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



ERO/Rule No. 01/2025

**RULE ON RENEWABLE ENERGY SUPPORT MECHANISM
(RULE ON RES MECHANISM)**

18 December 2025



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The Board of Energy Regulatory Office, pursuant to authority granted under Article 9, paragraph 1, subparagraph 1.7, Article 25, Article 26, paragraph 1, sub-paragraph 1.1 of the Law on Energy Regulator No. 05/L-084, Article 5, paragraph 3, Article 23, paragraphs 2, 3, 4, 5, and 6, Article 24, Article 26 paragraph 3 and paragraph 4, Article 28 paragraph 2, sub-paragraph 2.4 and sub-paragraph 2.5 and Article 30 of the Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources, in the session held on 18 December 2025, approved the following:

RULE ON RENEWABLE ENERGY SUPPORT MECHANISM

(RULE ON RES MECHANISM)

CHAPTER 1

GENERAL PROVISIONS

Article 1

Scope and Purposes

1 This Rule sets:

- 1.1 The Roles and responsibilities of the Renewable Energy Operator, the entity responsible for managing and operating the Renewable Energy Support Fund;
- 1.2 The methodology for determining the annual cost of the Renewable Energy Support Fund (RES Fund);
- 1.3 The Methodology for calculating, and periodically updating, for the Renewable Energy Obligation Charge (REOC), applicable to all customers to fund the Renewable Energy Support; and,
- 1.4 The mechanism for compensating Suppliers for the costs incurred for the implementation of the support schemes for Renewable Energy Self-consumers.

Article 2

Definitions and Interpretations

1 The following terms are used in this Rule and have the following meanings:

- 1.1 **“Business Days”** means all working days of the week as defined in Kosovo law;
- 1.2 **“Contract for Difference”** means a type of financially settled support whereby a sliding premium, constituted by the difference between the Reference Price and the Strike Price, is settled between the Renewable Energy Operator and the RES Producer under Support. If the Reference Price is lower than the Strike Price, the Renewable Energy Operator pays the difference to the RES Producer under Support. If the Reference Price is higher than the Strike Price, the RES Producer under Support pays the difference to the Renewable Energy Operator;



- 1.3 **“Contract for Premium”** means a form of financially settled support whereby a fixed premium on top of the market price is paid by the Renewable Energy Operator to the Privileged Producer under Support for the electricity generated by them;
- 1.4 **“Extraordinary Event”** means an event triggered when the value of the expenses of the Renewable Energy Support Fund deviate beyond the Materiality Threshold;
- 1.5 **“Extraordinary Review”** has the meaning given to it in Schedule 3;
- 1.6 **“Guarantee of Origin”** means an electronic document which proves to a final customer that a given share or quantity of energy was produced from Renewable Energy Sources and which can be used also for sale purposes;
- 1.7 **“Liquidity Buffer”** has the meaning given to it in Article 15;
- 1.8 **“Market Operator”** or “MO” means the holder of the Market Operator Licence;
- 1.9 **“Materiality Threshold”** has the meaning given to it in Article 10;
- 1.10 **“Organized Market”** means the national day-ahead organized electricity market;
- 1.11 **“Power Purchase Agreement”** means an agreement signed between the Renewable Energy Operator and the RES Producer under Support defining the terms and conditions, for the construction of an electricity generation facility by a RES Producer under Support;
- 1.12 **“Regular Adjustment”** means the mechanical adjustment to the Renewable Energy Support Fund undertaken towards the end of each Relevant Year;
- 1.13 **“Regulator”** means the Energy Regulatory Office;
- 1.14 **“Relevant Year”** means the period of 12 successive calendar months between Regular Adjustments (1 April – 31 March);
- 1.15 **“Renewable Energy Obligation Charge (REC)”** has the meaning given to it in Article 16;
- 1.16 **“Renewable Energy Support Fund”** is the ring-fenced fund managed and operated by the Renewable Energy Operator for the transparent collection and disbursement of financial resources to compensate renewable energy RES Producers under Support and administer the Renewable Energy Obligation in accordance with the Renewable Energy Support Framework;
- 1.17 **“Renewable Energy Operator”** is the entity designated to be the counterparty to Renewable Energy Producers benefitting from the Support Scheme and responsible for managing of the Renewable Energy Support Fund;
- 1.18 **“Renewable Energy Self-consumer”** a final consumer operating within its premises, who generates renewable electricity for its own consumption, who may store or sell self-generated renewable electricity, provided that, for a non-household Renewable Energy Self-consumer, those activities do not constitute its primary commercial or professional activity;



- 1.19 **“RES Producer under Support”** means any Renewable Energy Producer who benefits from a Support Scheme according to the provisions of the Law;
- 1.20 **“Support Contract”** means the contract on the basis of which the RES Producer under Support is granted support under a Support Scheme in the either a Power Purchase Agreement/PPA, a Contract for Premium or a Contract for Difference;
- 1.21 **“Support Scheme”** shall have the meaning given to it in the Law on the Promotion of the Use of Renewable Energy Sources No. 08/L-258 and any other support scheme established by law.

- 2 The other terms in this rule shall have the meanings specified in the Law on the Energy Regulator, the Law on Electricity, Law on the Promotion of the Use of Renewable Energy Sources or in the Law on Energy.
- 3 The use of a noun in one gender also implies the other gender.

CHAPTER 2

ROLES AND RESPONSIBILITIES OF THE RENEWABLE ENERGY OPERATOR

Article 3

Managing and operating the Renewable Energy Support Fund

- 1 The Renewable Energy Operator shall manage and operate the Renewable Energy Support Fund in accordance with this Rule and the instructions given by the Regulator.
- 2 The Renewable Energy Support Fund ensures that the collection, distribution and use of REO funds is carried out, including:
 - 2.1 the payable differences between the Strike Price and the Reference Price for Privileged Producers granted support based on a Contract for Difference and the payments of the premium for Privileged Producers granted support based on a Contract for Premium;
 - 2.2 the payable differences between the Strike Price and Reference Price for Privileged Producers who have been supported on the basis of a Feed-in Tariff based on a Power Purchase Agreement;
 - 2.3 costs for covering imbalances for RES Producers under Support that are partially exempted from balancing responsibility;
 - 2.4 Costs related to compensation of suppliers for implementation of renewable energy support schemes for Renewable Energy Self Consumers; and,
 - 2.5 the day-to-day operational and maintenance costs of the Renewable Energy Operator, including but not limited to the cost of financing, market access, working capital and cost of provisioning reserves to ensure the financial liquidity and solvency of the Renewable Energy Support Fund on a rolling basis.



2.6 The Regulator, by decision, determines the responsibilities of the Renewable Energy Operator.

Article 4 **Counterparty to RES Producers under the Support Scheme**

- 1 The Renewable Energy Operator shall manage the financial settlements for RES benefiting from a Support Scheme, such as a Contract for Difference, a Contract for Premium, or a Power Purchase Agreement (PPA).
- 2 In the capacity of contractual counterparty, the Renewable Energy Operator shall inherit Power Purchase Agreements signed before entry into force of the Law on Promotion of the Use of Renewable Energy Sources.
- 3 In this process, it is ensured that the transfer of obligations and rights of these agreements are carried out without creating conflict with existing agreements, through transitional provisions that clearly define the transfer of legal and financial responsibilities.
- 4 The Renewable Energy Operator shall:
 - 4.1 be the physical off-taker of the electricity produced by RES Producers under Support who are granted support based on a Power Purchase Agreement;
 - 4.2 be the contractual counterparty for RES Producers under Support for settling payments under the Support Contract.
- 5 The Renewable Energy Operator shall sell the electricity purchased pursuant to PPAs that do not have a conversion clause into a Contract for Difference directly in the Organized Market.
- 6 The Renewable Energy Operator shall sell Guarantees of Origin issued in respect to electricity from Renewable Energy Producers under Support and transfer the revenues from these sales to the Renewable Energy Support Fund.
- 7 The Renewable Energy Operator must publish periodically, once a year, a detailed report on the financial and commercial performance of the operations under this article, including revenues from energy sales and Guarantees of Origin, balancing costs and compensations paid to Renewable Energy Producers.

Article 5 **Renewable Energy Self-consumers**

- 1 Renewable Energy Self-Consumers with support schemes shall participate in the balancing group of their Supplier.
- 2 The Renewable Energy Operator shall compensate suppliers for the difference between the monetary value of the credits used by their self-consumers under support schemes and the suppliers' estimated monetary benefit from receiving the surplus electricity of their self-consumers, in accordance with Schedule 4.



- 3 Where the supplier's estimated monetary benefit from taking over surplus electricity from its self-consumers is higher than the monetary value of the credits used by its self-consumers, the supplier shall compensate the Renewable Energy Operator.
- 4 The Renewable Energy Operator and the suppliers shall settle the monetary differences on a monthly basis.
- 5 Guarantees of Origin for excess electricity from self-consumers under support schemes shall be issued to, and owned by, the Renewable Energy Operator.
- 6 The network operator shall provide to the Renewable Energy Operator and the relevant Suppliers validated interval consumption and excess electricity measurements.
- 7 Each Supplier shall keep separate account ledgers for each of their Renewable Energy Self Consumers.
 - 7.1 The account ledger for Renewable Energy Self-consumers supported through the net-metering scheme shall record all acquired and used credits as well as the monthly balance of credits for a Renewable Energy Self Consumer in kWh,
 - 7.2 The account ledger for Renewable Energy Self-consumers supported through the net-billing scheme shall record all acquired and used credits as well as the monthly balance of credits for a Renewable Energy Self Consumer in Euro.
 - 7.3 Each Supplier shall submit to the Renewable Energy Operator a monthly electronic statement, in a Regulator-approved format, showing for each Renewable Energy Self Consumer: scheme type, excess electricity (in kWh), coefficients applied, energy component of supply price (for net-billing), average retail price (for net-metering), credits granted (in Euro for net-billing/in kWh for net-metering), redeemed credits and remaining credits.
- 8 On a change of Supplier, the previous Supplier shall transfer to the new Supplier all outstanding ledger balances and credit carry-overs by Tariff Period in a regulator-approved transfer file.
- 9 The Renewable Energy Operator shall reconcile transferred balances against network metering data to prevent double payment.

Article 6 **Public Register of RES Producers under Support**

- 1 The Renewable Energy Operator shall maintain an electronic register of all RES Producers under Support in line with the requirements of the Law on the Protection of Personal Data.
- 2 The Register shall include at least the following information:
 - 2.1 Name of producer, location, capacity and technology of the plant;
 - 2.2 The form, level and duration of the support;
 - 2.3 date of entry and exit from the Support Scheme;



- 2.4 the support price level or the formula for its calculation;
- 2.5 project status (active, in suspension, excluded);
- 2.6 the network operator to which the plant is connected; and
- 2.7 unique identification number of the support contract.

3 The register shall be accessible by the public and shall be periodically updated to reflect any new admissions or exclusions from the Support Scheme.

Article 7 **Unbundling of accounts**

- 1 The Renewable Energy Operator shall maintain separate accounts, records, and financial statements for the support Fund from those of the Market Operator, in a manner equivalent to that required of separate undertakings, even if the two entities are under common ownership or management.
- 2 The Renewable Energy Operator must implement appropriate account separation methods to ensure that:
 - 2.1 No cross-subsidization occurs between the Renewable Energy Operator and the Market Operator;
 - 2.2 Commercially sensitive information obtained by the Renewable Energy Operator in the course of its operations is not shared with the Market Operator, except where required for the Market Operator in the execution of its mandate;
 - 2.3 Financial resources, liabilities, or guarantees of the Renewable Energy Operator are separate from those of the Market Operator.
- 3 The Renewable Energy Operator shall propose cost allocation factors for shared costs between the Renewable Energy Operator and the Market Operator, within 90 days of the adoption of this Rule.
- 4 The Renewable Energy Operator shall prepare, each year, a consolidated audited financial report for the Support Fund, including all revenues and expenditures allocated by sources and destinations of uses.
- 5 The report is submitted to the Regulator and published in summary format on the Operator's official website.



CHAPTER 3

THE RENEWABLE ENERGY SUPPORT FUND

Article 8

General Principles

- 1 The Renewable Energy Operator shall set Renewable Energy Obligation Charges such that, within each Relevant Year, the revenues that it expects to earn from the charge are equal to Renewable Energy Support Fund approved by the Regulator.
- 2 The RES Fund is administered in a transparent, objective and impartial manner by the Renewable Energy Operator, under the supervision of the Regulator.
- 3 The financial resources of the Fund shall be used only for the purposes set out in this Rule, in accordance with the Support Framework and the budget approved by the Regulator.
- 4 The Renewable Energy Support Fund shall be determined during Regular Adjustments as follows:
 - 4.1 Before each Relevant Year, the Renewable Energy Operator shall propose to the Regulator the cost of the Renewable Energy Support Fund and Renewable Energy Operator Charge;
 - 4.2 The cost of the Renewable Energy Support Fund proposed by the Renewable Energy Operator is calculated based on the cost of the support for the upcoming Relevant Year and the differences in over/under recovery of revenues for the previous Relevant Year;
 - 4.3 The Renewable Energy Obligation Charge approved by the Regulator shall remain fixed for the duration of the Relevant Year, unless an Extraordinary Event (Article 10) occurs;
 - 4.4 Extraordinary Reviews (Article 10), which involve an adjustment to the Renewable Energy Support Fund and the Renewable Energy Obligation Charge for material changes caused by an Extraordinary Event, shall be undertaken as necessary.
- 5 All funds collected under the RES Support Fund are kept in a separate bank account and may only be used for the purposes set out in this Rule.

Article 9

Regular Adjustments

- 1 The Renewable Energy Support Fund and Renewable Energy Obligation Charges shall be set during Regular Adjustments.
- 2 Regular Adjustments shall be held prior to each forthcoming Relevant Year.
- 3 The adjustment includes the verification of the actual income and expenses of the RES Fund, compared to the initial predictions, as well as the calculation of the surplus or lack of financial resources.



- 4 The change in the Renewable Energy Support Fund and Renewable Energy Obligation Charges at each Regular Adjustment shall account for the forecast expenses and revenues of the RES fund and the Recovery Factor.
- 5 The formulae for calculating Renewable Energy Support Fund at Regular Adjustments are given in Schedule 1.
- 6 The procedure and timeline for implementing Regular Adjustments is given in Schedule 2.

Article 10 Extraordinary Reviews

- 1 Extraordinary Reviews shall be triggered by Extraordinary Events, as defined in Schedule 3.
- 2 At Extraordinary Reviews the impact of the Extraordinary Event on the Renewable Energy Support Fund for the remainder of the Relevant Year shall be calculated.
- 3 An adjustment to the Renewable Energy Support Fund shall be made if the result of the Extraordinary Review is bigger than the Materiality Threshold.
- 4 The Materiality Threshold shall be set at 20%, unless determined otherwise during Regular Adjustments based on a proposal by the Renewable Energy Operator and approved by the Regulator.
- 5 The procedure and timeline for implementing Extraordinary Reviews is given in Schedule 3.

Article 11 Expenses of the Renewable Energy Support Fund

- 1 The Forecast Expenses of the Renewable Energy Support Fund shall include:
 - 1.1 Operational and maintenance costs, including administrative, auditing and reporting costs;
 - 1.2 Costs required to cover the electricity purchased from RES Producers under Support;
 - 1.3 Costs required to cover the support provided under Contracts for Difference (CfD) frameworks;
 - 1.4 Costs required to cover the support provided under Contract for Premium (CfP) frameworks;
 - 1.5 Costs related to curtailment subject to compensation by the Renewable Energy Operator for RES Producers under Support;
 - 1.6 Costs required to cover the support provided to Renewable Energy Self-Consumers under net-metering and net-billing frameworks;
 - 1.7 Balancing costs for RES Producers under Support that are partially exempted from balancing responsibility;



- 1.8 The financial costs associated to ensuring liquidity of the fund, including but not limited to the cost of financing, market access, working capital, cost of provisioning reserves to ensure financial liquidity and solvency of the Renewable Energy Support Fund on a rolling basis, while also considering seasonality of funds;
- 1.9 The costs related to funding any additional costs of other Renewable Energy support scheme foreseen to be funded through the Renewable Energy Operator.

Article 12 Incomes of the Renewable Energy Support Fund

- 1 Sources of income of the Renewable Energy Support Fund shall include:
 - 1.1 Incomes from sales of electricity purchased from RES Producers under Support who have been supported based on a Feed-in Tariff, or PPA, in the Organized Market;
 - 1.2 Incomes from sales of Guarantees of Origin through organized GO markets, or in absence of such markets, through a competitive procedure proposed by the Renewable Energy Operator and approved by the Regulator;
 - 1.3 Incomes from grants, donations, and contributions.
- 2 The Renewable Energy Operator shall ensure that the sale of Guarantees of Origin is carried out in a transparent and competitive manner through an open procedure approved by the Regulator.
- 3 Average selling prices, volume and revenues generated from the sale of GOs will be published on the Operator's official website.

Article 13 Allowed Bad Debt

- 1 The Renewable Energy Operator shall be allowed to recover reasonable levels of bad debt as an uplift to the cost of the Renewable Energy Support Fund.
- 2 The percentage of the allowed bad debt shall be proposed by the Renewable Energy Operator and approved by the Regulator during each Regular Adjustment.

Article 14 Recovery Factor

- 1 The Recovery Factor of the Renewable Energy Operator shall recover the under or over-recovery of the Renewable Energy Support Fund, due to differences between forecast and actual volumes of electricity transmitted, prices in the Organized Market, Production levels or any other differences occurring for reasons outside of the control of the Renewable Energy Operator.
- 2 Any adjustments for over or under-recovery of revenues in the previous year shall be compensated with interest, calculated based on EURIBOR plus S%, where S is a value to be determined by the Regulator at each Regular Adjustment and which reflects the premium payable by the licensee for short-term loans.



Article 15 **Liquidity of the Renewable Energy Support Fund**

- 1 The Renewable Energy Operator shall ensure that adequate liquidity is always maintained to meet payment obligations towards Renewable Energy Producers under Support.
- 2 For the purpose of securing liquidity, the Renewable Energy Operator shall recover the cost of obtaining short-term credit lines or other financing instruments.
- 3 In the event that the Renewable Energy Operator, acting in its capacity as administrator of the Renewable Energy Support Fund, is unable to secure short-term financing on reasonable market terms under paragraph 1 of this Article, the regulator must determine Liquidity Buffer within the Renewable Energy Support Fund.
- 4 The Liquidity Buffer shall correspond to a level that enables the coverage of at least nine (9) average monthly payments of the Fund for the upcoming Relevant Year and shall be updated periodically during each Regular Adjustment.
- 5 The Renewable Energy Operator must ensure that the cost of short-term credit lines and other funding instruments reflects current market effective interest rates and conditions.
- 6 The Liquidity Buffer shall consist of cash reserves accumulated through the Renewable Energy Obligation surcharge or other approved sources, in an amount sufficient to safeguard the continuous and timely settlement of obligations towards renewable energy producers.
- 7 The size of the Liquidity Buffer shall be subject to prior approval by the Regulator, taking into account:
 - 7.1 the expected cash flow profile of the Renewable Energy Support Fund; and,
 - 7.2 payment obligations under the renewable energy support scheme.
- 8 The Renewable Energy Operator shall report annually to the Regulator on the level of the liquidity buffer, its utilization, and replenishment.

CHAPTER 4 **RENEWABLE ENERGY OBLIGATION**

Article 16 **Renewable Energy Obligation Charge**

- 1 The Renewable Energy Obligation Charge shall apply to all customers connected to the electricity transmission and distribution system in Kosovo, except for consumers who are exempt from payment, pursuant to paragraph 4 of this Article.
- 2 The RES Fund shall be funded through the Renewable Energy Obligation Charge which is collected from all suppliers supplying final consumers, on a monthly basis, calculated per kWh consumed.
- 3 The collection of the Renewable Energy Obligation Charge from suppliers is carried out in accordance with the provisions of the Law on Electricity and the sub-legal acts of the Regulator.



- 4 A final consumer may be exempted from paying the Renewable Energy Obligation Charge if both of the following conditions are met:
 - 4.1 it has purchased Guarantees of Origin covering its entire consumption; and,
 - 4.2 its consumption is supplied through a purchase contract with a RES Producer who is not receiving support.
- 5 The exemption from the tariff takes place only when the consumer and the supplier present documented and verifiable evidence of the purchase of Guarantees of Origin and the contract with RES without support.
- 6 The Renewable Energy Operator must verify the accuracy of the documents before calculating the tariff.
- 7 The exempted demand shall be deducted from the total volume of electricity consumption which will serve as the basis for calculating the Renewable Energy Obligation Charge.
- 8 The Renewable Energy Operator shall require all suppliers to provide appropriate payment insurance instruments that will be activated in the event the supplier fails to fulfil its payment obligations.
- 9 The payment insurance instrument shall be issued in favour of the Renewable Energy Operator as the sole beneficiary and shall secure the due and punctual payment of an amount not less than the cumulative value of three (3) months of the supplier's projected Renewable Energy Obligation Charge payments.
- 10 The Renewable Energy Obligation Charge shall be separately identified on invoices/bills of final consumers.
- 11 The Renewable Energy Obligation Charge shall have a positive or negative value depending on the forecast balance of the Renewable Energy Support Fund, unless otherwise determined by the Regulator in the interest of increasing the liquidity of the Renewable Energy Support Fund.
- 12 The Renewable Energy Obligation Charge shall be clearly shown on the final customers' bills. In case of a negative value, the Operator will apply the refund or discount procedure according to the instructions of the Regulator.

CHAPTER V

TRANSITIONAL AND FINAL PROVISIONS

Article 17 **Amendments/Supplements**

- 1 ERO retains the right to change or modify any provision of this Rule.

Article 18 **Interpretation**

If there is uncertainty about the provisions of this Rule, the Board will issue explaining information.



Article 19 Official Language of the Rule

This Rule is published in official languages of the Republic of Kosovo. In the event of discrepancies between versions, the Albanian version shall prevail.

Article 20 Entry into force

1. The Rule comes into force upon its adoption by the ERO Board.
2. The Rule will be published in the official website of the ERO.

ERO Board

Ymer Fejzullahu, Chairman

Gani Bucaj, Member

Lutfije Dervishi, Member

Arta Qorolli Isufi, Member

Adnan Preniqi, Member



SCHEDULE 1 CALCULATION OF THE RENEWABLE ENERGY SUPPORT FUND

- 1 This schedule sets out the formulae for calculating Renewable Energy Support Fund of the Renewable Energy Operator. This schedule is intended to complement and clarify the application of the principles set out in the main body of the Rule.
- 2 The Renewable Energy Support Fund (RESF) shall be calculated at Regular Adjustments using the following formula:

$$RESF = \frac{(C_{PPA} \pm C_{CfD} + C_{FiP} + C_{Pro} + Bal + Adm + Fin + Add - S_{Elec} - S_{GO} - G + Adj)}{(1 - BDTA)}$$

Where

C_{PPA} is the total cost of electricity purchased from RES Producers under Support Schemes. These costs include any compensation costs associated with curtailment subject to compensation by the Renewable Energy Operator.

C_{CfD} The payable differences between the Strike Price and the Reference Price for RES Producers under Support granted support based on a Contract for Difference (CfD). These costs may be negative. These costs include any compensation costs associated with curtailment subject to compensation by the Renewable Energy Operator.

C_{FiP} Payments of the premium for RES Producers under Support granted support based on a Contract for Premium. These costs shall include any costs for compensation associated with curtailment which are subject to compensation by the Renewable Energy Operator.

C_{Pro} Compensation towards Suppliers for the remuneration of Renewable Self Consumers, according to the Renewable Energy Self-Consumer Support Scheme, expanded in Schedule 4.

Bal Balancing costs for RES Producers under Support that are partially exempted from balancing responsibility.

Adm Administrative, monitoring and reporting costs.

Fin The financial costs associated to ensuring liquidity of the fund, including but not limited to the cost of financing, market access, working capital, cost of provisioning reserves to ensure financial liquidity and solvency of the Renewable Energy Support Fund on a rolling basis, while also considering seasonality of funds.

Add Costs related to the financing of any additional costs of the Renewable Energy support scheme that are envisaged to be financed through the Renewable Energy Operator.



S_{Elec} Incomes from sales of electricity purchased from RES Producers under Support who have been supported based on a Feed-in Tariff, or PPA, in the Organized Market.

S_{GO} Incomes from sales of Guarantees of Origin. The Renewable Energy Operator shall sell the Guarantees of Origin through organized GO markets, or in absence of such markets, through a competitive bidding process to be proposed by the Renewable Energy Operator and approved by ERO.

G Incomes from grants, donations, and contributions.

$BDTA$ The bad-debt uplift to allow for fallbacks in collection rates.

3 The adjustments of the fund are calculated during every Regular Adjustment with the following formula:

$$ADJ = (AAC_{RESF,t-1} - AAR_{RESF,t-1}) * (1 + I_t)$$

$AAC_{RESF,t-1}$ Actual Allowed Costs of the RES fund during the previous regulatory period

$AAR_{RESF,t-1}$ Actual Allowed Revenues (including revenues from the Renewable Energy Obligation) of the RES fund during the previous regulatory period

I_t the interest rate for the Relevant Year t calculated based on EURIBOR plus S%, where S is a value to be determined by the Regulator at each Relevant Year and which reflects the premium payable by the licensee for short-term loans.



SCHEDULE 2 THE REGULAR ADJUSTMENT PROCESS

- 1 The Renewable Energy Operator shall submit the proposed Renewable Energy Support Fund for the forthcoming Relevant Year to the Regulator at least 60 Business Days before the start of the forthcoming Relevant Year.
- 2 The Renewable Energy Operator shall also include in its submission all relevant documents and evidence including the values relating to all the components of the Regular Adjustment formulae given in Schedule 1 and any other items notified by the Regulator.
- 3 The Regulator may reasonably require the Renewable Energy Operator to further explain its method of calculating the proposed Renewable Energy Support Fund, and if so required, the Renewable Energy Operator shall promptly provide to the Regulator any further information or explanations sought.
- 4 The Regulator shall advise the Renewable Energy Operator at least 50 Business Days before the start of the forthcoming Relevant Year whether the information required by the Regulator to verify the calculation of the Renewable Energy Support Fund has been duly lodged.
- 5 If the Regulator finds the information is duly lodged, it shall publish the proposed Renewable Energy Support Fund for public consultation at least 40 Business Days before the start of the forthcoming Relevant Year.
- 6 If the Regulator does not accept the proposal of the Renewable Energy Support Fund it shall provide reasons and evidence why, in accordance with this Rule, and publish its own calculation of the Renewable Energy Support Fund.
- 7 The Regulator shall approve the new Renewable Energy Support Fund and Renewable Energy Obligation at least 10 Business Days before the start of the forthcoming Relevant Year.
- 8 Any difference in revenues that arises from incorrect calculations, misreporting of Actual Regulated Revenue, or disputes relating to Regular Adjustment shall be recovered in subsequent Relevant Years.
- 9 The Renewable Energy Operator may dispute or appeal any decision of the Regulator in accordance with applicable legislation.



SCHEDULE 3 EXTRAORDINARY REVIEW PROCESS

- 1 If an Extraordinary Event has occurred, the Renewable Energy Operator may request an Extraordinary Review.
- 2 An Extraordinary Review may relate to more than one Extraordinary Event, in which case this schedule addresses the cumulative financial effect of those events.
- 3 Within 20 Business Days of the Renewable Energy Operator requesting an Extraordinary Review, it shall submit to the Regulator a Statement of Financial Impact that includes the following matters:
 - 3.1 A description of the Extraordinary Event that is the reason for requesting the Extraordinary Review;
 - 3.2 A summary of the impact of the Extraordinary Event on the Renewable Energy Support Fund;
 - 3.3 An estimate of the change in the Renewable Energy Support Fund costs in each month from the date that the Extraordinary Event occurred (or began) to the end of the current Relevant Year;
 - 3.4 An estimate of the change in the forecast Renewable Energy Support Fund resulting from the Extraordinary Event, in each month from the date that the Extraordinary Event occurred (or began) to the end of the current Relevant Year;
 - 3.5 A calculation of whether the financial impact is expected to be greater than the Materiality Threshold multiplied by the expenses incurred by the Renewable Energy Support Fund (in the year before the Extraordinary Event).
- 4 If the Renewable Energy Operator determines that the financial impact is greater than the Materiality Threshold, it shall include in its Report of Financial Impact a proposed Extraordinary Adjustment to Renewable Energy Support Fund.
- 5 The Regulator may also launch an Extraordinary Review without the request of the Renewable Energy Operator. If so, the Regulator shall notify the Renewable Energy Operator and include a description of the Extraordinary Event and a summary of its expected impact. The Renewable Energy Operator shall then prepare a Report of Financial Impact as per the process described above.
- 6 The Regulator may reasonably require the Renewable Energy Operator to further explain its method of calculating the Report of Financial Impact and Extraordinary Adjustment, and if so required, the Renewable Energy Operator shall promptly provide to the Regulator any further information or explanations sought.
- 7 The Regulator shall advise the Renewable Energy Operator within 20 Business Days of receiving the Report of Financial Impact whether or not it approves the Renewable Energy Operator's proposed Extraordinary Adjustment. The Regulator shall approve the proposal if it:



- 7.1 Meets the conditions provided above;
- 7.2 Is calculated correctly; and
- 7.3 Takes into account all material information reasonably available at the time.

- 8 If the Regulator approves the proposed Extraordinary Adjustment, it shall publish the proposed Renewable Energy Support Fund amendment for public consultation within 10 Business Days before this approval.
- 9 If the Regulator does not accept the proposal of the Renewable Energy Support Fund it shall provide reasons and evidence why, in accordance with this Rule, and publish its own calculation of the Renewable Energy Support Fund.
- 10 The Regulator shall approve the new Renewable Energy Support Fund and Renewable Energy Obligation within 20 Business Days of publishing it for public consultation.



SCHEDULE 4 COMPENSATION FOR THE REMUNERATION OF RENEWABLE ENERGY SELF-CONSUMERS

- 1 The Renewable Energy Operator shall compensate suppliers for the difference between the Monetary Value of Redeemed Credits by their Self-consumers and the suppliers' estimated monetary benefit from taking over the surplus electricity of their Self-consumers, according to the following formula:

Compensation for the supplier

$$\begin{aligned} &= \text{Monetary Value of Redeemed Credits} \\ &- \text{Assessed Monetary Benefit from surpluses} \end{aligned}$$

- 2 For Renewable Energy Self-consumers supported under the net metering scheme, the Monetary Value of Redeemed Credits is calculated according to the following formula:

$$VM_{KP,mn}^f = KP_{mn} \cdot \zeta MPP_{mn}, \quad \text{€}$$

$$\zeta MPP_{mn}^f = \frac{\sum_i \zeta MPP_i \cdot KP_i}{\sum_i KP_i}, \quad \text{€/MWh}$$

Where:

$VM_{KP,mn}^f$ Monetary Value of Redeemed Credits by Renewable Energy Self-consumers with net metering.

KP_{mn} Redeemed Credits (in kWh) by Renewable Energy Self-consumers supported through the net metering scheme.

ζMPP_{nm}^f Weighted Average Retail Price of Renewable Energy Self-consumers supported through the net metering scheme, for suppliers, based on the amount (in kWh) of credits spent.

ζMPP_i Average Retail Price of self-consumer "i".

KP_i Redeemed Credits by self-consumer "i".

- 3 For Renewable Energy Self-consumers supported under the net billing scheme, the Value of Redeemed Credits is the total value of the monetary credits redeemed.

- 4 The Monetary Benefit from the Surpluses of the suppliers' Self-consumers is assessed on the basis of the volume of surplus injected, in kWh, and the relevant price in the Organised Market, according to the following formula:

$$PMT_t = \sum_t (T_t \cdot \zeta T O_t), \quad \text{€}$$

Where:



T_t Surpluses injected by Renewable Energy Self-consumers in hour t .

$\mathcal{C}TO_t$ Price in the Organised Market in hour t