricity consumption, the timing of the cut-off can influence the extent to which credits accumulated during higher-generation months can be used during periods of higher consumption, as illustrated in Figure 6.

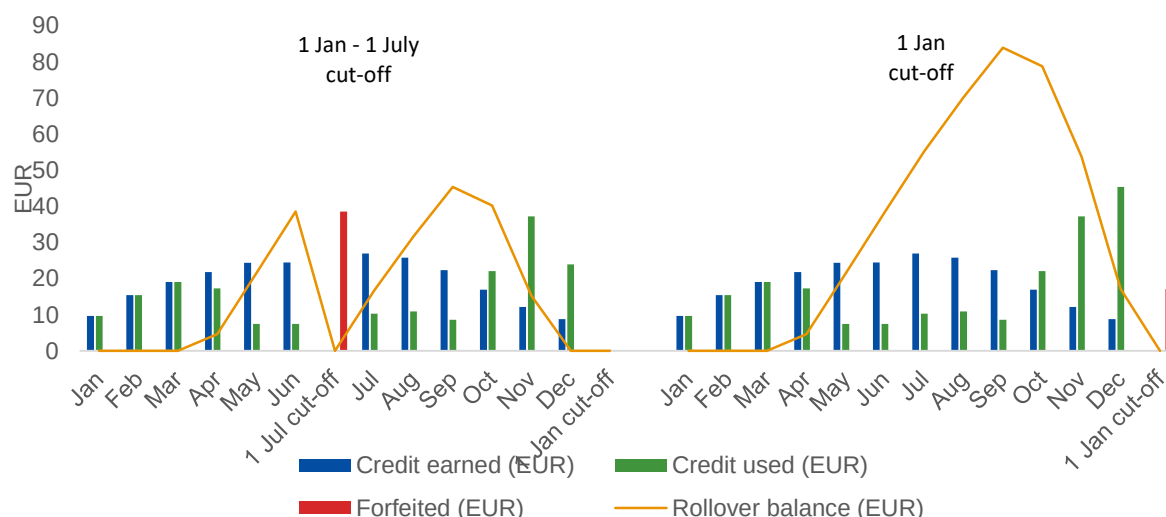


Figure 6 Illustrative example: effect of the credit cut-off period on net-billing credits

Figure 6 is illustrative. It compares the credit balance of a representative household self-consumer under a six-month cut-off and under a twelve-month cut-off, using a typical Kosovo solar generation profile and household consumption profile and holding the valuation of injected electricity constant, so that the effect shown is attributable to the placement of the cut-off alone.

Under a six-month cut-off, the credit accumulated during the high-generation months of spring and early summer has to be used before the reset, which falls before the winter months in which the self-consumer withdraws most electricity from the network. Whatever balance remains at the reset is lost. Under a twelve-month cut-off the same credit remains available through the following winter, so a



larger share of it is used against the self-consumer's own bill. The difference between the two cases is therefore not a difference in the quantity of electricity injected, or in the price at which it is valued, but in how much of the value already earned the self-consumer is able to realise.

In the context of the proposed changes to the remuneration methodology, ERO will also re-evaluate the credit-utilization period and the placement of the cut-off dates, taking into account the fairness and cost-reflectivity of the overall scheme, the incentives created for self-consumption and appropriate system sizing, and the requirements of Law No. 08/L-258, which allows the credit-utilization period to extend up to one year. The credit period will therefore be assessed together with the remuneration price and valuation methodology as part of the overall design of the revised net-billing framework.

4.3.3. Cost/benefits to the system

Self-consumers of renewable energy introduce unique system costs and benefits. This sub-chapter analyses the main drivers of these effects on the Kosovo power system.

Self-consumption reduces the volume of electricity that a self-consumer withdraws from the network, thereby reducing the need for electricity supplied from the wider power system. It can also reduce network losses (in MWh terms), as electricity generated and consumed behind the meter does not flow through the distribution and transmission networks.

Surplus electricity injected into the grid can provide additional system benefits where it is consumed by nearby consumers. In such cases, electricity may travel only through a limited part of the local distribution network. The magnitude of this benefit depends on the location and timing of both generation and demand.

At the same time, increasing concentrations of self-consumers can create additional costs for the distribution system. ERO notes that, at specific locations, high concentrations of self-consumers are already creating local network challenges, although these effects are not yet widespread. These may include voltage variations, reverse power flows, local congestion and the need for additional network monitoring or reinforcement.

Self-consumption (electricity consumed behind the meter) also introduces system costs for other consumers by avoiding grid fees. Network costs are mainly comprised of fixed costs (CAPEX) and are driven by maximum system demand. The current tariff system in Kosovo applies volumetric tariffs for consumption and use of system (€/kWh). Electricity generated and consumed on site, which never passes a metered supply point, carries no network charge. This creates avoided payments to the system. At present levels of uptake this effect is modest in relation to the allowed revenue of the distribution system operator (~0.4 - 1% of DSO Maximum Allowed Revenues). These avoided fees are recovered from other consumers.

The current rule on self-consumers of renewable energy aimed to reduce this effect through article 10, which introduced a self-consumer fee applied to energy injected into the network. For each kWh injected the self-consumer pays the System Operator and Market Operator Tariffs, marked up by a 3% fee for the DSO margin. These fees were paid monthly to the DSO and TSO.

These fees were simple to implement, required no change in DSO tariff methodology, and promoted self-consumption of electricity. This is illustrated in Figure 7. The avoided grid fees (expressed in Euros per kWp of solar PV installed) of self-consumers connected at different voltage levels increase with the self-consumption rate⁹. The system benefits through avoided distribution losses by electricity self-

⁹ Self-consumption rate: the share of total on-site electricity generation that is consumed directly on-site, calculated as electricity generated and consumed on-site (numerator) ÷ total on-site electricity generation (denominator) × 100%.



consumed also increase with the increase of the self-consumption rate. Thus, on a system-wide level, tariffs should aim to incentivize self-consumption as it reduces system costs, while also ensuring that such consumers do not avoid paying their fair share of network costs.

The current self-consumer fees lower the net cost to the system from self-consumption¹⁰; however, they do not effectively reduce the avoided payment effect for consumers with large rates of self-consumption, and for zero-export systems.

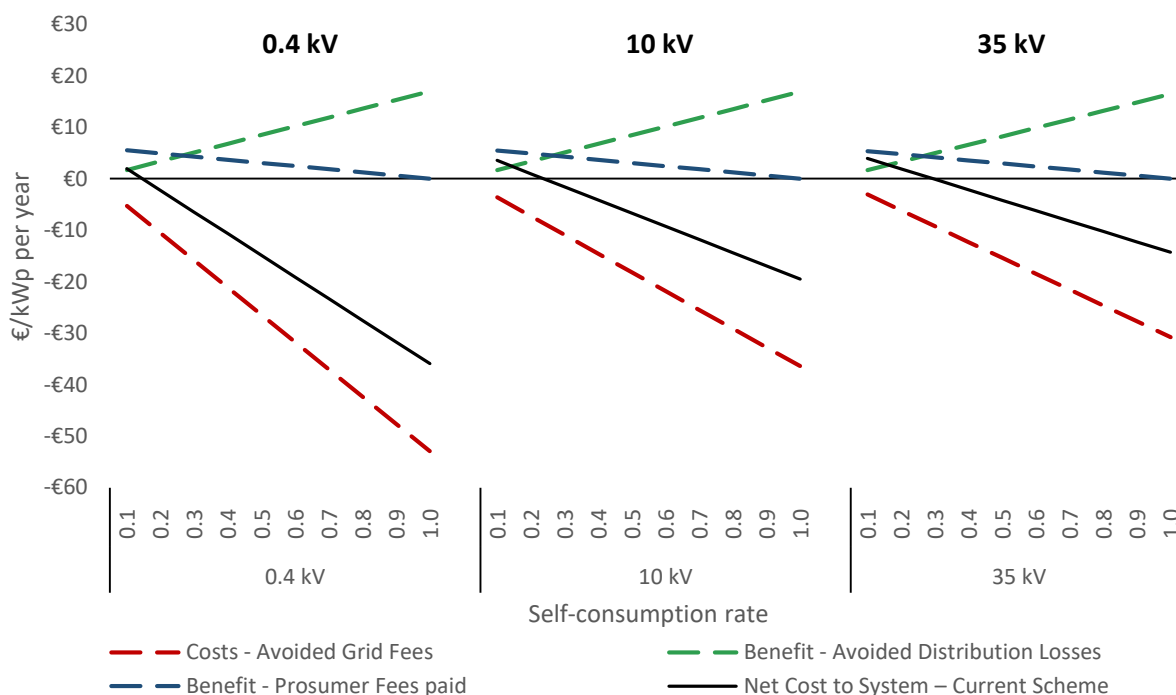


Figure 7 Per kWp system cost/benefit breakdown for a self-consumer, at different voltage levels and self-consumption rates

4.4. Environmental and societal benefits

Self-consumption provides environmental benefits by reducing the amount of fossil-fuel-based electricity supplied to consumers and, consequently, the carbon intensity of Kosovo's electricity system. This is increasingly relevant under the European Union Carbon Border Adjustment Mechanism (CBAM). For Q2 2026, the CBAM certificate price was €75.28/tCO₂ (Figure 8). Combined with Kosovo's default electricity emission factor of 0.984 tCO₂/MWh, this corresponds to an indicative carbon cost of around €74/MWh for electricity exported to the European Union.

¹⁰ Net Cost to System = Avoided Distribution Losses – Avoided Grid Fees (- Prosumers Fees paid).



Volume-weighted mean of EEX primary auction clearing prices · shaded band = reporting window (Q2 2026)

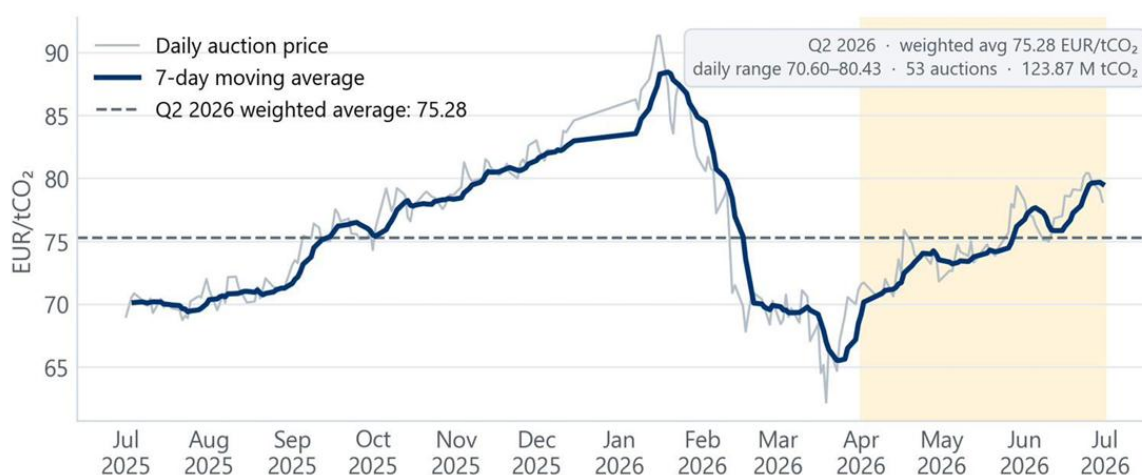


Figure 8 Primary EU ETS auction price (EEX)¹¹

However, this carbon benefit should not be directly remunerated through electricity tariffs. Kosovo does not currently apply a domestic CO₂ price, while the direct financial benefit from lower carbon intensity is mainly captured by electricity exporters and businesses exporting CBAM-covered products to the European Union. The environmental benefit should therefore be recognized as a wider societal benefit but not charged to other electricity consumers.

5. Design of the updated Rule on Prosumers

This chapter sets out how each design question raised by the RES Law will be resolved in the amended Rule on Prosumers. It is the operative part of this Concept Document, setting out the direction proposed for each question on the basis of ERO's assessment of the current Rule, the requirements of the Law and international practice.

Each section follows the same structure. It states what the Law requires and which provision creates the obligation, and sets out the options available to ERO, with the arguments for and against each. It assesses those options against criteria such as self-consumer uptake and investment, fairness across consumer classes, cost-reflectivity, the financial sustainability of network operators and suppliers, and administrative simplicity. It then sets out the direction proposed. Each of these directions is put forward for public consultation and stakeholders are invited to comment on any of them.

The table summarizes the direction proposed on each question addressed in this chapter, to make it easier for stakeholders to respond. The reasoning, the alternatives considered and the analysis supporting each choice are set out in the sections that follow.

Table 2 Summary of the direction proposed in this chapter

Issue	Proposed direction
1. Eligibility and capacity thresholds	Retain the differentiated thresholds now in force: 7 kW for low-voltage households, 15 kW for low-voltage non-households not billed for active power, 100 kW for low-voltage non-households billed for active power, and 200 kW for non-households connected at medium voltage or to the transmission system. In every case the capacity eligible for the scheme is

¹¹ Energy Community Secretariat, CBAM Quarterly report 2026/02



	further limited by the contracted connection capacity, by the requirement that annual injection remain below annual withdrawal, and by any capacity limitation imposed by the network operator in the relevant area on justified technical grounds. Separately, retain 50 kW as the threshold for the simplified procedure for all consumer categories. The 50 kW threshold determines the procedure, not eligibility for self-consumer status.
2. Value of excess electricity	Value electricity injected into the network at the ALPEx hourly day-ahead market price corresponding to the hour of injection. Any applicable self-consumer-specific fees should be identified separately. ERO invites stakeholder comment on this choice, in particular on the alternative two-tiered approach that would apply a regulated export price to households and small consumers.
3. Monetary-credit utilization period	Introduce a 12-month calendar-year period, from 1 January to 31 December. Unused credit expires at the end of the period. For consumers entering during the year, the first settlement period should be proportionate. The credit period should be aligned with the annual comparison of injection and withdrawal.
4. Network tariffs / self-consumer fees	Self-consumers form a distinct tariff group, differentiated by voltage level of connection. As a transitional measure, ERO adopts a component linked to the installed capacity of the self-consumer's renewable generation facility, measured at rated inverter capacity in kW AC and charged as a fixed amount per kW per year. In the longer term, ERO's direction is to address fixed network-cost recovery through the general network tariff methodology, through capacity-based tariffs applicable to all consumers rather than a permanent self-consumer-specific charge. The fee forms part of the DSO and TSO tariffs for self-consumers connected at the respective grids and is reviewed periodically.
5. Registration and authorization	Introduce a tiered procedure. For installations up to 50 kW, apply a single-window simplified procedure for all consumer categories, with an even lighter route for small household installations where appropriate. For installations above 50 kW, retain the standard institutional procedure. The amended Rule sets a deadline, of 90-days, within which the DSO develops the simplified procedure and ERO approves it.
6. Metering and Reporting	Require a bidirectional connection meter. The DSO is the reporting entity, submitting the metered data to ERO in the format, for the periods and by the deadlines the amended Rule specifies.
7. Jointly acting self-consumers	Use fixed sharing coefficients agreed by participants, with periodic revision. The collective generation facility should be separately metered, and the agreed coefficients applied through the billing process. Coefficients should be adjustable where participants join or leave, occupancy changes or participants agree on a revised allocation.
8. Storage	Require technical configuration of the inverter or energy-management system to prevent charging from the public network, verified at commissioning.



9. Local network constraints	Where capacity is restricted in a specific area, require written technical justification, identification of the constraint, expected duration, planned remedial measures, reporting to ERO and a clear right of review.
10. Continuation of the existing support scheme	Self-consumers authorized under the current Rule in force keep the valuation of surplus electricity and the credit-utilization period under which they were authorized, for the remainder of their twelve-year entitlement counted from commissioning. Each of them may elect, in writing and irrevocably, to move to the revised scheme from the beginning of the following calendar-year period. Grandfathering attaches to the installation as authorized, and capacity added after the amended Rule enters into force falls under the revised scheme.

5.1. Self-consumer status, eligibility and capacity thresholds

Law No. 08/L-258 requires ERO to determine the threshold for participation in the net-billing scheme and to define the conditions applicable to installations above that threshold. The Law also establishes two separate safeguards. First, installed capacity may not exceed the consumer's contracted connection capacity, and the network operator may impose additional limitations in specific areas where justified by technical constraints. Second, annual injection eligible for compensation may not exceed annual electricity withdrawal.¹²

These provisions mean that the self-consumer threshold should primarily determine access to the support scheme, rather than being used as the main instrument for managing network security or preventing excessive export.

5.1.1. Proposed option

The amended Rule retains the differentiated thresholds now in force at their current levels.

- Low-voltage households: 7 kW.
- Low-voltage non-households not billed for active power: 15 kW.
- Low-voltage non-households billed for active power: 100 kW.
- Non-households connected at medium voltage or to the transmission system: 200 kW.

The capacity eligible for the scheme is further limited by three constraints established by the Law: the contracted connection capacity of the consumer, which the installed capacity may not exceed (Article 28.1.2); the requirement that annual injection remain below annual withdrawal, which ties the eligible installation to the consumer's own consumption profile (Article 28.1.3); and any limitation of the maximum capacity available in a specific area and for a specific period imposed by the network operator on justified technical grounds (Article 28.1.2), as described in Chapter 5.9.

For installations up to 50 kW, all consumer categories benefit from the simplified procedure provided under Article 37. The 50 kW threshold is a procedural threshold, not the maximum capacity for participation in the self-consumer scheme.

Article 30.7 requires ERO to determine the criteria and conditions applicable to self-consumption facilities installed above the Threshold. Installations above the threshold remain fully entitled to be built and to operate as self-consumers. However, they are outside the support scheme, and do not receive net-billing treatment for their surplus if injected to the network. Facilities may operate on a zero-export basis, with the export limitation implemented in the inverter or the energy-management

¹² Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources (2024), articles 28.1.2, 28.1.3, 30.2.1 and 30.7.



system and verified at commissioning. Alternatively, a facility may export and sell its surplus under commercial arrangements with its supplier, assuming the corresponding balancing responsibility either directly or through its supplier. The applicant declares its chosen route in the connection application to the distribution system operator, because the route determines what the network operator verifies at commissioning (the export limitation or the bidirectional metering) and whether the applicant needs a commercial arrangement with a supplier. ERO records the route in the register when it issues the authorization. The self-consumer may later change the route only with the agreement of the network operator, since a change alters the network conditions assessed at connection.

5.1.2. Analysis

This approach separates the different functions already established by the Law. Contracted connection capacity and network-specific restrictions protect the distribution system. The annual balance between injection and withdrawal limits the incentive to build installations primarily for export.

Retaining the thresholds now in force preserves a framework that applicants, installers and the network operator already understand, and avoids a further change to eligibility at the same time as the valuation methodology, the credit-utilization period and the treatment of network costs are all being revised.

5.2. Methodology for the monetary value of excess electricity

The Law requires ERO to determine the price, or the methodology for determining the price, of electricity injected into the network and to establish this value for each tariff period. The remuneration must reflect the market value of the electricity and may also take into account its long-term value to the network, to the environment and to society. This methodology also feeds directly into Article 5 and Schedule 4 of ERO/Rule No. 01/2025 on the Renewable Energy Support Mechanism, which value suppliers' monetary benefit from self-consumer surpluses at the Organized Market price.

5.2.1. Proposed option

The proposed direction is to value electricity injected into the network at the ALPEx day-ahead market price for the hour in which it is injected.

$$\text{Export credit in hour } h = \text{ALPEx day-ahead market price in hour } h$$

Network tariffs, other regulated tariffs and taxes remain separate from the determination of the market value of exported electricity.

5.2.2. Analysis

An hourly market reference provides the clearest and most transparent link between remuneration and the actual value of the electricity at the time it enters the market. It therefore gives direct effect to the requirement in the Law that the remuneration should reflect market value and should be determined for each tariff period.

The approach also provides a more accurate economic signal than a fixed or administratively determined export price. Solar generation is concentrated during daylight hours and, as more photovoltaic capacity enters the system, these hours may increasingly coincide with lower wholesale prices. Under hourly settlement the remuneration received by self-consumers would reflect this effect rather than insulating them from it.

This can also create incentives for behaviour that is beneficial to the system. Consumers with storage may choose to consume or export electricity at different times, while consumers without storage have an incentive to increase their own consumption when their installation is producing.



The main disadvantage is greater exposure of self-consumers to market-price volatility.

This methodology also determines the compensation the Renewable Energy Operator compensates suppliers under Article 5 and Schedule 4 of ERO/Rule No. 01/2025 on the Renewable Energy Support Mechanism. Under that Rule, the Operator settles monthly with each supplier the difference between the monetary value of credits its self-consumers redeem (set through this methodology) and the supplier's assessed monetary benefit from their surplus electricity, which Schedule 4 values at the Organized Market price. This is the same hourly reference proposed here. Valuing surplus at the hourly ALPEX price therefore has a direct, quantifiable effect on this compensation (Cpro). This should minimize compensation from and to suppliers with the Renewable Energy Operator. ERO will monitor this effect as authorized capacity grows, alongside the Regular Adjustment process already provided for in that Rule.

Balancing Costs

Under Article 30.4 of Law No. 08/L-258, self-consumers belong to the balancing group of their supplier. Solar output and the share of it consumed on site are both hard to forecast, in comparison to a usual consumer, thus resulting in increased balancing costs. Under Schedule 4 of ERO/Rule No. 01/2025, Rule on Renewable Energy Support Mechanism, these costs, and any other costs deducted from the compensation price to consumers is considered when compensating suppliers for costs towards implementing support schemes.

ERO invites suppliers to quantify these balancing costs from their own historical settlement data and to submit the evidence in this consultation.

5.2.3. Alternative option

An alternative option which ERO has considered is a two-tiered approach:

- For regulated consumers - determine the applicable export price, as part of each Universal Supplier tariff review, based on the wholesale cost of electricity.
- For self-consumers supplied in the market - day-ahead market prices for each hour.

The advantage of this approach is greater predictability for households and small consumers, with simpler billing and communication, and small self-consumers are not fully exposed to short-term market volatility. This approach follows the avoided cost of supply for self-consumers considering the Universal Supplier's wholesale supply arrangements.

The disadvantages are that the price would not necessarily reflect the market value of electricity at the actual hour of injection. Moreover, the regulated price could diverge from market conditions between tariff reviews, and it provides weaker incentives for storage, demand shifting and other forms of flexibility.

Both the hourly day-ahead reference and the two-tiered approach have merits, and the choice matters most for households and small self-consumers. ERO has not adopted a final position on this question and specifically invites stakeholders to comment on which approach best balances an accurate price signal against predictability for smaller consumers, before the amended Rule is finalized.

5.3. Duration of the monetary-credit utilization period and utilization terms

The Law requires monetary credit that is not used during a billing period to be carried forward. ERO determines the period within which that credit may be used, subject to a maximum of one year, after which unused credit expires. The Law separately provides that electricity injected above the consumer's annual withdrawal is not compensated.¹³

¹³ Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources (2024), articles 28.1.3, 30.1.3 and 30.2.3.



5.3.1. Proposed option

The monetary-credit utilization period should run from 1 January to 31 December. Any unused credit would expire at the end of the annual period. For installations entering the scheme during the year, the first utilization period would apply proportionately until the end of that calendar year. The same calendar-year period should, as far as possible, be used for the annual comparison between injection and withdrawal. Credits may be used to offset only the energy supply component of the end-user bill. Network fees and other taxes shall not be netted.

Article 30.2.5 separately requires ERO to define the period during which self-consumers are entitled to benefit from the net-billing scheme. The twelve-year duration already applied to self-consumer contracts under the current Rule remains, starting from the date of commissioning. On expiry the installation retains its status as a self-consumer and may continue to consume its own generation, but it leaves the net-billing scheme, and for any surplus compensation it must reach an agreement with its supplier.

5.3.2. Analysis

A twelve-month period better reflects the seasonal profile of solar photovoltaic generation. Self-consumers tend to generate larger surpluses during spring and summer while relying more heavily on the network during winter. A shorter period can result in credits expiring before the consumer reaches the period of highest electricity withdrawal.

Combined with the proposed Methodology for the monetary value of excess electricity in Chapter 5.2, under which excess electricity is valued according to its market value at the time of injection, a twelve-month credit period allows self-consumers to use that value later in the year without distorting the price signal. This is fair to self-consumers while still incentivizing them to produce, consume or store electricity when it is most valuable to the system.

A full annual period allows the seasonal generation and consumption cycle to be reflected within one settlement period. It does not weaken the protection against oversizing, because the Law continues to limit compensation to the quantity of electricity consumed over the twelve-month period.

Extending the period does not distort the price signal as the credit is monetary, and its value is fixed at the hourly market price of the moment of injection, so lengthening the period changes when the credit can be spent, not what the electricity was worth.

Aligning all consumers to the calendar year also simplifies administration, supervision and reporting, because suppliers and ERO do not need to maintain individual settlement timelines for every self-consumer.

5.3.3. Alternative option

An alternative also considered is a rolling twelve-month period, where each self-consumer would receive a twelve-month period beginning on the date of commissioning or registration. Each self-consumer would then benefit from a complete twelve-month initial period regardless of when the installation becomes operational. Suppliers would have to manage a separate annual settlement date for every consumer, making billing and regulatory oversight more complex.

5.4. Network cost allocation and self-consumer-specific fees

Article 28.4 requires ERO to establish a methodology addressing the recovery of network-operator costs associated with renewable self-consumers, including the possibility of specific fees or tariffs for self-consumers as a separate subclass of network users. Article 28.2.1 states that such charges must



be proportionate, non-discriminatory and cost-reflective, and renewable electricity generated and consumed within the consumer's premises may not be subject to network charges.¹⁴

5.4.1. Proposed option3

Self-consumers form a distinct tariff group for this fee, and within that group the fee is differentiated by the voltage level at which the self-consumer connects (low voltage, medium voltage, or the transmission system). ERO adopts, as a transitional measure, a specific component linked to the installed capacity of the self-consumer's renewable generation facility, charged as a fixed amount per kW of installed capacity per year rather than by reference to the volume of electricity generated, self-consumed or injected. For this purpose, installed capacity means the rated AC capacity of the inverter or inverters serving the facility, expressed in kW AC. This fee is based on the analysis in Chapter 4.3.3 and the avoided volumetric grid fees caused by self-consumption. The self-consumer fee forms part of the DSO and TSO tariffs for self-consumers connected at the respective grids, and is reviewed periodically. ERO will calibrate the initial level conservatively, since household consumers make up the majority of self-consumers and too high an initial fee could discourage their investment; the level will be adjusted only gradually through the periodic review referred to above.

In the longer term, ERO's direction is to address fixed network-cost recovery through the general network tariff methodology, by introducing a capacity-based component applicable to all relevant consumers rather than maintaining a separate self-consumer-only charge.

5.4.2. Analysis

The central issue is that self-consumption can reduce the quantity of electricity withdrawn from the network without necessarily reducing the network capacity that must remain available to serve the consumer. This creates a difference between the way network costs arise and the way they are recovered where tariffs are heavily based on volumetric consumption.

A charge linked to the installed capacity of the generation facility tracks that mismatch more closely than a charge on injected electricity. The size of the facility determines how much consumption it can displace behind the meter and how much it can export, so it moves with the volumetric network revenue that self-consumption avoids. Installed capacity is also administratively simple. It is fixed, it is verified at authorization and Article 31.2 requires the register of self-consumers to record it, so the fee needs no additional metering and no ex-post measurement and can be billed as a fixed annual amount per kW. Measuring it as rated inverter capacity in kW AC gives a single unambiguous figure, avoids the divergence between panel and inverter ratings in solar photovoltaic installations, and corresponds to the capacity that can physically reach the network.

Because the charge does not vary with output, it leaves the self-consumer's operating incentives intact. Self-consumers keep the full benefit of self-consuming, shifting and storing their generation. Unlike the existing fee on injected energy, the charge also reaches installations with very high self-consumption or with zero export, which are precisely the installations that avoid volumetric network charges without contributing to their recovery.

The fee limits the extent to which avoided network charges are shifted to other consumers. Its level nevertheless affects the return on a self-consumer investment, so ERO should set and review it together with the network tariffs.

5.4.3. Alternative options

- Alternative 1, introduction of a consumer peak demand fee - Any network-cost-recovery issue would be addressed entirely through the general tariff methodology,

¹⁴ Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources (2024), articles 28.2.1 and 28.4.



applying to all consumers equally. This avoids singling out self-consumers and provides a more technology-neutral approach. Setting the peak demand fee would require a network-level cost study before this approach could be introduced.

- Alternative 2, a charge based on electricity injected - Similar to the existing charges, where a specific fee is applied to electricity exported to the network. It is simple to measure and to administer. Injection is, however, not necessarily a good indication for the network capacity that must be maintained for the consumer, and such a charge does not apply to self-consumers with zero exports.

5.5. Registration and simplified authorization

The Law requires authorization procedures to be clear, simple, transparent, proportionate and streamlined across administrative levels. For households the procedure must be capable of being completed within thirty days. Article 37 further requires a simple-notification procedure for installations up to 50 kW, with a decision within thirty days.¹⁵

5.5.1. Proposed option

ERO adopts a distinction between installations of up to 50 kW and installations of more than 50 kW.

- Installations up to 50 kW - All consumer categories benefit from a simplified procedure based on Article 37. The applicant submits one connection application to the distribution system operator. The distribution system operator communicates directly with the supplier, institution to institution, rather than requiring the applicant to submit the same information several times. After the distribution system operator issues the connection permit, ERO issues the authorization as a separate, subsequent step. For very small household installations below the household threshold, an even lighter declarative route may be applied, relying more heavily on standardized documentation while preserving the necessary technical and safety controls.
- The amended Rule sets a deadline of 90 days, within which the distribution system operator develops the simplified procedure for installations of up to 50 kW and submits it to ERO, and ERO approves it.
- Installations above 50 kW - Larger installations remain subject to the existing institutional sequence, and the process is streamlined through clearer deadlines, standard documentation and better coordination between institutions.

5.5.2. Analysis

This approach reflects the structure of the Law. Article 37 expressly creates a simplified route up to 50 kW and does not require the same procedure for larger installations.

The distinction is also consistent with the proposed capacity framework. A non-household consumer could therefore qualify for the self-consumer scheme above 50 kW, while being subject to the standard rather than the simplified connection procedure.

5.5.3. Alternative options

Alternative 1, a simplified procedure for all self-consumers - This would provide the greatest reduction in administrative burden. Larger installations however require more detailed technical assessment, and the approach would go beyond the specific simplified procedure provided under Article 37.

¹⁵ Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources (2024), articles 30.6, 31.1 to 31.3 and 37.



Alternative 2, maintain the current sequence for all installations - This requires limited institutional change. It would not adequately implement the objective of the Law of simplifying the process for households and smaller installations.

5.6. Metering, balancing responsibility and supplier obligations

The Law requires a bidirectional meter at the connection point that separately records electricity withdrawn from and injected into the network. Self-consumers participate in the balancing group of their supplier, and suppliers are required to conclude supply contracts and to offtake excess electricity.¹⁶

5.6.1. Proposed option

- All self-consumer installations should have a bidirectional meter at the connection point, as the Law requires. No separate generation meter should be required. The bidirectional meter should record the following quantities separately: Electricity injected into the network.
- Electricity withdrawn from the network.

The distribution system operator is the reporting entity for this purpose. It submits the metered generation and consumption data set out above to ERO, in the format, for the periods and by the deadlines that the amended Rule will specify.

5.6.2. Analysis

The bidirectional meter records the electricity withdrawn from and injected into the network, which is all that net-billing settlement requires. Article 30.3 of the Law obliges the network operator to install that meter at the connection point and does not require a separate generation meter, so the amended Rule should not impose metering obligations beyond the Law.

A generation meter would give a fuller picture of self-consumer activity, because the connection meter does not show the renewable electricity produced and consumed onsite. That information serves monitoring and renewable-energy reporting rather than settlement, and requiring it would add equipment and installation cost to every self-consumer project, including the smallest household installations. ERO therefore limits the metering requirement to the bidirectional meter, departing from the generation-meter requirement of Article 12 of the current Rule.

5.7. Jointly acting self-consumers and collective self-consumption

Article 29 allows self-consumers located in the same building, including multi-apartment buildings, to generate, store, share and sell renewable electricity jointly. ERO is responsible for establishing the criteria needed for these arrangements to operate.¹⁷

5.7.1. Proposed option

Participants should agree on fixed sharing coefficients determining the percentage of collective generation allocated to each participant. These coefficients should apply for a defined period and should be capable of revision where one of the following occurs.

- A participant joins or leaves.
- Ownership or occupancy materially changes.
- Participants agree to amend the allocation.
- Another predefined review point is reached.

¹⁶ Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources (2024), articles 30.1.1, 30.3, 30.4 and 38.

¹⁷ Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources (2024), articles 28.2.6 and 29.



The collective generation facility should be separately metered, and the agreed coefficients should be applied during the billing and settlement process.

5.7.2. Analysis

A fixed-coefficient methodology provides a balance between administrative simplicity and fairness. Fully dynamic allocation would in theory provide a closer match between each participant's consumption and its share of generation, however it would require more sophisticated interval metering and settlement for every participant.

Fixed coefficients provide certainty to participants regarding their share of generation. Allowing periodic revision avoids locking the building into an allocation that may become inappropriate as occupancy or consumption patterns change.

5.7.3. Alternative option

Alternative, dynamic allocation based on consumption - Generation would be allocated between participants according to their actual consumption during each settlement interval. This gives closer alignment between electricity use and allocated generation and potentially more efficient use of collective output. It requires significantly greater metering, data-exchange and billing complexity, particularly in buildings with many participants or multiple suppliers.

5.8. Storage and technical configuration

The Law provides that renewable electricity stored and consumed within the consumer's premises should not be subject to double charging. It also provides that storage associated with the self-consumption installation may be charged only from the consumer's own renewable generation.¹⁸

5.8.1. Proposed option

Compliance with the restriction on grid charging is ensured through the technical configuration of the inverter, the battery-management system or the energy-management system. The system is configured so that the storage unit cannot charge from the public network, and this configuration is verified at commissioning.

5.8.2. Analysis

Technical configuration is the least burdensome means of implementing the legal requirement. Modern hybrid inverters and energy-management systems can generally control the source from which the battery is charged, allowing compliance to be established without an additional dedicated meter. This avoids additional costs, particularly for household installations, while maintaining a clear technical requirement.

The principal disadvantage is that continued compliance depends on the configuration remaining unchanged after commissioning. The technical rules should therefore specify the required settings and the responsibility of the installer and the consumer for maintaining them.

5.8.3. Alternative option

Alternative, a dedicated storage meter - A separate meter could record electricity entering and leaving the battery. This provides independent and directly measurable evidence of storage flows. It adds cost and complexity, particularly where the legal objective can already be achieved through technical configuration.

¹⁸ Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources (2024), articles 28.1.2, 28.2.2 and 36.



5.9. Limitation of network capacity in specific areas

Article 28.1.2 of the Law allows the network operator to limit the maximum capacity available in specific areas and for a specific period where this is justified by technical limitations in the grid, and requires ERO to monitor those cases and the actions taken by the operator to remove the limitation. ERO's supervision of such limitations is therefore a requirement of the Law. The specific procedural safeguards set out below are ERO's implementation of that obligation and are a matter of regulatory design rather than a separate statutory requirement. The Law separately requires that network development and connection rest on objective, transparent and non-discriminatory criteria.¹⁹

5.9.1. Proposed option

Where the network operator limits available self-consumer capacity in a particular area under Article 28.1.2, the limitation is subject to clear procedural safeguards. The network operator is required to do the following.

- Identify the specific technical constraint.
- State the geographic area affected.
- Specify the period for which the restriction is expected to remain in force.
- Identify planned measures for addressing or removing the constraint.
- Report the restriction and its justification to ERO.
- Inform affected applicants of the restriction and of the remedies available to them under the applicable ERO rules.

5.9.2. Analysis

The Law recognizes that technical restrictions may sometimes be necessary, particularly where distributed generation becomes concentrated in areas with limited hosting capacity. Such restrictions should not become indefinite or general barriers to self-consumption.

Requiring the network operator to explain the technical basis, the expected duration and the planned remedy creates accountability and gives ERO the information needed to distinguish genuine network constraints from avoidable connection barriers.

5.10. Continuation of the existing support scheme

The Rule now in force has applied since August 2023 and consumers have been admitted to the net-billing scheme under its conditions. By August 2026, authorizations for self-consumption covered approximately 40 MW across more than 1,400 authorized self-consumers, according to ERO's authorization records. Those consumers invested on the basis of the terms then in force: surplus electricity valued at the energy-component price multiplied by a coefficient C of 0.85 at low voltage and 0.80 at medium voltage and at transmission level; monetary credit reset every six months, on 1 January and 1 July, with any unused balance lost; and a power purchase agreement available for twelve years (Articles 7 and 9 of the current Rule).

The amended Rule changes each of those terms. It values injected electricity at the ALPEX hourly day-ahead market price for the hour of injection, replaces the six-month reset with a calendar-year credit-utilization period, and revises the treatment of network costs. The Law does not prescribe how consumers already admitted to the scheme are to be treated, so ERO must decide whether the revised terms apply to them. This section sets out that decision.

¹⁹ Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources (2024), articles 28.1.2 and 36.



5.10.1. Proposed option

Self-consumers authorized under the Rule currently in force before the amended Rule enters into force retain, for the remainder of their twelve-year entitlement counted from commissioning, the valuation of surplus electricity and the credit-utilization period under which they were authorized. Each of them may nevertheless move to the revised scheme at any time, by a written and irrevocable election addressed to its supplier and notified to ERO, taking effect from the beginning of the following calendar-year period.

This protection of acquired rights (grandfathering) attaches to the installation as authorized. Where a grandfathered self-consumer increases its installed capacity after the amended Rule enters into force, the additional capacity is treated under the revised scheme, with its own twelve-year period running from the commissioning of that capacity.

5.10.2. Analysis

Full grandfathering of self-consumers authorized under the current Rule protects the investment decisions taken on the basis of the valuation coefficient and the credit rules then in force, and reduces the risk that the amended Rule is challenged as interfering with acquired entitlements.

The twelve-year power purchase agreement under Article 7 of the current Rule gives those self-consumers a defined period of entitlement, and they sized their installations against the coefficient and the six-month credit reset then applicable. Applying the revised valuation and the calendar-year credit period to them would change the economics of investments already made, without improving the price signal that the amended Rule is intended to create for new entrants.

The cost of operating two sets of terms in parallel remains limited and diminishes over time. The grandfathered population is closed, because it covers only authorizations issued before the amended Rule enters into force, and it extinguishes installation by installation as each twelve-year entitlement ends. The optional election allows self-consumers who prefer the revised terms to migrate without ERO compelling them.

The network fee described in Chapter 5.4 applies to all self-consumers under respective support schemes, including those authorized under the Rule now in force. Grandfathering preserves the valuation of surplus electricity and the credit-utilization period under which a self-consumer was authorized; it does not exempt the installation from network charges, which apply to all network users under the tariffs and rules in force from time to time.

5.10.3. Alternative option

Migration of all self-consumers to the revised scheme. All net-billing self-consumers, including those authorized under the Rule now in force, would move to the revised valuation and the revised credit-utilization period from a single date, following a defined transition. This is materially simpler to administer, because suppliers and ERO would operate one scheme rather than two, and it treats all self-consumers alike from the same date. It may, however, be contested as an interference with entitlements acquired under the current Rule and under the twelve-year contracts concluded on the basis of it, and would need legal confirmation before being adopted.

Annex 1: International practice in self-consumer regulation

This annex reviews how self-consumer schemes are designed across five European jurisdictions. Each case was selected as it provides examples for key design questions treated in this Concept Document, such as: the capacity thresholds for participation, how self-consumers are remunerated for the electricity they inject, how excess credits are carried over, expire or are compensated, and how self-consumers are treated under network charges.



Albania and North Macedonia are Western Balkans peers that share Kosovo's starting conditions. Romania, Spain, and Poland are EU members.

The table summarizes the five schemes across capacity thresholds, the remuneration of surplus, covering the price basis and the credit rules, and the structure of network charges.

Table 3 Capacity thresholds, remuneration and network-charge treatment of self-consumers across the five schemes reviewed

Country	Model	Capacity thresholds	Remuneration of surplus (price & credit rules)	Network charges
Albania	Net-billing framework adopted 2026; migration on approval of the price by the regulator	≤500 kW; sized to average consumption of previous two years	Previous-year average day-ahead price on the Albanian Power Exchange, taking account of distribution, transmission and balancing costs; floor of 80% of the household retail price and ceiling set by the approved renewable purchase price for 2027; monthly credits reconciled annually, with year-end carry-over up to 20% of annual injection value	No dedicated self-consumer capacity charge; distribution, transmission and balancing costs are considered in the export-price methodology
North Macedonia	Preceding self-consumer scheme; new framework adopted 2026	10 kW and 70 kW	Reference price (the average price paid to the supplier, excluding network fees, charges and taxes) × 0.9, reduced further by the ratio of imports to exports where exports exceed imports; settled over two six-month periods	Volumetric and fixed low-voltage charge; no self-consumer-specific charge
Romania	Quantitative compensation (≤200 kW) / financial settlement (>200-400 kW)	≤200 kW quantitative compensation; >200-400 kW financial settlement	≤200 kW: monthly one-for-one compensation of the active-energy component at the supply-contract active-energy price, excluding tariffs and taxes; >200-400 kW: monthly weighted-average day-ahead market price	Network tariffs, taxes and other regulated charges on electricity withdrawn from the network remain separate from the active-energy compensation
Spain	Net-billing (simplified compensation)	≤100 kW for simplified compensation; ≤15 kW lighter access and connection permitting	Regulated-tariff consumers: imports valued at the applicable hourly energy cost and exports at the hourly market-derived surplus price less deviation cost; free-market prices determined contractually; monthly compensation capped at the value of imported energy, with no statutory credit rollover	Power components (€/kW-year) + energy components (€/kWh); behind-the-meter renewable self-consumption exempt from network tolls and system charges since 2018; additional network-use amount may apply to certain nearby self-consumption through the distribution network
Poland	Net-billing (2022, reformed 2024)	Micro-installations ≤50 kW for the standard individual self-consumer model	Exports valued at monthly or hourly market prices; self-consumer deposit = $1.23 \times$ applicable export value; 12-month utilization period; unused balance subject to limited reimbursement of up to 20% under monthly settlement or 30% under hourly settlement	Self-consumer deposit does not offset distribution or other network charges; applicable tariffs include fixed and volumetric distribution charges and a banded capacity fee

A1.1 Albania

In May 2026 the Council of Ministers of Albania adopted a net-billing regime. It replaces the existing net-metering scheme once the regulator approves the regulated export price.²⁰

²⁰ Decision of the Council of Ministers of the Republic of Albania No. 368/2026 establishing the net-billing scheme for self-producers, adopted May 2026. The scheme replaces the existing net-metering arrangement once the Energy Regulatory Entity (ERE) approves the regulated purchase price.



Capacity thresholds

The scheme applies to household and non-household self-producers connected to the distribution network, with a maximum installed capacity of 500 kW. Capacity may not exceed the approved connection capacity and is sized against the consumer's average annual consumption over the previous two years. Projected annual generation should not exceed average annual consumption.

Remuneration

Under Albania's net-billing framework, electricity withdrawn from the grid and surplus electricity injected by the self-producer are valued separately in monetary terms. Any positive balance from exported electricity is carried forward as a credit to subsequent billing periods, rather than offset on a one-for-one kWh basis.

For self-producers supplied by the Universal Service Supplier or the Supplier of Last Resort, the annual export price is based on the previous year's average ALPEx Day-Ahead Market price, while also taking into account distribution, transmission and balancing costs. The price is subject to a floor of 80% of the regulated household retail tariff and a ceiling linked to the ERE-approved renewable electricity purchase price for 2027. ERE approves the applicable net-billing price annually (each December), while the framework leaves the detailed treatment of network and balancing-cost components to the annual determination.

Unused monetary credits are transferred to subsequent months. At the end of the calendar year, credit up to 20% of the value of the electricity injected during that year may be carried into the following year, and credit above that amount is reset to zero. Accumulated credits must be transferred when the consumer changes supplier. For self-producers in the deregulated market, the purchase price and the other terms are negotiated bilaterally with the supplier, subject to general conditions approved by the regulator.

The transitional arrangement is relevant to Kosovo. The 2026 decision does not terminate net metering immediately. Existing self-producers remain under net metering until the regulator approves the new purchase price. Once that price is approved, existing net-metering consumers migrate automatically to net billing, and accumulated net-metering surpluses are treated under the new scheme.

Network charges

The scheme does not introduce a dedicated self-consumer capacity charge. The remuneration provision itself requires the regulator to take distribution, transmission and balancing costs into account, and states that compensation should reflect market value while avoiding unjustified cross-subsidies between self-producers and other consumers.

A1.2 North Macedonia

North Macedonia has operated a self-consumer compensation scheme that is relevant to Kosovo as a Western Balkans comparator. A new renewable-energy framework was adopted in 2026 and its detailed implementation is still developing, so the remuneration methodology set out below refers to the preceding self-consumer scheme rather than to the design of the new framework.

Capacity thresholds

Under the preceding scheme the maximum installed capacity was 6 kW for households and 40 kW for small consumers. Those limits had previously been raised from 4 kW and 20 kW respectively.

In August 2025 the Ministry of Energy, Mining and Mineral Resources announced proposed legislative changes increasing the thresholds to 10 kW for households and 70 kW for companies, together with simplified permitting and connection procedures. The announcement presented those changes in the context of proposed amendments to the Energy Efficiency Law.



North Macedonia subsequently adopted a new Law on the Use of Energy from Renewable Sources, published in Official Gazette No. 146/2026, and the ministerial register of legislation confirms its adoption. The new framework introduces dedicated regulation of renewable self-generation, including net-metering and net-billing mechanisms. Because the detailed implementation of those mechanisms is still being established, the preceding scheme is retained below as the verified methodological comparator.²¹

Remuneration

Under the preceding self-consumer scheme, compensation for electricity injected into the network was based on a reference price corresponding to the average price paid by the self-consumer to its supplier, excluding network fees, other charges and taxes. Where the universal supplier purchased the surplus, the reference price was linked to its average procurement price for households and small consumers.²²

The remuneration formula applied a coefficient of 0.9.

Where imports are at least as large as exports: compensation = reference price × 0.9.

Where exports exceed imports: compensation = reference price × 0.9 × (imports ÷ exports).

The mechanism therefore contained two potential reductions. The coefficient of 0.9 applied a standing reduction of 10 per cent to the reference price. Where exports exceeded imports, the ratio of imports to exports reduced the remuneration further. The design reduced the economic incentive to oversize an installation substantially without prohibiting surplus production. Settlement under the preceding scheme was carried out over two six-month periods, January to June and July to December.

The formula above should be understood as the preceding North Macedonian compensation methodology. The 2026 renewable-energy legislation introduces a new framework for net metering and net billing, and its detailed implementation should be monitored before the new regime is used as a methodological benchmark.

Network charges

A relevant feature of the preceding compensation formula is that the reference price expressly excluded network fees, other charges and taxes. Surplus electricity was therefore not credited at the full final retail price.

A1.3 Romania

Romania applies a differentiated self-consumer settlement framework according to installation size. The framework was materially amended by Law No. 160/2026, published on 23 July 2026 and in force from 26 July 2026. The new law changes the settlement arrangements for self-consumers while retaining the distinction between installations of up to 200 kW and installations above 200 kW and up to 400 kW.²³

Capacity thresholds

Renewable installations with an installed capacity of up to 400 kW per consumption point may benefit from the special self-consumer arrangements. The principal distinction is between installations of up to 200 kW, which receive quantitative compensation, and installations above 200 kW and up to 400

²¹ Law on the Use of Energy from Renewable Sources, Republic of North Macedonia, Official Gazette No. 146/2026.

²² Rulebook on renewable energy sources, Republic of North Macedonia. Article 5 sets the compensation formula and defines the reference price as the average price paid by the prosumer to its supplier, excluding network fees, other charges and taxes.

²³ Law No. 160/2026, published on 23 July 2026 and in force from 26 July 2026.



kW, which receive financial settlement. Quantitative compensation for installations of up to 200 kW remains available until 31 December 2030.

Remuneration

For self-consumers with installations of up to 200 kW, Law No. 160/2026 provides for monthly quantitative compensation. Electricity injected into the network offsets electricity withdrawn on a one-for-one basis for the active-energy component, using the active-energy price in the self-consumer's supply contract. Network tariffs, taxes and other regulated charges remain applicable to electricity withdrawn from the network. Any electricity injected in excess of consumption during the billing period is valued at the same active-energy price, excluding tariffs and taxes.

Installations $\leq$ 200 kW: export value = active-energy price in the self-consumer's supply contract, excluding tariffs and taxes.

The previous methodology allowed surplus electricity to be carried forward for up to 24 months. Law No. 160/2026 replaces that structure with monthly compensation and billing. Because the Romanian National Energy Regulatory Authority must adapt the detailed implementing methodology to the new law, the system should presently be described as a new statutory monthly-compensation framework under regulatory implementation rather than as a set of billing procedures that has already been fully revised in practice.

For installations above 200 kW and up to 400 kW the supplier purchases electricity injected into the network from self-consumers using the monthly weighted-average price recorded on the day-ahead market in the month in which the electricity was produced.

Installations $>$ 200 kW and $\leq$ 400 kW: export value = monthly weighted-average day-ahead market price.

Network charges

Romania does not treat the export credit as equivalent to the full final retail electricity price. The energy injected by the self-consumer is valued by reference to the active-energy component, while the tariffs and taxes associated with electricity withdrawn from the network remain separately applicable. Compensation for the electricity commodity therefore does not eliminate the network and other regulated costs associated with subsequent withdrawals.

A1.4 Spain

Spain operates a simplified surplus-compensation mechanism under Royal Decree 244/2019. Imported and exported electricity are valued separately, and surplus compensation is expressed in monetary rather than energy terms.

Capacity thresholds

The simplified compensation mechanism is available to qualifying renewable installations where the total installed production capacity does not exceed 100 kW. Installations with surplus generation of 15 kW or less, located on urbanized land meeting the statutory requirements, are also exempt from obtaining generation access and connection permits.

Remuneration

Under simplified compensation, electricity withdrawn from the network and surplus electricity injected into the network are valued separately. For consumers supplied under the regulated tariff for small consumers the two prices are as follows.

Import price = hourly energy cost applicable under the regulated tariff for small consumers.

Export price = hourly market-derived surplus price based on the day-ahead and intraday markets, less the applicable deviation cost.



For consumers on the free market the price assigned to both imported and surplus electricity is determined according to the contractual arrangements with the retailer. The compensation is calculated as an economic balance within the billing period.

The economic value assigned to surplus electricity may not exceed the economic value of electricity withdrawn from the network during the same billing period, and the billing period for this purpose may not exceed one month. The simplified mechanism therefore does not create a monetary credit that accumulates indefinitely. Surplus compensation can reduce the energy component of the bill to zero, and it cannot produce a negative energy charge under the statutory simplified-compensation mechanism.

Network charges

Electricity withdrawn from the network remains subject to the applicable network tariffs and system charges. For small consumers, these include contracted-power components expressed in €/kW-year and time-varying energy components expressed in €/kWh.

Renewable electricity consumed directly from the self-consumer's installation is exempt from network tolls and system charges. This exemption was introduced in 2018, effectively abolishing the former charge on self-consumed electricity. Consequently, variable network and system charges are generally applied to electricity actually withdrawn from the grid rather than to electricity generated and consumed behind the meter.

A specific exception applies to certain forms of nearby self-consumption through the public distribution network. Where electricity is transferred between the associated generation installation and the consumer through the distribution network, an additional network-use amount expressed in €/kWh may apply to the electricity transferred.

A1.5 Poland

Poland replaced its former quantity-based net-metering system for new entrants with net-billing in 2022. The net-billing arrangements were subsequently revised by legislation that entered into force on 27 December 2024.²⁴

Capacity thresholds

For the standard individual self-consumer model considered here the relevant generation category is the micro-installation, defined as a renewable-energy installation with installed electrical capacity of up to 50 kW.

Remuneration

Poland separates the value assigned to electricity injected into the network from the price and charges subsequently paid for electricity withdrawn from the network. Electricity exported by the self-consumer is assigned a monetary market value and credited to a self-consumer deposit.

For self-consumers who began producing electricity before 1 July 2024, the 2024 reform restored settlement based on the monthly market price as the default approach, while allowing them to opt voluntarily for settlement based on the hourly market price. Self-consumers entering the relevant net-billing arrangements from 1 July 2024 are settled on the basis of hourly market values. Under hourly settlement, exported electricity is valued according to the market price applicable in the relevant hour, so electricity injected during periods of low wholesale prices receives a correspondingly lower value. Since 27 December 2024 the value assigned to the self-consumer deposit is increased by 23 per cent.

²⁴ Act on Renewable Energy Sources, Republic of Poland, as amended with effect from 27 December 2024. Ministry of Climate and Environment, guidance for prosumers, <https://www.gov.pl/web/klimat/prosumenci-11>.



Self-consumer deposit credited = 1.23 × applicable market value of exported electricity.

The self-consumer deposit can be used to reduce the cost of electricity purchased from the supplier, but it does not offset distribution or other network charges associated with electricity withdrawn from the grid. Those charges remain payable on electricity taken from the network. By contrast, electricity consumed directly from the self-consumer's own installation avoids both the purchase of electricity from the supplier and the network charges that would otherwise have arisen from grid withdrawal.

Amounts credited to the self-consumer deposit may be used for twelve months from the date on which they are entered in the self-consumer account. After that period, unused amounts may give rise to a limited cash reimbursement:

- Self-consumers remaining on monthly settlement may receive a refund of up to 20 per cent of the relevant amount.
- Self-consumers settled according to the hourly market price, including earlier self-consumers who elect to move to hourly settlement, may receive a refund of up to 30 per cent.

The Polish system can therefore be characterized as market-based export valuation with a 23 per cent deposit uplift, a twelve-month utilization period and limited cash reimbursement, while network charges on electricity withdrawn from the grid remain outside the self-consumer-deposit settlement mechanism.

Network charges

Electricity consumed directly from the self-consumer's installation avoids the costs associated with withdrawing that electricity from the network, while electricity subsequently taken from the network is billed under the applicable supply and network-tariff arrangements. Distribution tariffs approved by the Polish Energy Regulatory Office combine a fixed and a volumetric distribution charge with a banded capacity fee.