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Republika Kosova - Republic of Kosovo

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



ANNUAL REPORT 2025

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INTRODUCTION

Dear all,

I have the special honor to present to the Assembly of the Republic of Kosovo the Annual Report on the activities of the Energy Regulatory Office (ERO) and the energy sector that took place during 2025. This annual report has been drafted in full compliance with the legal provisions of the Law on the Energy Regulator, and in accordance with the legal provisions, it is submitted to the Assembly of the Republic of Kosovo for information, review and approval.

The report presents a detailed overview of the activities developed and the main achievements of ERO, as well as the energy sector during the calendar year 2025, as well as the financial report. The report contains detailed data and information on the activities of ERO, on the most important events for the energy market, the review of energy tariffs, the financial report of ERO, as well as data on regulated activities in the energy sector in the Republic of Kosovo.

ERO is an independent agency established by the Assembly of the Republic of Kosovo according to Articles 119.5 and 142 of the Constitution of the Republic of Kosovo, where its activity focuses on the security of energy supply at affordable prices, the protection of energy customers, as well as the sustainable functioning of energy enterprises.

In accordance with its legal and regulatory obligations and powers, ERO, like every other year, during 2025, has contributed to maintaining the stability and security of energy supply and the fair functioning of the energy market.

The year 2025 was marked by high achievements in the good and professional work of ERO, and this achievement was also evidenced in the Annual Implementation Report for 2025 of the Energy Community Secretariat. The Energy Community Secretariat, in its annual report, highly appreciated the good and professional work of ERO in implementing the tasks arising from the legislation in force and international obligations, where it should be highlighted the good management of security of supply, the liberalization of the energy market, the approval of electricity tariffs which has brought stability to the energy sector, the good functioning of the Albanian power exchange ALPEX and the coupling of the Kosovo - Albania markets, the undertaking of actions to encourage investments in renewable sources, the active promotion of self-customers, as well as the approval of many other activities which have been more than necessary for the electricity sector to be stable and sustainable.

During this year, one of the most important developments was the continuation of the process of liberalizing the electricity market, creating more favorable conditions for fair competition, increased efficiency and greater choice for customers. This process constitutes an essential step towards building an open and functional market, in line with international best practices. It should be noted that only for a six-month period of the continuation of the process of liberalizing the electricity market, 8 electricity suppliers have been active and have signed contracts with customers.

Another achievement of particular importance is the admission of ERO to the Association of Issuing Bodies - AIB), becoming part of the European platform for Guarantees of Origin. Kosovo adopts the European Energy Certificate System (EECS) ensuring that Guarantees of Origin issued in Kosovo are recognized throughout Europe. This increases the transparency and credibility of renewable energy certification, enabling more efficient cross-border trade and paving the way for new investments in

the renewable energy sector. Membership also confirms Kosovo's commitment to harmonization with the EU Acquis Communautaire and deeper integration into European energy and climate mechanisms.

In line with its commitment to supporting green energy, ERO has drafted and approved the Rule on the Support Mechanism for Renewable Energy Sources. This rule represents a reform from traditional support models to a modern, market-integrated and financially sustainable mechanism. ERO has been highly praised by the Energy Regulators Regional Association (ERRA) in the publication "Regulatory Story of the Quarter", for the reform of the Support Mechanism for Renewable Energy in Kosovo.

Also, in the context of ERO's advancement in the international arena, it is worth mentioning ERO's admission to the Balkan Energy School, an important platform for professional development and exchange of experiences in the region. This membership demonstrates ERO's commitment to capacity building and to building an increasingly advanced institution prepared for the challenges of the future.

All these achievements are the result of the dedicated work of ERO staff, close cooperation with local and international partners, as well as the shared vision for a developed and sustainable energy sector, so on behalf of myself and the other members of the Board of the Energy Regulatory Office, I would like to express my gratitude to all ERO staff and the energy sector, for their work and dedication in providing services to customers, during this year.

Finally, ERO remains committed to the path towards an energy transition, in line with the goals towards integration into the European energy market, placing the energy customer at its center.

Respectfully,

Ymer Fejzullahu,

Chairman of the Board

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List of abbreviations

AIT	Average Interruption time
ALPEX	Albanian Power exchange
CPA	Central Procurement Agency
EU	European Union
RES	Renewable Energy Sources
CCP	Customer Care Programme
CEER	Council of European Energy Regulators
DTENG	Department of Thermal Energy and Gas
LLD	Legal and Licensing Department
CPD	Customer Protection Department
TPD	Tariff and Pricing Department
EMD	Energy Market Department
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECRB	Energy Community Regulatory Board
EECS	European Energy Certificate System
EEX	European Energy Exchange
SEE	South-eastern Europe
EMS	Transmission System Operator of Serbia
ENS	Energy Not Supplied
ENTSO-E	European Network of Transmission System Operators for Electricity
ERC	Energy and Water Regulatory Commission of the Republic of North Macedonia
ERE	Energy Regulatory Entity of the Republic of Albania
ERRA	Energy Regulators Regional Association
FSHU	Universal Service Supplier
GPG	Gas Working Group
PHLG	Permanent High Level Group
GWh	Gigawatt hours
HP	Hydropower Plant
MAR	Maximum Allowed Revenues
IAP	Ionian-Adriatic-Pipeline

ITC	Inter TSO Compensation
EC	Energy Community
KEDS	Kosovo Electricity Distribution and Services Company
SEEEC	South East European Energy Community
KEK	Kosovo Energy Corporation
KESCO	Kosovo Electricity Supply Company
KESH	Albanian Energy Corporation
KfW	German Development Bank
CM	Council of Ministers
km	Kilometre
KOSTT	Transmission System and Market Operator
KPSC	Kentucky Public Service Regulatory Commission
kV	Kilovolt
kW	Kilowatt
LP	Long Distance
MPA	Ministry of Public Administration
PPA	Power Purchase Agreement
MESP	Ministry of Environment and Spatial Planning
MVA	Megavolt ampere
MW	Megawatt
MWh	Megawatt hours
MW_{TH}	Thermal megawatt
MED	Ministry of Economic Development
NARUC	National Association of Regulatory Utility Commissioners
AU	Administration Unit
DS	District Heating
SS	Substation
DSO	Distribution System Operator
TSO	Transmission System Operator
MO	Market Operator
PECI	Projects of Energy Community Interest
PRR	Regulatory Period

RAB	Regulatory Asset Base
RoR	Rate of Return
SAIDI	Average System Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCADA	Supervisory Control and Data Acquisition
ECs	Energy Community Secretariat
TAP	Trans-Adriatic-Pipeline - Trans-Adriatic Pipeline
TC	Thermal Power Plant
TF	Task Force
ECT	Energy Community Treaty
MV	Medium Voltage
TR	Transformer
LV	Low Voltage
VAT	Value Added Tax
AI	Administrative Instruction
USAID	United States Agency for International Development
WACC	Weighted Average Cost of Capital
WBIF	Western Balkans Investment Framework
CA	Cadastral area
ERO	Energy Regulatory Office

1 EXECUTIVE SUMMARY

The Energy Regulatory Office (ERO), in accordance with the legal requirements arising from the Law on the Energy Regulator (Law No. 05/L-084), presents the Annual Report for 2025 for consideration by the Assembly of the Republic of Kosovo. This report provides a comprehensive overview of the Regulator's activities and developments in the energy sector, including analysis of data from licensed operators and developments in the energy market in Kosovo.

An integral part of this report is also the Financial Report of the Regulator's budget for 2025.

During 2025, ERO has exercised its mandate by contributing to ensuring stable energy supply, efficient market functioning and customer protection. The ERO Board has carried out decision-making activities through regular meetings and electronic communication.

The total electricity production in 2025 was 5,298 GWh, of which 4,687 GWh were from thermal power plants, while 611.5 GWh were from HPPs and other RES, and in total there is a decrease of 12.63% compared to the total production in 2024.

The total demand for electricity in the system in 2025 was 6,944 GWh, which represents an increase of 5.04% compared to the demand in 2024. This demand is mainly met by domestic production, where thermal power plants have the largest share, while the rest is covered by imports.

The total amount of electricity sold to final customers was 6,617 GWh, of which 3,393 GWh or 59.66% were for household customers, while the remaining 2,294 GWh or 29.49% were for non-household customers, and 617 GWh or 10.85% were for open market customers.

The year 2025 was characterized by a significant development in the electricity sector, with the entry of commercial customers into the open market, in accordance with the criteria set out in the legislation in force. This process marked an important step towards market liberalization and increased competition, enabling businesses to choose their energy supplier. During this year, total energy consumption from this category reached 448 GWh, reflecting their weight and importance in the overall structure of electricity demand in the country.

The supply of the four municipalities in northern Kosovo during 2025 was carried out by the licensed company Elektrosever. The total amount of energy consumed by the four municipalities in northern Kosovo this year was 275,350 MWh, of which 168,977 MWh were billed to customers in the north of the country, while the rest is losses in the distribution network in the northern part of the country.

This report presents detailed data on the performance of the Energy Sector for 2025.

the ERO Board increased electricity tariffs by 16.1% for all categories of regulated tariff customers.

For the household customer category, the average electricity price for 2025 (excluding VAT) was 8.17 €cent/kWh, while for non-household customers the average electricity price is 10.46 €cent/kWh.

Losses in the transmission network are at an acceptable level of 1.41% of all energy input into transmission or 1.95% of national demand and are approximately at the same level as losses in transmission networks in the region and Europe.

Technical losses in the distribution network differ compared to previous years, and in 2025 they were 995 GWh or 15.05% of the distribution demand, while in 2024 they were 974 GWh or 15.6%.

The table below reflects the main data realized in 2025 compared to the balance of 2025 and the realization in 2024, from which it can be seen that the need for imports and exports has been presented to balance the system against demand.

Tab. 1. 1 Main data realized in 2025

	Unit	Production	Demand	Import	Export	Losses	
						Transmission	Distribution
Realization 2025	GWh	5 298	6 944	1 965	377	135	995
Balance 2025	GWh	5 546	7 041	1 776	310	129	1 027
Realization/Balance	%	95,53	98,62	110,62	121,57	104,95	96,90
Realization 2024	GWh	6 059	6 611	1 385	748	124	974
Ratio 2025/2024	%	87,44	105,04	141,90	50,39	109,59	102,20

The blockage of interconnector lines for commercial operation and the non-allocation of cross-border transmission capacities on the border between KOSTT and EMS have continued throughout 2025. As a result of this blockage, the lack of cross-border transmission capacities continues to create significant difficulties for energy traders, limiting the trading of electricity on this border. This situation is reflected in the increase in the prices of cross-border capacities on other borders, as well as in the increase in the cost of energy imports for Kosovo and the South-Eastern European region, negatively affecting the balancing of the energy system.

Regarding the thermal energy sector, the situation remains largely unchanged. The cogeneration project in the DH Termokos has yielded good results by increasing the quality of heating for customers connected to the network, while the new heating plant and biomass cogeneration project in the DH Gjakova has been completed.

- The net production of thermal energy in the 2024/2025 season, in the DH Termokos was 362 GWh_{Th}, while in the DH Gjakova 20.2 GWh;
- Thermal energy consumption in the 2024/2025 season, in the DH Termokos was 332 GWh_{Th}, while in the DH Gjakova 19.9 GWh;
- Losses in the thermal energy network in the 2024/2025 season, in DH Termokos were 8.53% (in the thermal energy transportation network 2% and in the primary distribution network 6.53%), while losses in the thermal energy distribution network of DH Gjakova were estimated at 15.03%.

Regarding the development of generation projects from renewable sources, during this year, after the finalization of the projects according to the authorization by the ERO Board, and after technical acceptance, six (6) projects from solar panels, with a total installed capacity of 21.48 MW, entered into commercial operation. ERO, during this year, has also handled requests/applications for generators to obtain the status of prosumers for self-consumption, which after fulfilling the legal requirements in accordance with the Rule on Authorization and the Support Scheme, 283 projects have been allowed to continue with the construction of generation capacities for self-consumption and in total 11,062 kW of capacities have been installed.

ERO is continuously committed to even closer cooperation with the Energy Community Secretariat in Vienna, as one of the main partners in the drafting of primary and secondary legislation, the

Government, the Competition Authority, as well as all other stakeholders in the energy sector in the country and beyond.

To support the development of renewable energy projects, ERO has set the maximum fixed price for the 100 MW wind power auction at EUR 80.2/MWh. In parallel, ERO continued to promote generators for self-consumption of electricity, approving a significant number of requests for the installation of solar panels by citizens and businesses. In the area of monitoring and transparency, secondary legislation for implementation of REMIT is in force, and ERO has continued to monitor licensees in the sector, ensuring continuous oversight and information on developments in the energy market.

These efforts and achievements of ERO demonstrate its commitment to ensuring a more sustainable and transparent energy sector, by increasing efficiency and compliance with international norms and regulations.

2 ENERGY REGULATORY OFFICE

The Energy Regulatory Office (Regulatory Office) operates as an independent agency, legally and functionally separate from any natural or legal person operating in the energy sector. Its independence is fundamental to ensuring transparent and impartial decision-making, protecting the public interest and promoting competition in the energy market.

During the year, the Regulator continued to fulfill its legal mandate as defined by Law No. 05/L-084, ensuring the efficient and sustainable functioning of the energy market. One of the main focuses has been the establishment of a transparent and non-discriminatory market environment, where all actors can operate on equal terms.

The Regulator has continued to implement procedures for granting licenses and authorizations for energy activities, including generation, transmission, distribution and supply of energy, as well as the construction of new energy capacities. Licensing processes have been developed based on clear technical, financial and environmental criteria, ensuring that each actor meets the necessary standards for safety, efficiency and sustainability.

Market monitoring has been another priority, with the Regulator closely monitoring the actions of energy companies to prevent the creation of dominant positions and anti-competitive practices. At the same time, measures have been taken to ensure non-discriminatory access to network users and to protect the interests of customers.

In the area of tariffs, the Regulator has set prices based on transparent and reasonable methodologies, reflecting real operating and investment costs, and ensuring that tariffs are fair and sustainable. Complaints and disputes of customers and operators have also been handled efficiently, ensuring solutions based on law and good regulatory practices.

In addition to these activities, the Regulator has continued to harmonize the regulatory framework with international standards, committed to compliance with the obligations of the Energy Community Treaty and the gradual integration of the European Union “acquis communautaire” in the energy sector. This process has enabled the energy market in Kosovo to develop in a sustainable, efficient and competitive manner, ensuring security of supply and prices that reflect real economic costs.

Overall, during the year, the Regulator has maintained a balance between promoting competition, protecting customers and the sustainable development of the sector, functioning as a key institution for the advancement of a reliable energy market.

2.1 The Regulator's Board

The Board of the Energy Regulatory Office (ERO) is the decision-making body for all matters under the jurisdiction and competence of ERO, according to Law No. 05/L-084 on the Energy Regulator. It consists of the Chairman and four members, who are appointed by the Assembly of the Republic of Kosovo for a five-year mandate. Decisions are taken by majority vote and are valid when at least three members are present and three votes are in favor. The Board's positions are announced in public sessions, notified in advance on the official website of ERO.

At the end of 2025, the Board consisted of:

- Ymer Fejzullahu, Chairman of the Board
- Lutfije Dervishi, Board Member
- Gani Buçaj, Board Member
- Artë Qorrolli, Board Member
- Adnan Preniqi, Board Member

During the year, the Board held 12 public sessions, where decisions were discussed and made on:

- Price regulation;
- Licensing of energy activities;
- Authorization of new generation capacities from renewable sources;
- Customer protection;
- Approval of sector rules, methodologies and documents;
- Other matters within the Board's responsibilities.

All documents are initially reviewed in public discussion, according to the law, and after the completion of the consultations, they are published on the official website of ERO.

The Board is supported by the Managing Director, the Administrative Unit and five departments:

- Legal and Licensing Department (LLD)
- Department of Energy Market (EMD)
- Tariffs and Pricing Department (TPD)
- Customer Protection Department (CPD)
- Thermal Energy and Natural Gas Department (DTENG)

The Board has also encouraged the professional development of ERO staff through trainings within and outside the country, aiming at specialization according to relevant profiles.

2.2 Organizational structure and human resources

The Regulator is organized in accordance with the Law on the Energy Regulator (Chapter II of the Law) and the Regulator's Operations Manual. The Regulator's Board, in accordance with the responsibilities defined by law, carries out the following activities:

- Approves the regulatory and operational policies of the Regulator;
- Organizes and supervises the work of the Regulator;
- Supervises the budget implementation and financial management of the Regulator and approves its financial reports and statements;
- Organizes recruitment procedures and supervises the work of staff employed by the Regulator;
- Approves compensation levels and other employment conditions for employees of the Regulator;
- Drafts and approves sub-legal acts that are necessary for the implementation of the Law on the Energy Regulator.

The organizational structure of the Regulator is determined by the Regulator's Board based on the responsibilities and duties provided for in the Law on the Energy Regulator No. 05/L-084. The basic structure consists of the Managing Director, the Board Assistance Officer, the Public Relations Officer, five departments and the Administration Unit (AU) which are established in accordance with the operational tasks of the Regulator.

2.2.1 Managing Director

The Managing Director coordinates the activities between the Board, professional and administrative staff and is responsible for the implementation of all decisions of the Regulator's Board; actively informs and advises the Board on developments in the energy sector, supports the Regulator's Board to ensure that all activities of the Regulator are carried out in accordance with laws, regulations and policies of the Regulator and supervises the work of the Regulator's departments. The Managing Director reports and is directly responsible to the Board and exercises his/her duties under the direction and instructions of the Board, in accordance with the Regulator's Operations Manual.

2.2.2 The Regulator's Departments

Departments are led by department heads, who organize, control, plan, coordinate, evaluate his/her staff and are responsible for the activities and fulfillment of all tasks assigned to the work of the departments. The department head is responsible for delegating the daily work of the department staff.

The role of departmental staff members is to perform duties, whenever necessary according to legal requirements and through department heads they propose them to the Board. In some cases, staff members may be authorized by the Board to perform special duties.

Staff members should work in close cooperation with the head of the department and other professional staff. Staff members should also have the opportunity to attend training courses available from the Regulator to improve their professional skills and knowledge.

Legal and Licensing Department (LLD)

The Legal and Licensing Department is responsible for drafting secondary legislation, evaluating applications for licensing energy enterprises, evaluating applications for granting authorizations for the construction of new capacities. This department also supervises and monitors the activities of licensees.

Energy Market Department (EMD)

The Energy Market Department is responsible for the market structure, monitoring the performance of market participants, assessing and analyzing data in the energy sector. The Department also monitors competition and the behavior of market participants in an objective, transparent and non-discriminatory manner.

Tariffs and Pricing Department (DTP)

The Tariffs and Pricing Department is responsible for assessing the tariff applications of licensed enterprises, monitors the realization of operational and capital expenditures through tariff

reviews, and takes all measures to ensure that tariffs are cost-reflective, reasonable, non-discriminatory, based on objective criteria, and set in a transparent manner, taking into account affordability and customer protection.

Customer Protection Department (CPD)

The Customer Protection Department is responsible for reviewing and resolving complaints and disputes between customers and energy enterprises, system operators and energy enterprises, as well as between two energy enterprises. In carrying out its duties and responsibilities, this department cooperates with all institutions and organizations that legitimately represent customers.

Thermal Energy and Natural Gas Department (DTENG)

The Department for Thermal Energy and Natural Gas is responsible for reviewing and implementing strategies, performance standards and other operational practices related to these sectors. This department monitors licensed enterprises through the collection, analysis and evaluation of relevant data and information, and also contributes to the development of reporting systems for district heating enterprises by focusing on technical-technological elements and the integration of incentive measures and efficiency targets. It also cooperates with other departments of the Regulator by providing support and technical expertise on issues related to thermal energy and natural gas.

Administration Unit (AU)

The administration unit supports the functioning of the Regulator, organizes the efficient recruitment of the Regulator's staff, coordinates the training of the Regulator's staff, the supply of office equipment and its maintenance, and assists in arranging the office, making it suitable for work for all the Regulator's staff.

ERO's staff is structured into organizational departments defined based on specific operational and administrative activities.

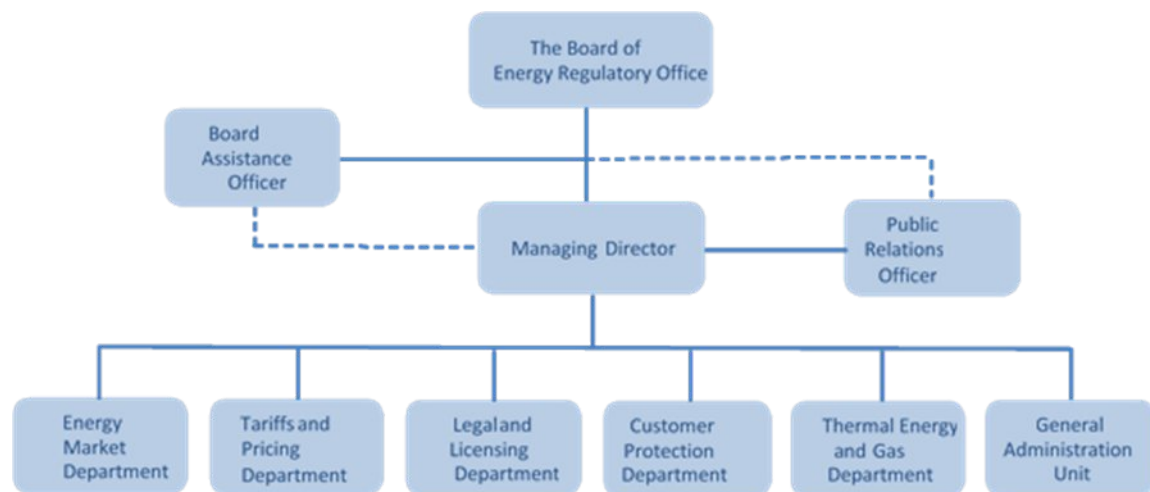


Fig. 2. 1 Organizational chart of the Regulator

The total number of employees, as of 31 December 2025, is 23 employees. This number includes the 5 Board members and 18 staff members employed within the professional departments and the Administration Unit.

A brief description of the organizational structure with jobs in 2025 is provided in the table below.

Tab . 2. 1 Organizational structure

Job positions	Planned positions	Employed	Vacant positions
ERO Board	5	5	0
Managing Director	1	1	0
Public Relations Officer	1	0	1
Board Assistance Officer	1	0	1
Administration Unit			
Head of the Administration Unit			
Chief Financial Officer			
Procurement Manager			
Administration Officer			
Data Management Officer	9	7	2
Database Development Expert			
English Language Translator			
Receptionist			
Maintenance/Driver			
Legal and Licensing Department (LLD)			
Head of Legal and Licensing Department			
Expert in Legal and Monitoring Issues	3	2	1
Analyst for Legal Issues and License Monitoring			
Tariffs and Pricing Department (TPD)			
Head of Tariffs and Pricing Department			
Economic Expert on Regulatory and Tariff Affairs	4	2	2
Tariff and Pricing Analyst			
Tariff Structure Analyst			
Energy Market Department (EMD)			
Head of the Energy Market Department			
Energy Supply and Market Structure Analyst	4	2	2
Power Systems Analyst			
Market Monitoring Analyst			
Thermal Energy and Natural Gas Department			
Head of Thermal Energy and Natural Gas Department	2	2	0
Thermal Energy Analyst			
Customer Protection Department (CPD)			
Head of the Customer Protection Department			
Customer Protection Officer	3	2	1
Standards Compliance Analyst			
Total	33	23	10

The Regulator 's staff is a team of experts with proven performance in the areas of responsibility they cover.

2.3 Funding of the Regulator

The Energy Regulatory Office (ERO) enjoys the status of an "independent agency". The Constitution of the Republic of Kosovo provides that independent agencies are institutions established by the Assembly based on the relevant laws regulating their establishment, functioning and competences. Independent agencies exercise their functions independently of any other body or authority in the Republic of Kosovo. This means that ERO must have full independence in planning and spending the budget, namely its dedicated revenues, guaranteed by the Constitution and the legislation in force.

The issue of financial independence is mainly regulated by EU Directives, which stipulate that member states must ensure that regulatory authorities or independent agencies must be able to take autonomous decisions independently of any political body, including the ways in which they exercise their mandates, the employees they must recruit, etc. This means that the Energy Regulatory Office must enjoy financial independence, which is enabled through the collection of its own revenues and the implementation of applicable legislation.

The current legislation clearly provides that ERO's revenues are "dedicated revenues", and, in this regard, ERO has the right to collect "dedicated revenues" from certain sources, which in the case of ERO include licensing taxes. This is also provided for in the Law on Public Financial Management and Accountability, which stipulates that "dedicated revenues" are those revenues derived from a certain source of revenue, and these agencies, only in cases where these revenues are insufficient, may request supplementary budgetary allocations from the budget of the Republic of Kosovo, in accordance with the provisions of the Law on Public Financial Management and Accountability.

Based on Article 24 of the Law on the Energy Regulator, ERO collects revenues from:

- Initial and annual licensing taxes;
- Taxes from applications for the issuance and modification of licenses;
- Taxes for issuing certificates of origin;
- Taxes for the examination/review of applications for authorization for the construction of new capacities.

3 ACTIVITIES OF THE ENERGY REGULATORY OFFICE

3.1 Licensing of energy activities

The operation of participants in the energy market in Kosovo for the activities of energy production, distribution, supply, trade, transmission, etc., can only be carried out by operators licensed by the Energy Regulatory Office for the respective activity. As for how many MW or kW a license is required, this issue is described in more detail in the legislation in force, more specifically in Article 28, paragraph 2 of the Law on the Energy Regulator and also in Article 3, paragraph 1 of the Rule on Licensing of Energy Activities in Kosovo (ERO Regulation/No.07/2017, dated on 31.03.2017).

Based on the legal provisions of the legislation in force, so far the Regulator has issued licenses for the following activities: electricity production; thermal energy production; co-production of electricity and thermal energy; electricity transmission including operation of the transmission system; electricity distribution including operation of the distribution system; thermal energy distribution; electricity and thermal energy supply, including transit, import or export of electricity; wholesale supply (trading) of electricity; as well as operation of the electricity market.

As mentioned in the paragraph above, there are cases when a license is not required to be issued by the Energy Regulatory Office, for some activities that do not have a very large impact on the Kosovo electricity system. Therefore, the activities that do not require a license are:

- production of electricity at the power plant with a total capacity not exceeding five (5) MW;
- production of thermal energy produced by heating plants for own consumption or with a capacity not exceeding 1 MW;
- production of electricity for own consumption, where the production facility or electricity customers are not connected to the transmission or distribution system.

Despite the fact that the Regulator does not issue licenses for activities in the above-mentioned points, no legal or natural person may build such capacities, regardless of capacity, without obtaining an Authorization for the Construction of Generation Capacity, which Authorization is issued by the Regulator in accordance with the legislation in force, a process that precedes licensing.

Since its establishment, the Regulator has licensed about one hundred and twenty (120) enterprises for various energy activities and with different license durations, depending on the lifespan of the assets, where about ninety (90) had active licenses during 2025 with which they had the right to operate in the energy market in Kosovo, and which are under the monitoring of the Regulator for their activity.

During 2025, as in previous years, ERO has handled a considerable number of applications from interested parties for licensing energy activities. Compared to 2024, the number of applications handled by the Regulator has been much higher for the supply and trading activities of electricity in Kosovo. So during 2024 we reviewed only four (4) applications for electricity supply, while this year twelve (12) applications for this activity have been reviewed. Similarly, for electricity trading during 2024, two (2) applications have been reviewed, while this year eight (8) applications have been reviewed for this activity. It is also worth noting that this year the application for mutual recognition of licenses with the Republic of Albania has continued, and Kosovo has also begun for the first time

the mutual recognition of licenses for the supply and trade of electricity with North Macedonia, as a result of the Memorandum of Understanding for mutual recognition of trade licenses between the national regulatory authorities of the Republic of Kosovo and the Republic of North Macedonia, dated on 17.07.2023.

The number of licenses processed, in process or issued during 2025 was twenty-five (25) while during 2024 there were a total of thirteen (13). Of the twenty-five (25) licenses processed for various activities, eight (8) of them were for Mutual Recognition of licenses with Albania and North Macedonia, according to the Principle of Reciprocity.

As can be seen, the focus of the licenses handled during this year by the Regulator has been on electricity supply and electricity trading, followed by electricity production from solar photovoltaic panels and water, etc. As can be seen from the tables below, some licenses are still in process, as a result of applicants not meeting the licensing criteria, which will be handled in the following year.

The following will discuss in more detail the licenses issued by the Regulator, those in process, etc., for the activities of electricity production, electricity supply and wholesale supply (trade) of electricity for the year 2025.

3.1.1 Licensing of electricity and thermal energy production activity

Based on Article 29 of the Law on the Energy Regulator, the activity of electricity production cannot be carried out without a license issued by the Regulator for generators with a capacity greater than 5 MW, while below this capacity the Regulator only issues authorization for capacity construction. As for thermal energy, according to the same article, a license is required for capacity above 1 MW.

This year, the licensing of electricity generation activities, especially from Hydropower Plants, has remained challenging, with some of the licenses of some companies undergoing legal proceedings for various reasons. Regarding this activity, during this year, the Regulator has accepted and continued the review of three (3) applications for the production of energy from water, which are still in process, while two (2) applications for the production of energy from photovoltaic solar panels have met the licensing requirements and have been licensed by ERO for a period of twenty-five (25) years (2025-2030). Meetings have also been held with various interested parties for the construction of generating capacities for the production of energy from wind, water, solar panels, biomass, etc.

The Regulator, in addition to licensing generators that were built before the establishment of the Regulator, has also licensed other new generators that were built through the Authorization Procedure for the Construction of New Capacities, led by the Regulator, such as Energy Development Group Kosova LLC and Eco Park Group LLC., licensed during this year.

The table below presents data on electricity and thermal energy production enterprises that have begun applying for licensing their activities during 2025, as well as those that are still in the licensing process because they have not yet met the licensing requirements, according to the legislation in force.

Tab. 3. 1 Enterprises that have been licensed, have had their licenses extended and are in the process of licensing for electricity and thermal energy production activities

No.	Name of enterprise	Description of licensed activity	License number	Address, headquarters of the licensee	Validity of the license
1	"KelKos Energy" LLC (HPP Lumbardhi I- former Kozhnjer)	Generation of electricity (from water)	ZRRE/Li_98/24	St. Demë Ali Pozhari, No. 41, 51000 Deçan, Republic of Kosovo	27.03.2024 - in the licensing process
2	Matkos Group LLC (HPP Sharri)	Generation of electricity (from water)	ZRRE/Li_74/21	St.Shpetim Robaj, Prishtine, Republic of Kosovo (headquarters Shterpce), Republic of Kosovo	23.02.2021 - in the licensing process
3	"KelKos Energy" SH.P.K (HC Lumbardhi II)	Generation of electricity (from water)	ZRRE/Li_64/18 ZRRE/Li_64/20	St. Demë Ali Pozhari, No. 41, 51000 Deçan, Republic of Kosovo	14.10.2019 - 13.10.2020 Temporary license 14.10.2019 - in the licensing process
4	Energy Development Group Kosova L.LC	Generation or co-generation of electricity (from solar panels)	ZRRE/Li_106/25	Madanaj, nn, Gjakovë, Republic of Kosovo	05.09.2025 - 04.09.2050 - Issuance of the license
5	Eco Park Group SH.P.K.	Generation of electricity (from solar panels)	ZRRE/Li_111/25	Madanaj, St. Qata n.n. Gjakovë, Republic of Kosovo	18.12.2025 - 17.12.2050 - Issuance of the license
6	Ngrohtorja e Qytetit "Termokos" Sh.A	Generation of thermal energy (from heavy fuel oil)	ZRRE/Li_10/17	St "28 Nëntori" nn-Dardani Prishtina, Republic of Kosovo	23.03.2021 - in licensing process

Kelkos Energy LLC. (HPP Lumbardhi - former Kozhnjer) - was licensed as "TRIANGLE GENERAL CONTRACTORS-INC" Branch Kosovo (HPP Lumbardhi), with an installed capacity of **8.3MW**, with license number ERO_Li_09/06, valid from 04 October 2006 to 29 April 2024 (for a period of 20 years as long as the Lease Agreement and the Power Purchase Agreement signed with KEK on 29 April 2004). The same was transferred to "Kelkos Energy" LLC. HPP Lumëbardhi (former Kozhnjer) with license number ERO/Tr_01/Li_09/06, with the same term until 29.04.2024. This license was modified in 2012 with license number ERO/Tr_01/Li_09/12. The license could be extended, after fulfilling the licensing criteria and in case it would apply six (6) months before the expiration of the license term according to the Rule on Licensing of Energy Activities in Kosovo. The enterprise has not managed to apply within this deadline, therefore the same has been instructed to apply for licensing (as a new application, not a license extension). The company applied on 27.03.2024 for a license for the production of energy from water and during this year it has submitted several additional documents, especially regarding the issue of the lease contract, but they have not been sufficient to be provided with a license for the production of electricity, therefore the application has remained in the process of further review by ERO.

Matkos Group LLC. (HPP Sharri) - has applied to the Regulator for a license to produce electricity (from water) from the Sharri Hydropower Plant on 23 February 2021, for an installed capacity of **6,453MW**. This hydropower plant is still in the licensing process, as this enterprise has not yet met the environmental criteria required by the legislation in force, despite the fact that the hydropower plant was built according to the authorization procedure led by the Regulator. The case is part of the

judicial proceedings (see Judgment KA.nr.697/2025), therefore in the process of reviewing the application by ERO.

Kelkos Energy LLC. (HPP Deçani, HPP Belaje and HPP Lumbardhi II) - this enterprise, which had applied to the Regulator for three (3) generating units, had fulfilled all the licensing requirements according to the Regulator's instructions for two (2) generating units from: Hydropower Plant "Deçani" with a capacity of 8.06 MW and Hydropower Plant "Belaje" with a capacity of 9.8 MW, for which it was licensed by the Regulator's Board for these two (2) units. Regarding the unit "Lumbardhi II" hydropower plant with a capacity of **6.2 MW**, in the absence of fulfilling the criteria required by the legislation in force, this unit has not been equipped with an electricity production license, thus remaining in the licensing process since 21 December 2018.

Energy Development Group Kosova LLC - has applied for licensing of the activity of energy production from photovoltaic solar panels with location in the project in Madanaj, Municipality of Gjakova. The construction of this generator was done through the authorization procedure led by the Energy Regulatory Office. Since the generator is over 5 MW and for this a license is required according to the legislation in force, the same has applied on 2.7.2025 for licensing of the generating capacity of 6MW. After fulfilling all requirements according to the application, this generator has been licensed for the period from 05.09.2025 to 04.09.2050, this period considered depending on the lifespan of the assets used to carry out this activity.

Eco Park Group LLC - has applied for licensing of the activity of energy production from photovoltaic solar panels with a location in the project also in Madanaj of the Municipality of Gjakova. The construction of this generator was also done through the authorization procedure led by the Energy Regulatory Office. Since this generator is also over 5 MW, the entity has applied on 6.10.2025 for licensing of the generating capacity of 6MW. After fulfilling all requirements according to the application, this generator has been licensed for the period from 18.12.2025 - 17.12.2050, this period considered depending on the lifespan of the assets used to carry out this activity.

District Heating "Termokos" JSC - as for electricity activities, the Regulator is also competent for licensing and supervising thermal energy activities. Termokos is the only enterprise in the capital that supplies customers with thermal energy, according to the Thermal Energy Supply Agreement from the Kosovo B thermal power plant, which transports thermal energy through the thermal energy transport network. This activity is carried out in accordance with the License for Cogeneration of Electricity and Thermal Energy, which ERO issued to KEK, Kosovo B thermal power plant in 2017 with a validity period until 04 October 2026.

The District Heating "Termokos" JSC, despite having applied within the legal deadline for the extension of the license for the production of thermal energy (from heavy fuel oil), has not managed to fulfill the criteria for the extension of the license for this activity and as a result has not been licensed by the Regulator's Board even during 2025, as it has been assessed by the group of experts from the Faculty/Institute of Mechanical Engineering and the Faculty of Civil Engineering, that the two fuel oil boilers with a capacity of 116MW_{TH} (2x56MW)), the tanks and the chimney are not functional.

3.1.2 Licensing of electricity supply activity

As mentioned above, this year the interest of the parties to obtain a license for the activity of electricity supply in Kosovo has been much higher than the previous year. The reason may also have been the opening of the energy market, where according to Article 37 of the Law on Electricity 04/L-085, the right to supply as a universal service is not entitled to all customers, but only by household and non-household customers with an annual turnover of no more than ten (10) million euros, or no more than fifty (50) employees. Thus, after applying and fulfilling the licensing criteria, the Regulator's Board has licensed eleven (11) legal entities, three (3) of which are recognized under the Principle of Reciprocity with the Republic of Albania, while one (1) is recognized under the Principle of Reciprocity with North Macedonia.

So, unlike previous years, this year the number of licensees that have entered (connected) to the electricity market has increased significantly, so in addition to KESCO, during 2025 also companies such as FUTURE ENERGY TRADING AND EXCHANGE DYNAMICS LLC., VoltKos LLC., EDS International KS LLC, Enerco LLC., and the Kosovo Energy Corporation JSC have supplied electricity to their customers according to the legislation in force. These suppliers have supplied electricity at market prices to all customers with whom they have concluded contracts, and who have not had the opportunity to be supplied by the supplier with a Public Service Obligation.

Regarding the supply of electricity from suppliers that have been active during this year (as in the paragraph above), it should be noted that according to decision V_1925_2024 of 2 April 2024, issued by the ERO Board, KESCO has been ordered to fulfill the Public Service Obligation for the year 2024 until March 2026, for all customers who enjoy the right to supply within the framework of the Universal Service, which are: all household customers, and all non-household customers who have an annual turnover of no more than ten million euros (€10,000,000.00), or no more than fifty (50) employees. Notwithstanding this, all end customers have the right to be supplied with electricity in the competitive market, according to the legislation in force in Kosovo.

The table below shows the suppliers licensed by ERO during 2025 and in the licensing process, where it can be seen that their number is much higher than in previous years, which is undoubtedly a result of the opening of the energy market.

Tab. 3. 2 Enterprises that have been licensed, have had their licenses extended and are in the process of licensing for electricity supply activities during 2025

No.	Name of enterprise	Description of licensed activity	License number	Address, headquarters of the licensee	Validity of the license
1	VoltKos LLC.	Electricity supply	ZRRE/Li_101/25	St.Perandori Dioklecian No.17, Prishtina, 10000, Republic of Kosovo	27.05.2025 - 26.05.2030 Issuance of the license
2	Energy for Change LLC.	Electricity supply	ZRRE/Li_104/25	St.Sali Nivica No.1, Prishtina, Republic of Kosovo	05.09.2025 - 04.09.2030 - Issuance of the license
3	Management & Development Associates LLC.	Electricity supply	ZRRE/Li_103/25	St.Xheladin Hana, Blloku A17, Hyrja 1#4, Prishtina, Republic of Kosovo	10.07.2025 - 09.07.2030 - Issuance of the license
4	BE Power LLC.	Electricity supply	ZRRE/Li_107/25	Llapnasellë, No. 166, Graçanicë, Republic of Kosovo	05.09.2025 - 04.09.2030 - Issuance of the license
5	Norwegian PX Kosovë LLC.	Electricity supply	ZRRE/Li_105/25	Industrial area Prishtina-Fushë Kosovë, St. Aziz Abrashi No.86, Prishtina, Republic of Kosovo	05.09.2025 - 04.09.2030 - Issuance of the license
6	SWISS SOLAR PARK LLC.	Electricity supply	ZRRE/Li_109/25	St. Mbretëresha Teuta, NN, Gjakovë, Republic of Kosovo	07.11.2025 - 06.11.2030 - Issuance of the license
7	SolarNeo LLC.	Electricity supply	ZRRE/Li_110/25	Industrial area N.N., Prishtinë, Republic of Kosovo	07.11.2025 - 06.11.2030 - Issuance of the license
8	Al EnergyX Branch in Kosovo	Electricity supply	Series F23 License Number 545	St. Elez Berisha n.n. 10000 Prishtina, Republic of Kosovo	In force from 13 March 2023 for a period of 5 years. (Recognized by ERO on 27.05.2025 according to the Principle of Reciprocity with the Republic of Albania).
9	Alb Energy Trade Branch in Kosovo	Electricity supply	Series F22 License Number 532	St. Bekim Fehmiu, Icon Tower 11th floor, No.2, Prishtina, Republic of Kosovo	In force from 25 November 2022 for a period of 5 years. (recognized by ERO on 13.08.2025 according to the Principle of Reciprocity with the Republic of Albania).
10	Volton LLC Branch in Kosovo	Electricity supply	Series F24 License Number 600	ALI PASHË TEPELENA, Entry 31, 2nd floor, No.4, Prishtina, Republic of Kosovo	In force from 10 December 2024 for a period of 5 years. (Recognized by ERO on 20.10.2025 according to the Principle of Reciprocity with the Republic of Albania).
11	MEGA KONCEPT Branch in Kosovo	Electricity supply	License registration number issued: EE-SNAB-1017-2023	St.Qamile Jaka 20, Prishtina, 10000, Republic of Kosovo	In force from 25 May 2023 for a period of 10 years. (Recognized by ERO on 05.09.2025 according to the Principle of Reciprocity with North Macedonia)
12	EKO LED LLC	Electricity supply	ZRRE/Li_112/25	St. Lidhja e Pejës, No.289, Prishtina, Republic of Kosovo	05.11.2025...in the licensing process

"VoltKos LLC.", "Energy for Change LLC", "Management & Development Associates LLC", "BE Power LLC.", "Norwegian PX Kosovë LLC.", "SWISS SOLAR PARK LLC". and "SolarNeo LLC". - have applied during 2025 to the Regulator for licensing the activity of electricity supply, thus completing the application with all the documents required for licensing this activity, including the payment of the initial licensing tax and the publication of the notice in the newspapers (portals). After this process, the same have been licensed by the Regulator's Board for a period of five (5) years, in accordance with Article 32 of the Law on the Energy Regulator which provides that the duration of the supply license in Kosovo is determined depending on the financial situation of the applicant with a maximum duration of twenty-five (25) years.

"Al EnergyX Branch in Kosovo", "Alb Energy Trade Branch in Kosovo", " Volton LLC Branch in Kosovo" - all licensed in Albania for the supply of electricity have been registered in Kosovo as "branches in Kosovo " and have applied to the Regulator for mutual recognition of the license, according to the Principle of Reciprocity. The same have been instructed to submit the documentation according to the Rule on Licensing of Energy Activities and the Memorandum of Understanding concluded between the Regulator of Kosovo and the Regulator of Albania. After fulfilling the relevant criteria, the Regulator has recognized the licenses according to the Principle of Reciprocity and the same have gained the right to supply customers with electricity in Kosovo for a period of five (5) years, counting from the date of issuance of the license by the Regulatory Entity of Albania.

"MEGA KONCEPT Branch in Kosovo" - licensed in North Macedonia for the supply of electricity, also registered as *MEGA KONCEPT*, the same has been instructed to register in Kosovo, which is registered as *MEGA KONCEPT Branch in Kosovo*. On August 12, it applied to the Regulator for mutual recognition of the license according to the Principle of Reciprocity. The same has been requested to submit documentation according to the Licensing Rule and the memorandum of understanding concluded between the Regulator of Kosovo and that of North Macedonia. After fulfilling the criteria, the Regulator on 5.9.2025 recognized the license according to the Principle of Reciprocity and the same can supply electricity to customers in Kosovo for a period of ten (10) years, counting from 25 May 2023, as licensed by the Regulatory Commission for Energy and Water Services of North Macedonia.

"EKO LED LLC" - has applied to the Regulator for licensing of the electricity supply activity during 2025. The application has been reviewed by ERO, but due to the inability to submit all the documents required by the application for this activity, it has remained in the licensing process.

All licensed suppliers, in order to supply electricity to their customers, initially enter into a supply agreement/contract, in accordance with the license and other applicable legislation in Kosovo.

It should be noted that suppliers who have a supply license issued by ERO, in addition to supplying energy to customers in Kosovo, may also carry out the activity of trading electricity, in accordance with the licenses issued by ERO and other legislation in force.

The following table presents the thirty (30) suppliers that were licensed in previous years, and which had active licenses during 2025, i.e., they had the right to supply customers with electricity during 2025.

Tab. 3. 3 Enterprises that have the right to supply electricity to customers in Kosovo according to licenses issued by the Energy Regulatory Office

	Company registered in Kosovo		License term	
1	Kosovo Electricity Supply Company (KESICO) J.S.C	ZRRE/Tr_2014/Li	Electricity supply	13.04.2017-04.10.2036
2	"GEN-I TIRANA" LLC BRANCH IN KOSOVO	ZRRE/Li_34/12	Wholesale supply (trade) of electricity	11.11.2021-10.11.2026
3	"Danske Commodities Kosovo" LLC	ZRRE/Li_39/17	Wholesale supply (trade) of electricity	22.04.2023-21.04.2028
4	"GSA ENERGIJ" LLC	ZRRE/Li_48/15	Electricity supply	11.11.2021 - 10.11.2026
5	"GSA ENERGIJ" LLC	ZRRE/Li_51/17	Wholesale supply (trade) of electricity	02.09.2021-01.09.2026
6	FUTURE ENERGY TRADING AND EXCHANGE DYNAMICS LLC (FUENTE DYNAMICS)	ZRRE/Li_55/16	Electricity supply	13.04.2023 - 12.04.2028
7	"Interenergo d.o.o-Kosova" LLC	ZRRE/Li_56/16	Wholesale supply (trade) of electricity	27.02.2022-26.02.2027
8	Kosovo Energy Corporation	ZRRE/Li_60/17	Electricity supply	20.12.2018-19.12.2043
9	BALKAN ENERGY L.L.C.	ZRRE/Li_67/20	Wholesale supply (trade) of electricity	23.06.2020 - 22.06.2025
10	BINDI INTEGRATED SERVICES LLC	ZRRE/Li_68/20	Wholesale supply (trade) of electricity	30.09.2020 - 29.09.2025
11	RENRGY TRADING GROUP PRISTINA LLC	ZRRE/Li_69/20	Wholesale supply (trade) of electricity	02.09.2021-01.09.2026
12	Društvo Elektroever D.O.O.	ZRRE/Li_70/20	Electricity supply	24.06.2022-23.06.2027
13	"ENERGY FINANCING TEAM"LL.C.	ZRRE/Li_71/20	Wholesale supply (trade) of electricity	02.09.2021-01.09.2026
14	FUTURE ENERGY TRADING AND EXCHANGE DYNAMICS LLC . (FUENTE Dynamics)	ZRRE/Li_72/21	Wholesale supply (trade) of electricity	02.09.2021-01.09.2026
15	Axpo Kosovo L.L.C	ZRRE/Li_73/21	Wholesale supply (trade) of electricity	02.09.2021-01.09.2026
16	ETMT ENERGY LLC	ZRRE/Li_76/21	Wholesale supply (trade) of electricity	02.09.2021-01.09.2026
17	EDS International KS LLC	ZRRE/Li_77/21	Electricity supply	02.09.2021-01.09.2026
18	MCM COMMODITIES LLC	ZRRE/Li_71/21	Electricity supply	31.03.2022-30.03.2027
19	NOA ENERGY TRADE LLC Branch in Kosovo	ZRRE/Li_80/21	Wholesale supply (trade) of electricity	02.09.2021-01.09.2026
20	HEP Energjia LLC	ZRRE/Li_83/21	Electricity supply	27.10.2021-26.10.2026
21	ETMT ENERGY LLC	ZRRE/Li_84/22	Electricity supply	12.10.2022-11.10.2027
22	SONEL 888 LTD Branch in Kosovo	ZRRE/Li_85/22	Wholesale supply (trade) of electricity	16.11.2022-15.11.2027
23	MFT Energy Kosovo L.L.C	ZRRE/Li_86/22	Wholesale supply (trade) of electricity	16.11.2022-15.11.2027
24	MCM COMMODITIES LLC	ZRRE/Li_87/23	Wholesale supply (trade) of electricity	18.08.2023 - 17.08.2028
25	SharrCem LLC	ZRRE/Li_88/23	Electricity supply	05.05.2023-04.05.2028
26	Eurosol&Energy LTD LLC (Eurosol&Energy LTD)	ZRRE/Li_89/23	Wholesale supply (trade) of electricity	15.05.2023 - 14.05.2028
27	Eurosol&Energy LTD LLC (Eurosol&Energy LTD)	ZRRE/Li_90/23	Electricity supply	18.08.2023 - 17.08.2028
28	MONTING LLC	ZRRE/Li_91/23	Wholesale supply (trade) of electricity	18.08.2023 - 17.08.2028
29	Yildirim Energy Europe Kosovo LLC (Yildirim Energy Europe)	ZRRE/Li_92/23	Wholesale supply (trade) of electricity	01.12.2023 - 30.11.2028
30	SOLE 24 LLC Dega në Kosovë	ZRRE/Li_93/23	Wholesale supply (trade) of electricity	21.09.2023 - 20.09.2028
31	INFINIT POWER SOLUTIONS LLC (INFINIT POWER SOLUTIONS)	ZRRE/Li_94/23	Wholesale supply (trade) of electricity	21.09.2023 - 20.09.2028
32	INFINIT POWER SOLUTION LLC (INFINIT POWER SOLUTIONS)	ZRRE/Li_95/23	Electricity supply	28.12.2023 - 27.12.2028
33	Enerco LLC.	ZRRE/Li_96/24	Electricity supply	12.11.2024-11.11.2029
34	TREDINT GROUP LLC	ZRRE/Li_99/24	Electricity supply	12.11.2024-11.11.2029
35	NOA ENERGY TRADE LLC Branch in Kosovo	RECIPROCITY (Nr.Li. 494)	Electricity supply	02.12.2021 for 5 years
36	EZ5 ENERGY LLC -Branch in Kosovo	RECIPROCITY (Nr.Li. 439)	Electricity supply	08.03.2024 for 5 years
37	NRG Power LLC - Branch in Kosovo (NRG Power LLC)	RECIPROCITY (Nr.Li. 514)	Wholesale supply (trade) of electricity	13.07.2022 for 5 years
38	SPB ENERXHI PRODAKSHN DOOEL Branch in Kosovo	RECIPROCITY (Nr.Li. 439)	Electricity supply	06.09.2021 for 10 years
39	INFINIT ENERGY DOOEL Branch in Kosovo	RECIPROCITY (EE-SNAB-1027-2023)	Electricity supply	01.06.2023 for 10 years
40	INFINIT ENERGY DOOEL Branch in Kosovo	RECIPROCITY (EE-TRG-972-2023)	Wholesale supply (trade) of electricity	04.05.2023 for 10 years
41	Protergia Energy Albania Branch in Kosovo	RECIPROCITY (Nr.Li.576)	Electricity supply	12.04.2024 for 5 years
42	Protergia Energy Albania Branch in Kosovo	RECIPROCITY (Nr.Li. 575)	Wholesale supply (trade) of electricity	12.04.2024 for 5 years

3.1.3 Licensing of wholesale electricity supply (trading) activity

Unlike other years, this year the number of applications for licensing the activity of wholesale supply (trading) of electricity in Kosovo has increased significantly. During 2024, ERO had reviewed only two (2) applications for licensing this activity and had issued only one license and that reciprocal recognition with Albania, while during 2025 the Regulator has reviewed eight (8) applications, where it has issued three (3) licenses for wholesale supply (trading) of electricity. It has also recognized four (4) licenses according to the Principle of Reciprocity with Albania, while one (1) also according to the Principle of Reciprocity with North Macedonia.

As for the Principle of Reciprocity, it should be added that the Law on Electricity provides that licenses issued for the trading of electricity in other Contracting Parties of the Energy Community shall be recognized in Kosovo. Such licensed suppliers shall have the right to trade electricity without the need for an additional license. Traders and suppliers registered in another Party of the Energy Community shall have the right to participate in the electricity market, according to the Principle of Reciprocity and in accordance with the applicable market rules, balancing rules and fiscal rules. The application process according to the Principle of Reciprocity is also presented in detail in the amended rule by ERO on Licensing of Energy Activities in Kosovo, Rule ERO/No.02/2022.

According to this rule, ERO may recognize a license, in case a legal entity has a license issued by a Regulatory Authority of another Contracting Party of the Energy Community/a Member State of the European Union, or another country, provided that ERO has concluded a bilateral agreement with that country (regulatory authority) for the mutual recognition of licenses and of course, after submitting to the Regulator the evidence provided for under the legislation in force.

Tab. 3. 4 Enterprises that have been licensed, have had their licenses extended or are in the process of licensing for wholesale electricity supply (trade) activities during 2025

No.	Name of enterprise	Description of licensed activity	License number	Address, headquarters of the licensee	Validity of the license
1	Statkraft Markets GmbH Branch in Kosovo	Wholesale supply (trade) of electricity	ZRRE/Li_100/24	Sylejman Vokshi Street, 50/3, Pristina, Republic of Kosovo	28.03.2025 - 27.03.2030 Issuance of the license
2	ALFA COMPANY LLC.	Wholesale supply (trade) of electricity	ZRRE/Li_108/25	St. M2, Veternik, Pristina, Republic of Kosovo	07.11.2025 - 06.11.2030 - Issuance of the license
3	Energy Kosova V.B. LLC.	Wholesale supply (trade) of electricity	ZRRE/Li_102/25	St. Hysë Selimi, No.18, Peja, Republic of Kosovo	10.07.2025 - 09.07.2030 - Issuance of the license
4	Al EnergyX Branch in Kosovo	Wholesale supply (trade) of electricity	Series T23 License Number 544)	St. Elez Berisha n.n. 10000 Pristina, Republic of Kosovo	In force from 03.03.2023, for a period of 5 years. (Recognized by ERO on 22.04.2025 according to the Principle of Reciprocity with Albania)
5	Alb Energy Trade Branch in Kosovo	Wholesale supply (trade) of electricity	Series T22 License Number 540	St. Bekim Fehmiu, Icon Tower 11th Floor, No.2, Pristina, Republic of Kosovo	In force from 28 December 2022 for a period of 5 years. (Recognized by ERO on 05.09.2025 according to the Principle of Reciprocity with the Republic of Albania).
6	Volton LLC Branch in Kosovo	Wholesale supply (trade) of electricity	T25 Series License Number 615	ALI PASHË TEPELENA, Entry 31, 2nd Floor, No. 4, Pristina, Republic of Kosovo	In force from 03 February 2025 for a period of 5 years. (Recognized by ERO on 20.10.2025 according to the Principle of Reciprocity with the Republic of Albania).
7	Green Value Branch in Kosovo	Wholesale supply (trade) of electricity	Series T25 License Number 636	Dardanet, 21, Çaklavica, Pristina, Republic of Kosovo	In force from 30 September 2025 for a period of 5 years. (Recognized by ERO on 30.12.2025 according to the Principle of Reciprocity with the Republic of Albania).
8	MEGA KONCEPT Branch in Kosovo	Wholesale supply (trade) of electricity	License registration number issued: EE-TRG-1016-2023	St. Qamile Jaka, 20, Pristina, 10000, Republic of Kosovo	In force from 25 May 2023 for a period of 10 years. (Recognized by ERO on 05.09.2025 according to the Principle of Reciprocity with North Macedonia).

The legal entities “**Statkraft Markets GmbH Branch in Kosovo**”, “**ALFA COMPANY LLC.**” and “**Energy Kosova VB LLC.**” - have applied to the Regulator for licensing the activity of wholesale supply (trade) of electricity during the year 2025. The same, after submitting the relevant evidence according to the Application for wholesale supply (trade) of electricity in Kosovo, were issued a license for this activity for a period of five (5) years (2025-2030). Such a period was allowed in accordance with Article 32 of

the Law on the Energy Regulator, which provides that for wholesale electricity supply (trading) activities, a license may be issued based on the financial circumstances of the applicant, but not for more than five (5) years and not for less than one (1) year.

The legal entities “ **AI EnergyX Branch in Kosovo**”, “ **Alb Energy Trade Branch in Kosovo**”, “ **Volton LLC Branch in Kosovo**” and “ **Green Value Branch in Kosovo**” - are licensed in the Republic of Albania for the Electricity Trading Activity, and after the application for licensing, they have been instructed to register their entity as “ *Branch in Kosovo*”, to provide the relevant evidence and to apply to the Regulator for mutual recognition of the license. After submitting the relevant documentation according to the Rule on Licensing and the Memorandum of Understanding concluded between the Regulator of Kosovo and the Regulator of Albania, ERO has granted them a license according to the Principle of Reciprocity, for a period of five (5) years, starting from the date of issuance of their license by the Regulatory Entity of the Republic of Albania.

The legal entity, registered in Kosovo as “ **MEGA KONCEPT Branch in Kosovo**” - is also licensed in North Macedonia for the Electricity Trading Activity as “ *MEGA KONCEPT*”, which, after the request for licensing, was instructed to register its entity in Kosovo as “ *Branch in Kosovo*”, to provide the relevant evidence and to apply to the Regulator for mutual recognition of the license. Immediately after the submission of the relevant documentation according to the Rule on Licensing and the Memorandum of Understanding concluded between the Regulator of Kosovo and that of North Macedonia, ERO has recognized the license according to the Principle of Reciprocity, starting from the date of issuance of the license by the Regulatory Commission for Energy and Water Services of North Macedonia, for a period of ten (10) years.

The high number of applications this year, as well as previous years' licensing for the activity of supplying and trading electricity in Kosovo, including the mutual recognition of licenses with Albania and North Macedonia, have increased the number of licensees that have had the right to trade electricity in Kosovo, from forty-two (42) in 2024, to sixty-three (63) in 2025. The following is a table of legal entities that have had the right to trade electricity in Kosovo during this year.

Tab . 3. 5 Enterprises that have the right to trade electricity, according to licenses issued by ERO

Company registered in Kosovo	License number	Term of the license
1 Kosovo Electricity Supply Company (KESICO) J.S.C	ZRRE/Tr_2014/Li_07/17	13.04.2017-04.10.2036
2 "GEN-I TIRANA" LLC. Branch in Kosovo	ZRRE/Li_34/12	11.11.2021-10.11.2026
3 "Danske Commodities Kosovo" LLC	ZRRE/Li_39/17	22.04.2023-21.04.2028
4 "GSA ENERGI" LLC	ZRRE/Li_48/15	11.11.2021 - 10.11.2026
5 "GSA ENERGI" LLC.	ZRRE/Li_51/17	02.09.2021-01.09.2026
6 FUTURE ENERGY TRADING AND EXCHANGE DYNAMICS LLC. (FUENTE DYNAMICS)	ZRRE/Li_55/16	13.04.2023 - 12.04.2028
7 "Interenergo d.o.o-Kosova" LLC.	ZRRE/Li_56/16	27.02.2022-26.02.2027
8 Kosovo Energy Corporation	ZRRE/Li_60/17	20.12.2018-19.12.2043
9 BALKAN ENERGY LLC.	ZRRE/Li_67/20	23.06.2020 - 22.06.2025
10 BINDI INTEGRATED SERVICES LLC.	ZRRE/Li_68/20	30.09.2020 - 29.09.2025
11 RENRGY TRADING GROUP PRISTINA LLC.	ZRRE/Li_69/20	02.09.2021-01.09.2026
12 Društvo Elektrosever D.O.O.	ZRRE/Li_70/20	24.06.2022-23.06.2027
13 "ENERGY FINANCING TEAM" LLC.	ZRRE/Li_71/20	02.09.2021-01.09.2026
14 FUTURE ENERGY TRADING AND EXCHANGE DYNAMICS LLC. (FUENTE Dynamics)	ZRRE/Li_72/21	02.09.2021-01.09.2026
15 Axpo Kosovo LLC.	ZRRE/Li_73/21	02.09.2021-01.09.2026
16 ETMT ENERGY LLC.	ZRRE/Li_76/21	02.09.2021-01.09.2026
17 EDS International KS LLC	ZRRE/Li_77/21	02.09.2021-01.09.2026
18 MCM COMMODITIES LLC.	ZRRE/Li_71/21	31.03.2022-30.03.2027
19 NOA ENERGY TRADE LLC. Branch in Kosovo	ZRRE/Li_80/21	02.09.2021-01.09.2026
20 HEP Energija LLC.	ZRRE/Li_83/21	27.10.2021-26.10.2026
21 ETMT ENERGY LLC.	ZRRE/Li_84/22	12.10.2022-11.10.2027
22 SONEL 888 LTD Branch in Kosovo	ZRRE/Li_85/22	16.11.2022-15.11.2027
23 MFT Energy Kosovo LLC.	ZRRE/Li_86/22	16.11.2022-15.11.2027
24 MCM COMMODITIES LLC.	ZRRE/Li_87/23	18.08.2023 - 17.08.2028
25 SharrCem LLC.	ZRRE/Li_88/23	05.05.2023-04.05.2028
26 Eurosol&Energy LTD LLC. (Eurosol&Energy LTD)	ZRRE/Li_89/23	15.05.2023 - 14.05.2028
27 Eurosol&Energy LTD LLC. (Eurosol&Energy LTD)	ZRRE/Li_90/23	18.08.2023 - 17.08.2028
28 MONTING LLC.	ZRRE/Li_91/23	18.08.2023 - 17.08.2028
29 Yildirim Energy Europe Kosovo LLC. (Yildirim Energy Europe)	ZRRE/Li_92/23	01.12.2023 - 30.11.2028
30 SOLE 24 LLC. Branch in Kosovo	ZRRE/Li_93/23	21.09.2023 - 20.09.2028
31 INFINIT POWER SOLUTIONS LLC. (INFINIT POWER SOLUTIONS)	ZRRE/Li_94/23	21.09.2023 - 20.09.2028
32 INFINIT POWER SOLUTION LLC.. (INFINIT POWER SOLUTIONS)	ZRRE/Li_95/23	28.12.2023 - 27.12.2028
33 Enerco LLC.	ZRRE/Li_96/24	12.11.2024-11.11.2029
34 TREDINT GROUP LLC.	ZRRE/Li_99/24	12.11.2024-11.11.2029
35 NOA ENERGY TRADE LLC. Branch in Kosovo	RECIPROCITY (No.Li. 494)	02.12.2021 për 5 vite
36 EZ5 ENERGY LLC. Branch in Kosovo	RECIPROCITY (No.Li. 439)	08.03.2024 për 5 vite
37 NRG Power LLC. Branch in Kosovo (NRG Power LLC.)	RECIPROCITY (No.Li. 514)	13.07.2022 për 5 vite
38 SPB ENERXHI PRODAKSHN DOOEL Branch in Kosovo	RECIPROCITY (No.Li. 439)	06.09.2021 për 10 vite
39 INFINIT ENERGY DOOEL Branch in Kosovo	RECIPROCITY (EE-SNAB-1027-2023)	01.06.2023 për 10 vite

Company registered in Kosovo	License number	Term of the license
40 INFINIT ENERGY DOOEL Branch in Kosovo	RECIPROCITY (EE-TRG-972-2023)	04.05.2023 for 10 years
41 Protergia Energy Albania Branch in Kosovo	RECIPROCITY (No.Li.576)	12.04.2024 for 5 years
42 Protergia Energy Albania Branch in Kosovo	RECIPROCITY (No.Li. 575)	12.04.2024 for 5 years
43 Statkraft Markets GmbH Branch in Kosovo	ZRRE/Li_100/24	28.03.2025 - 27.03.2030
44 AI EnergyX Branch in Kosovo	RECIPROCITY (No.Li. 544)	3.3.2023 for 5 years
45 VoltKos LLC.	ZRRE/Li_101/25	27.05.2025 - 26.05.2030
46 AI EnergyX Branch in Kosovo	RECIPROCITY (No.Li. 545)	13.3.2023 for 5 years
47 Energy Kosova V.B. LLC.	ZRRE/Li_102/25	10.07.2025 - 09.07.2030
48 Management & Development Associates LLC.	ZRRE/Li_103/25	10.07.2025 - 09.07.2030
49 Energy for Change LLC.	ZRRE/Li_104/25	05.09.2025 - 04.09.2030
50 Norwegian PX Kosovë LLC.	ZRRE/Li_105/25	05.09.2025 - 04.09.2030
51 Energy Development Group Kosova LLC.	ZRRE/Li_106/25	05.09.2025 - 04.09.2030
52 BE Power LLC.	ZRRE/Li_107/25	05.09.2025 - 04.09.2030
53 ALFA COMPANY LLC.	ZRRE/Li_108/25	07.11.2025 - 06.11.2030
54 Alb Energy Trade Branch in Kosovo	RECIPROCITY (No.Li 532)	25.11.2022 for 5 years
55 Alb Energy Trade Branch in Kosovo	RECIPROCITY (No.Li 540)	28.12.2022 for 5 years
56 MEGA KONCEPT Branch in Kosovo	RECIPROCITY (No.EE-SNAB-1017-2023)	25.05.2023 for 10 years
57 MEGA KONCEPT Branch in Kosovo	RECIPROCITY (Tr.EE-TRG-1016-2023)	25.05.2023 for 10 years
58 SWISS SOLAR PARK LLC.	ZRRE/Li_109/25	07.11.2025-06.11.2030
59 SolarNeo LLC.	ZRRE/Li_110/25	07.11.2025 - 06.11.2030
60 Volton LLC. Branch in Kosovo	RECIPROCITY (No.Li 600)	10.12.2024 for 5 years
61 Volton LLC. Branch in Kosovo	RECIPROCITY (No.Li 615)	03.02.2025 for 5 years
62 Eco Park Group LLC.	ZRRE/Li_111/25	18.12.2025 - 17.12.2050
63 Green Value Branch in Kosovo	RECIPROCITY (No.Li 636)	30.9.2025 for 5 years

3.2 Monitoring of energy companies

Monitoring/supervision of energy enterprises is one of the main competencies of the Energy Regulator, a responsibility which is foreseen by Chapter XII of the Law on the Energy Regulator, the Law on Electricity and secondary legislation.

Thus, the Regulator, as in previous years, has continued this year with the monitoring of licensed enterprises for energy activities, ensuring whether the enterprises are acting in compliance with the terms of the license, the implementation of rules, individual acts and other decisions issued by the Regulator or other legislation in force. Monitoring is carried out by requesting reports and data from licensees, holding meetings, as well as visiting (monitoring) licensees, with or without notice.

Even during 2025, the Regulator has monitored licensed energy enterprises, especially those above 5 MW, but has also monitored enterprises that are in the process of construction through the authorization procedure for the construction of new capacities.

Monitoring according to the Energy Sector Reporting Manual - according to this manual, licensed energy enterprises have sent immediate, quarterly, or annual reports to the Regulator, depending on the requirements described in this manual or the requirements of the Regulator.

For certain license articles of particular importance, i.e. violations of license conditions that may have a serious impact on government policies, customers or the cost of compensation, the licensee must immediately notify the Regulator. In the event that such notification is not made in a timely manner, the Regulator has the right to impose administrative measures or fines in accordance with the Rule on Administrative Measures and Fines.

Monitoring of the Compliance Program of the Distribution System Operator (KEDS JSC.) - this program has been in force since 2015 (V_750_2015), which is approved by the Regulator's Board. Following the request of the Regulator, the same was modified and approved by the Regulator's Board during 2020 (V_1223_2020), according to which the Compliance Officer of KEDS (approved by Decision V_1256_2020) has reported to the Regulator regarding the fulfillment of the obligations set out in this program.

Monitoring of the Compliance Program of the Transmission System Operator (KOSTT JSC.) - this program is in force from 27 November 2019, through decision V_1203_2019, which is approved by the Regulator's Board. Following the proposal from KOSTT, the Regulator's Board on 14 October 2019 through Decision V_1186_2019 appointed the KOSTT Compliance Officer who reported to the Regulator regarding the fulfillment of the obligations set out in this compliance program.

Guarantees of Origin (GO) - according to Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources, the Guarantee of Origin is an electronic document whose sole function is to provide evidence to the final customer that a certain part or quantity of energy is produced from renewable energy sources and which can also be used for sales purposes. According to the same law, the Energy Regulatory Office is the competent authority for issuing Guarantees of Origin. Also, ERO, according to this law and the Law on the Energy Regulator, maintains the register of GOs, issues tariffs for GOs and is responsible for the correctness, reliability and protection against fraud, in this matter.

According to the Law on Electricity, ERO has a mandate to oversee the issuance, transfer and cancellation of Guarantees of Origin for energy produced from renewable sources, and must establish appropriate mechanisms to ensure the electronic issuance, transfer and cancellation of Guarantees of Origin as well as to ensure that they are accurate, reliable and unfalsifiable.

Therefore, ERO, within the framework of these responsibilities, given by the legislation in force, during 2025, through the project KSV/024 *"Energy Transition and Climate Mitigation"*, financed by the Government of the Grand Duchy of Luxembourg and implemented by the Luxembourg Agency for Development Cooperation (LuxDev), has drafted a draft rule on Guarantees of Origin, which has been sent to stakeholders for comments. A study visit was also conducted to the Swedish Regulator regarding the functioning of Guarantees of Origin.

It is worth noting that ERO has activated the Guarantees of Origin system during 2024 through the GREXEL platform, which has been part of EEX since 2019, while from 1 January 2026 it will be an integrated part of the EEX platform (www.eex.com). The registry on this platform is connected to other Energy Community registries and is technically fully compliant with the AIB EECS Standard.

Being a difficult and quite complex process, during 2025, there were no applications for Guarantees of Origin at ERO.

Monitoring of thermal energy enterprises - Since monitoring is among the regular activities undertaken continuously by ERO, in 2025 the achievements and performance of the enterprises DH Termokos and DH Gjakova were monitored; the monitoring of realizations included:

- Energy balance: thermal energy production and supply as well as network losses;
- Realization of revenues (invoicing and collection) and operating costs;
- Realization of capital costs - specifically new allowed investments;
- New connections and customer supply contracts;
- Unauthorized use and disconnections; and
- Customer complaints and requests and their addressing by the respective enterprises.

3.2.1 Administrative judicial disputes

During 2025, some of the decisions of the Energy Regulatory Office, issued by the ERO Board, in the exercise of regulatory powers in the field of tariffs and the opening of the electricity market, have been the subject of judicial challenge in the Basic Court, the Commercial Court of Kosovo and the Supreme Court of Kosovo, Department for Administrative Matters.

The legal disputes addressed in this section relate to the decision-making of the ERO Board on matters with regulatory impact, including the approval of tariffs and the implementation of measures for the liberalization of the electricity market. These decisions were issued in accordance with the legal framework in force and in the exercise of the powers assigned to the Regulator.

ERO has defended the legality and sustainability of the Board's decisions in these legal proceedings, acting in accordance with the principles of sound administration, legal certainty and consolidated regulatory practice. In some cases, the courts have ruled in favor of upholding the ERO Board's decisions, while in other cases, legal proceedings are still ongoing.

The following will present individual cases of administrative court disputes related to the Board's decision-making on tariffs and market opening, with a brief description of the subject matter of the dispute and the procedural status.

ERO's Decision, V_2703_2025 dated 16 April 2025, regarding the approval of retail electricity tariffs for customers entitled to Universal Service of Supply, to be collected from 01 May 2025 until the next tariff review, which has been disputed by the Non-Governmental Organization "Let's Clean Kosovo", Non-Governmental Organization "Konsumatori" (The customer), at the Basic Court in Pristina, Department for Administrative Matters, with the request for postponement of the execution of the decision, until the final decision by the court.

The Basic Court in Pristina, Department for Administrative Matters, deciding on the request for suspension of the implementation of the decision V_2703_2025, dated 12.05.2025, issued Decision A. No. 1476/2025 and rejected the plaintiff's request as ungrounded. Likewise, the Court of Appeals in Pristina, Department for Administrative Matters, after receiving the plaintiffs' appeal and responding to the appeal, with Decision AA.no. 488/2025, dated 26.05.2025, rejected the plaintiff's

appeal as ungrounded, while confirming the Decision of the Basic Court in Pristina, Department for Administrative Matters A. No. 1476/2025 dated 12.05.2025.

The Kosovo Chamber of Commerce and Industry has filed a lawsuit with the Basic Court in Pristina - Department for Administrative Matters, requesting the annulment of the Public Notice of the Energy Regulatory Office (ERO) published on 12 March 2025, with a request for securing the lawsuit, requesting the suspension of the Public Notice of the Energy Regulatory Office (ERO) published on March 12, 2025, until the final decision on this administrative conflict is issued.

The Basic Court in Pristina, Department for Administrative Matters, deciding on the request for the imposition of a security measure of the Public Notice of the Energy Regulatory Office (ERO) published on March 12, 2025, has issued Decision A. No. 1839/2025 dated 19.06.2025, by which it rejected the plaintiff's request as ungrounded. Likewise, the Court of Appeal in Pristina, Department for Administrative Matters, after receiving the plaintiff's appeal and the respondent in the appeal, with the Decision has rejected the plaintiff's appeal as ungrounded, while confirming the Decision of the Basic Court in Pristina, Department for Administrative Matters A. No. 1839/2025 dated 19.06.2025.

Democratic Party of Kosovo, has filed a lawsuit with the Basic Court in Pristina-Department for Administrative Matters, requesting the annulment of Decision V_2724_2025 and the suspension of the implementation of the Public Notice of the Energy Regulatory Office (ERO) published on 12 March 2025, requesting the suspension of Decision V_2724_2025 of 12 June 2025 and the suspension of the implementation of the Public Notice of the Energy Regulatory Office (ERO) published on 12 March 2025, until the issuance of the final decision on the plaintiff's lawsuit.

The Basic Court in Pristina, Department for Administrative Matters, deciding on the request for the imposition of a security measure to suspend the execution of Decision V_2724_2025 of 13.02.2026 and the Public Notice on the Liberalization of the Energy Market in Kosovo of 12 March 2025 issued by the Energy Regulatory Office (ERO), until the case is decided according to the lawsuit, has issued Decision A. No. 2124/2025 dated 04.07.2025 by which it rejected the plaintiff's request, as ungrounded. Likewise, the Court of Appeals in Pristina, Department for Administrative Matters, after receiving the plaintiff's appeal and the respondent in the appeal, with Decision AA. No. 718/2025 dated on 30.07.2025 rejected the plaintiff's appeal as ungrounded, while confirming the Decision of the Basic Court in Pristina, Department for Administrative Matters A. No. 2124/2025 dated 04.07.2025.

The Kosovo Chamber of Commerce and the Kosovo Manufacturers Association have filed a lawsuit with the Basic Court in Pristina - Department for Administrative Matters, requesting the annulment of the Public Notice of the Energy Regulatory Office (ERO) published on 12 March 2025, with the request for securing the lawsuit, which requested the suspension of the Public Notice of the Energy Regulatory Office (ERO) published on 12 March 2025, until the final decision on this administrative conflict is issued.

The Basic Court in Pristina, Department for Administrative Matters, deciding on the request for the imposition of a security measure for the suspension of the Public Notice on the Liberalization of the Energy Market in Kosovo dated 12 March 2025 issued by the Energy Regulatory Office (ERO), has issued Decision A. No. 2141/2025 dated 04.07.2025 by which it rejected the plaintiff's request, as ungrounded. Likewise, the Court of Appeals in Pristina, Department for Administrative Matters, after

receiving the plaintiff's appeal and responding to the appeal, with Decision AA.no. 719/2025 dated 30.07.2025, has rejected the plaintiff's appeal as ungrounded, while confirming the Decision of the Basic Court in Pristina, Department for Administrative Matters A. No. 2141/2025 dated 04.07.2025.

The Kosovo Chamber of Commerce has also filed a lawsuit with the Supreme Court of Kosovo, requesting that the lawsuit and the claim be approved, and that the normative sub-legal act be repealed - the Guideline for the Liberalization of the Energy Market of 18.01.2017 (respectively Article 8) and the Guideline for Amending and Supplementing the Guideline for the Liberalization of the Electricity Market in Kosovo, amended and supplemented on 13 June 2018, and on 30 October 2018, and approved on 28 March 2019 (respectively Article 2), as well as the public notice act of ERO for the liberalization of the energy market in Kosovo, published on 12.03.2025, with the request for the imposition of a temporary security measure for the complete suspension and temporary prohibition of the implementation of the criteria set out in the public notice act of 12 March 2025.

The Supreme Court of Kosovo initially, through Decision PA No. 18/2025 of 26.08.2025, rejected the request for the imposition of a temporary security measure filed by the plaintiff: Kosovo Chamber of Commerce, with headquarters in Pristina, against the defendant: Energy Regulatory Office (ERO), with headquarters in Pristina, with which it requested the suspension and temporary prohibition of the implementation of the criteria set out in the public notice of 12.03.2025, as impermissible.

The Supreme Court of Kosovo, through Judgment P.no. 18/2025 dated 05.11.2026, initially directly repealed Article 8 of the 2017 Guidelines and Article 2 of the amendments and supplements of 2018-2019, finding that these provisions have created legal uncertainty for customers due to the lack of sufficient reasoning and interpretation of the legal framework in relation to Directive 2009/72/EC. However, the Supreme Court, through this Judgment, has made the mandatory interpretation of Article 37 paragraph 2, in relation to Article 3 paragraph 1.72 of Law No. 05/L-085 on Electricity, in accordance with Article 3(3) of Directive 2009/72/EC, clarifying that the right to universal service belongs to household customers and only to small enterprises that cumulatively meet the legal criteria for the number of employees and annual turnover. Therefore, ERO has continued to implement Law No. 05/L-085 on Electricity in accordance with Article 3(3) of Directive 2009/72/EC, as interpreted by the Supreme Court, without extension or limitation beyond the criteria set out in the primary law, also noting with Decision V_2994_2025 of 18 December 2025, the actions taken to implement the Judgment of the Supreme Court in accordance with Directive 2009/72/EC.

ERO has also handled other requests, where it has filed procedural objections to lawsuits and claims of legal and natural plaintiffs, complaints and responses to lawsuits and complaints, and has also filed requests for extraordinary review of court decisions in other cases, for which it is awaiting decisions and judgments on the merits from regular courts.

3.3 Renewable Energy Sources (RES)

The development and promotion of Renewable Energy Sources (RES) in the Republic of Kosovo is regulated through a consolidated legal and strategic framework, which aims at the sustainable use of local energy potentials, increasing security of supply, protecting the environment and fulfilling national and international obligations in the energy sector.

The policy for the development of RES is defined by the Law on Energy No. 05/L-081, which sets out the basic principles for promoting the economic and sustainable use of energy resources, as an integral part of the Energy Strategy of the Republic of Kosovo. This policy aims to diversify the energy mix and support investments in clean energy generation technologies.

In accordance with the Law on the Energy Regulator No. 05/L-084, the construction of new generating capacities from Renewable Energy Sources, as well as the relevant energy infrastructure, is carried out through authorization procedures administered by the Energy Regulatory Office (ERO), based on objective, transparent and non-discriminatory criteria.

With the entry into force of Law No. 08/L-258 on the Promotion of the Use of Renewable Energy Sources, the legal framework for the development of RES has been further strengthened, defining measures to increase the use of renewable energy in the electricity, heating and cooling sectors, as well as in the transport sector. This law aims to meet energy needs, increase security of supply and environmental protection, and contributes to the gradual harmonization of domestic legislation with the acquis of the European Union in the field of energy.

The Republic of Kosovo, as a signatory to the Energy Community Treaty, has undertaken binding obligations for the development of the energy sector, including the achievement of targets for energy from renewable sources. In this context, the development of new generation capacities from RES constitutes a key element for the fulfillment of these obligations and for the transition towards a more sustainable energy system.

The Energy Strategy of the Republic of Kosovo for the period 2022-2031 defines renewable energy sources as one of the main pillars for diversifying the generation mix and for gradually reducing dependence on lignite-based production. In accordance with this strategy, it is envisaged that new generation capacities from RES, through existing and innovative technologies, will contribute to the long-term energy transition.

In implementation of this legal and strategic framework, relevant sub-legal acts have been issued by the Ministry of Economy and ERO, which regulate the types of renewable energy sources, the technical and procedural criteria for their use, as well as the support mechanisms for the implementation of RES projects, including self-consumption schemes.

3.4 Authorization for the construction of new capacities

The Energy Regulatory Office, during 2025, continued to implement authorization procedures for the construction of new generation capacities, in accordance with the legal and regulatory framework in force. The authorization procedure constitutes the main regulatory instrument for ensuring the sustainable, controlled and transparent development of energy projects in the Republic of Kosovo.

The process of authorizing the construction of energy projects is carried out on the basis of objective, transparent and non-discriminatory criteria, including the verification of the legal, administrative, technical and financial documentation of the applicants. In this context, ERO ensures that the construction of new generation capacities is in line with the public interest, the security of the energy system and the development of a competitive energy market.

The construction authorization is issued only after fulfilling the criteria set out in the relevant regulation and after obtaining the relevant permits from the competent institutions, in accordance with the activity for which the application has been submitted. ERO, through this process, exercises its regulatory role in the development of new generation capacities.

During 2025, ERO received 10 applications from various legal entities, commercial generators, for authorization to build new RES generation capacities with a total capacity of 128,483 MW. 283 requests from natural and legal persons for authorization to build self-consumption generators with a total capacity of 11,062 MW were received and reviewed.

3.4.1 Applications that are in the process of being reviewed by the Regulator

During 2025, ERO also handled applications for authorization that are at various stages of review and completion. These applications are subject to the procedure of verification of documentation and fulfillment of the criteria set out in the legislation and regulations in force.

Projects under review are in various stages of administrative, legal, technical and financial aspects review as well as administrative documents of permits and consents issued by relevant institutions of the Republic of Kosovo. ERO, at this stage, provides procedural instructions and ensures equal treatment of all applicants, in accordance with the principles of fair and lawful administration.

Tab. 3. 6 Companies that are in the process of being reviewed for the decision on authorization

No.	Legal Entity	Facility	Location	Installed capacity	Status of the application
1	MDYNAMIC SOLUTIONS LLC.	Solar	Vërrnicë, Municipality of Vushtrri	7.18 MW	In the process of completion
2	ESHA ENERGY LLC.	Solar	Vërrnicë, Municipality of Vushtrri	2.32 MW	In the process of completion
3	ESHA ENERGY LLC.	Solar	Vërrnicë, Municipality of Vushtrri	8.12 MW	In the process of completion
4	EUROKOS DD LLC.	Reversible	DRINI PSHP/Prizren	250 MW	In the process of completion
5	NIN TECHNOLOGY LLC.	Biomass	Ferizaj	5.2 MW	In the process of completion
6	DARDANA INVEST LLC.	Wind	WIND PARK KITKA 2/Kamenica	33 MW	In the process of completion

3.4.2 Projects in the construction process according to Authorization

Projects that have been authorized by the Energy Regulatory Office and are in the process of construction are implemented in accordance with the conditions set out in the relevant decisions, as well as with the approved dynamic implementation plans. These projects represent an important component in the development of new generation capacities and in the advancement of the strategic objectives of the energy sector in the Republic of Kosovo.

During 2025, projects under construction according to the Authorization were monitored by ERO through regulatory monitoring mechanisms, with the aim of verifying the compliance of their implementation with the authorization criteria, respect of deadlines and fulfillment of technical, administrative and financial obligations. In this context, special attention was paid to the implementation of projects in accordance with the dynamic plans declared by investors.

Projects under construction according to the Authorization include initiatives developed both through market mechanisms and through support schemes determined by public policy in the energy sector. These projects contribute to the increase in generating capacities from Renewable Energy Sources and the diversification of the energy mix.

In this context, the solar project selected through the renewable energy auction procedure, developed by the Ministry of Economy in accordance with the legal and regulatory framework in force, was also granted Authorization in 2025. This project represents a model for the development of new generation capacities through competitive and transparent mechanisms, with the aim of ensuring affordable prices and increasing the security of supply.

ERO, in the exercise of its regulatory powers, has reviewed and approved the authorization for the construction of this project in accordance with the Rule on the Authorization Procedure, ensuring that the technical, administrative and legal criteria are met. The project is expected to be implemented according to the deadlines set out in the relevant documentation and in the dynamic implementation plan, contributing to the achievement of the strategic objectives for energy from renewable sources.

Tab. 3. 7 Projects that are in the process of construction with authorization

No.	Legal Entity	Facility	Location	Installed capacity	Date of issuance of the Authorization
1	SVB LLC.	Solar	Sinajë, Municipality of Istog	3 MW	12 June 2025
2	QAZIM R. GASHI I.B.	Solar	Babimoc, Project 1, Municipality of Obiliq	1.5 MW	05 September 2025
3	QAZIM R. GASHI I.B.	Solar	Babimoc, Project 2, Municipality of Obiliq	1 MW	05 September 2025
4	QAZIM R. GASHI I.B.	Solar	Babimoc, Project 3, Municipality of Obiliq	1.5 MW	05 September 2025
5	EBE ENERGY LLC.	Solar	Shtime, Municipality of Shtime	3 MW	05 September 2025
6	LINDJA SOLAR LLC.	Solar	Kramovik and Petkoviq, Municipality of Rahovec	100 MW	05 September 2025
7	ERIS SOLAR LLC.	Solar	Bellopojë, Municipality of Istog	3.5 MW	07 November 2025
8	DIOBES SOLAR LLC.	Solar	Sojevë, Municipality of Ferizaj	9 MW	18 December 2025
9	EV Wind Park LLC.	Wind Park ZATRIC 1	Zatric, Municipality of Rahovec	35 MW	07 August 2024
10	EV Wind Park LLC.	Wind Park ZATRIC 2	Zatric, Municipality of Rahovec	35 MW	07 August 2024
11	SOLAR GATE LLC.	Solar	Llapashticë e Epërme, Municipality of Podujeva	3 MW	12 November 2024
12	SOLAR ENERGY GROUP EUROPE LLC.	Solar	SEGE Project, Loc. CA BEC - VRANIQ, Municipality of Gjakova	150 MW	18 August 2023
13	2 Korriku LLC.	Hydro	HPP Soponica, Municipality of Kaçanik	3.75 MW	24 June 2022

3.4.3 Entry into operation of RES generators

The entry into operation of generators from Renewable Energy Sources is carried out after the completion of the construction of the projects and after the fulfillment of all technical, administrative and regulatory criteria determined by the authorization. This process includes the technical acceptance of the generating facilities and the verification of compliance with the grid codes and technical criteria in force, managed by the Transmission and Distribution System Operators, depending on the level of connection.

ERO, in cooperation with the relevant system operators, ensures that the entry into operation of new generating capacities is carried out in a safe and coordinated manner, respecting the requirements for the stable functioning of the energy system. The energy produced by these generators will be sold under market criteria.

Tab. 3. 8 Projects that have entered into operation during 2025

No.	Legal Entity	Facility	Location	Installed capacity	Entry in operation
1	Energy Development Group - Kosova LLC.	Solar	Location, Kusar, Municipality of Gjakova	6 MW	October 2025
2	Eko Park Group LLC.	Solar	Location, Kodra e Hutit, Municipality of Gjakova	6 MW	November 2025
3	Vita Energy LLC.	Solar	Location, Madanaj, Municipality of Gjakova	3 MW	November 2025
4	VBS LLC.	Solar	Location, Madanaj, Municipality of Gjakova	3 MW	December 2025
5	ELEKTROHETA LLC.	Solar	Varosh, Municipality of Ferizaj	3 MW	December 2025
6	LURN LLC.	Solar	Shajkoc, Municipality of Podujeva	0.483 MW	December 2025

Fig . 3. 1 View from the realization of a solar generator - ELEKTROHETA LLC. Capacity 3000 kW, Ferizaj



3.5 Self - consumption generators

Self-consumption generators constitute an important segment in the development of Renewable Energy Sources in the Republic of Kosovo, enabling electricity customers to produce energy for their own needs, in accordance with the legal and regulatory framework in force.

During 2025, the Energy Regulatory Office has handled a significant number of requests for obtaining the status of self-consumption prosumers. These requests were submitted by natural and legal persons and were handled in accordance with the procedures established by the relevant regulations, respecting the principles of legality, transparency and equal treatment.

The table below shows the number of decisions issued by the ERO Board, and the total installed capacity of self - consumption generators during 2025.

Tab. 3. 9 Authorizations for self-consumption

Decisions for self-consumption	No. of issued decisions
Solar	283
Total installed capacity	11.062 MW

The process of handling requests for self-consumption has included verification of relevant documentation, review of technical compliance of projects, as well as coordination with relevant network operators, in order to ensure the safe functioning of the energy system. ERO, in this context, has exercised its regulatory role by balancing the interest of customers for self-generation with the need for stability and reliability of the network.

Generators for self-consumption may operate within the support schemes defined by the legislation in force, as well as outside these schemes, based on contractual agreements between producer customers and electricity suppliers. In both cases, applicants are obliged to meet the technical and procedural criteria, as well as to respect the rules for the management of surplus energy produced.

ERO has continued to monitor the implementation of self-consumption authorizations, tracking the implementation of projects and their compliance with the established criteria. This process has contributed to increasing the use of energy from renewable sources, strengthening the active role of customers in the energy market and supporting the objectives of the energy transition.

In this context, self-customers with Renewable Energy Sources, regardless of whether they are part of the Support Scheme or outside it, are subject to the obligation to contribute to the costs of the system and the network, in accordance with the provisions of the regulations in force, in order to manage their impact on the network and ensure the stable, secure and efficient operation of the energy system.

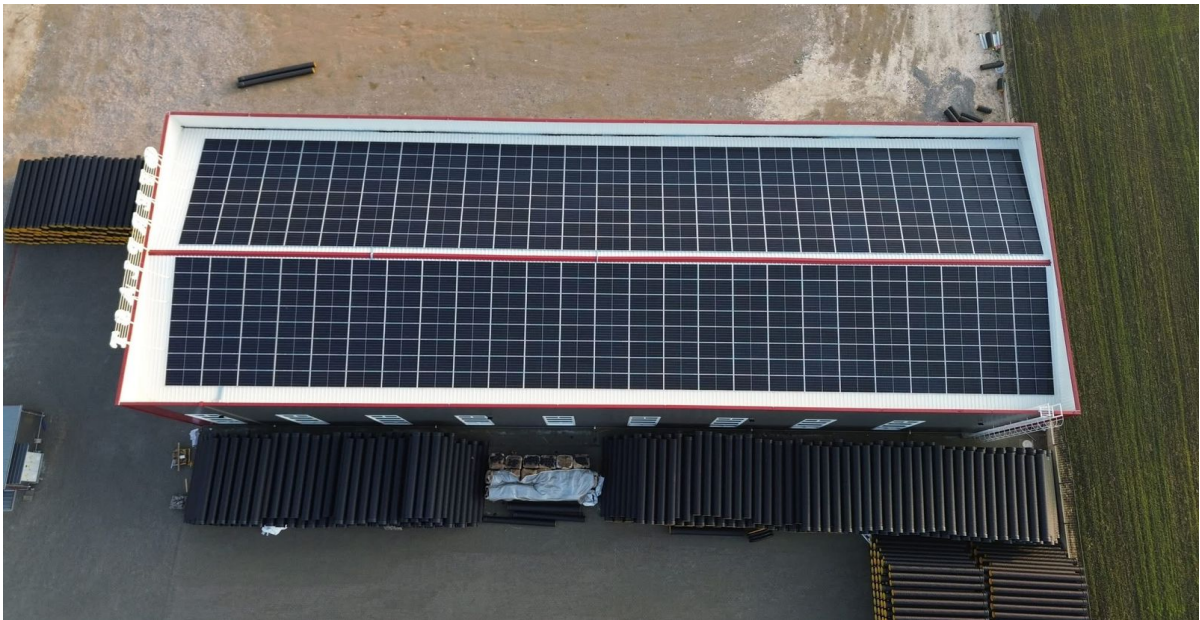


Fig . 3. 2 Views from the realization of a generator for self-consumption, legal entity, 200 kW



Fig . 3. 3 View from the realization of a generator for self-consumption, natural person, 7 kW

ERO has also received other requests from natural and legal persons, which are in the review phase and according to the procedures in force, after completion will be allowed to build new generation capacities from generators for self-consumption.

3.6 Monitoring the construction of new generation capacities

Monitoring the construction of new generation capacities is carried out within the Regulatory competences of the Energy Regulatory Office and constitutes an essential component of the supervision of the implementation of authorization decisions. The purpose of this process is to ensure that energy projects are developed in accordance with the authorization criteria, the applicable legal framework and the principles of safety, sustainability and public interest.

During 2025, the monitoring of construction projects was carried out through administrative mechanisms defined by secondary legislation and relevant ERO decisions. This monitoring included the review of documentation submitted by authorized entities, reports on the progress of works, verification of compliance with dynamic implementation plans, as well as the assessment of the fulfillment of technical and administrative criteria arising from the issued authorizations.

As part of the monitoring process, ERO has maintained continuous communication with the authorized entities, requesting additional clarifications and updates regarding the phases of project implementation, whenever deemed necessary. Monitoring has also included cooperation and coordination with other competent institutions, including system operators and relevant public authorities, in order to ensure compliance of projects with legal and technical requirements.

ERO has handled requests for extension of authorization deadlines and for updating dynamic implementation plans, assessing them in accordance with the provisions of the Rule on the Authorization Procedure and ensuring that each decision taken is based on objective, transparent and verifiable criteria. In this process, special attention has been paid to compliance with obligations related to financial guarantees and other authorization criteria.

Monitoring the construction of new generation capacities has also served as a basis for identifying issues of regulatory importance, including the need for improving procedures, clarifying administrative requirements and further harmonizing regulatory practice. This process has contributed to strengthening legal certainty for authorized entities and increasing the transparency of regulatory actions.

ERO will continue with the implementation and development of monitoring mechanisms for the construction of new generation capacities, in line with developments in the energy sector and objectives.

After assessing the situation on site, it was confirmed that the applicant was carrying out the works according to the dynamic plan presented by him, but in order to finalize the project, the validity period must be extended according to the new dynamic plan, and the extended financial guarantee must be provided in accordance with Article 18 of the Rule on Authorization.

With decisions V_2559_2024 and V_2603_2024, requests for extension of the validity period of the Decisions on Authorization for continuing the construction of generating capacities from solar panels according to the dynamic plans proposed by the applicants were approved.

ERO will continue to monitor the construction of new generation capacities from Renewable Energy Sources, respecting all legal procedures and criteria set out in the legislation in force.

3.7 Market integration

3.7.1 Albanian Power exchange AlpeX and the Kosovo-Albania Market Coupling

On 27 April 2016, in order to fulfill the objectives of the EU Third Package for the establishment of the internal electricity market and based on the commitments made at the Western Balkans Summit in Vienna (27 August 2015), Kosovo and Albania launched the process for the establishment of market operators (exchanges) and the coupling of the Day-Ahead (DAM) and Intraday (IDM) markets. This process was further advanced with the signing of the Memorandum of Understanding in June 2018 between the TSO, KOSTT and the respective regulators, as well as subsequent regulatory and operational agreements. In December 2020, ERO approved the delegation of competences to ALPEX for the organization of the market for Kosovo, while in May 2021 the ALPEX branch was opened in Pristina. The 2021 Framework Agreement and the adoption of common rules in December 2022, as well as the 2024 amendments, established the complete regulatory basis for the operation of integrated markets between the two countries.

ALPEX operates as a Nominated Electricity Market Operator (NEMO) for Albania and Kosovo, managing the organized wholesale electricity markets. During 2025, the Day-Ahead market reached a traded volume of 1,641,291.86 MWh, with an average clearing price of €118.38/MWh and total billing of around €369 million, marking a significant increase compared to the previous year. Cross-border flows reached 351,152.95 MWh, with flows from Albania to Kosovo dominating 209,779.02 MWh and 141,373.92 MWh in the opposite direction, reflecting advanced integration and efficient use of cross-border capacities.

In parallel, during 2025, the Intraday Auction Market (CRIDA) was also consolidated, where a volume of 29,442.24 MWh was traded at an average price of €139.17/MWh. Cross-border flows in this market reached 22,945.73 MWh, distributed almost evenly between the two countries. This development represents an important step towards increasing the flexibility of the system and optimizing market positions in the short term.

In terms of institutional and market development, ALPEX has continued to expand its participation and strengthen international cooperation, being involved in European initiatives such as ENTSO-E, SDAC and SIDC. The successful operation of the Albania-Kosovo joint markets, without cases of complete separation and with price convergence over 99% of the time, testifies to a consolidated market, growing and in continuous compliance with the standards of the joint European electricity market.

During 2025, ALPEX welcomed 11 new Power Exchange Members and 1 new General Clearing Member, reaching a total of 45 Power Exchange Members and 5 General Clearing Members at the end of the year.

ALPEX Trading Indicators during 2025 for the day-ahead market are as follows:

- Total volume traded on the Day Ahead Market of 1,641,291.86 MWh with an average clearing price of €118.38/MWh.
- Energy flow:
 - o From Albania to Kosovo: 209,779.02 MWh

- From Kosovo to Albania: 141,373.92 MWh.
- Bid on purchase: 2,811,090.48 MWh.
- Offer for sale: 2,719,930.84 MWh.
- The trading record for a Market Time Unit (MTU) was 728.49 MWh on 27 October 2025.
- The daily trading record billed to power exchange members was 9,422.84 MWh on 27 November 2025.
- The monthly trading record was 175,121.52 MWh in August.
- The record for energy flow was recorded in November with 49,260.91 MWh from Kosovo to Albania.

The figure below presents traded volumes and average clearing prices on a monthly basis for the Day-Ahead Market for 2025.

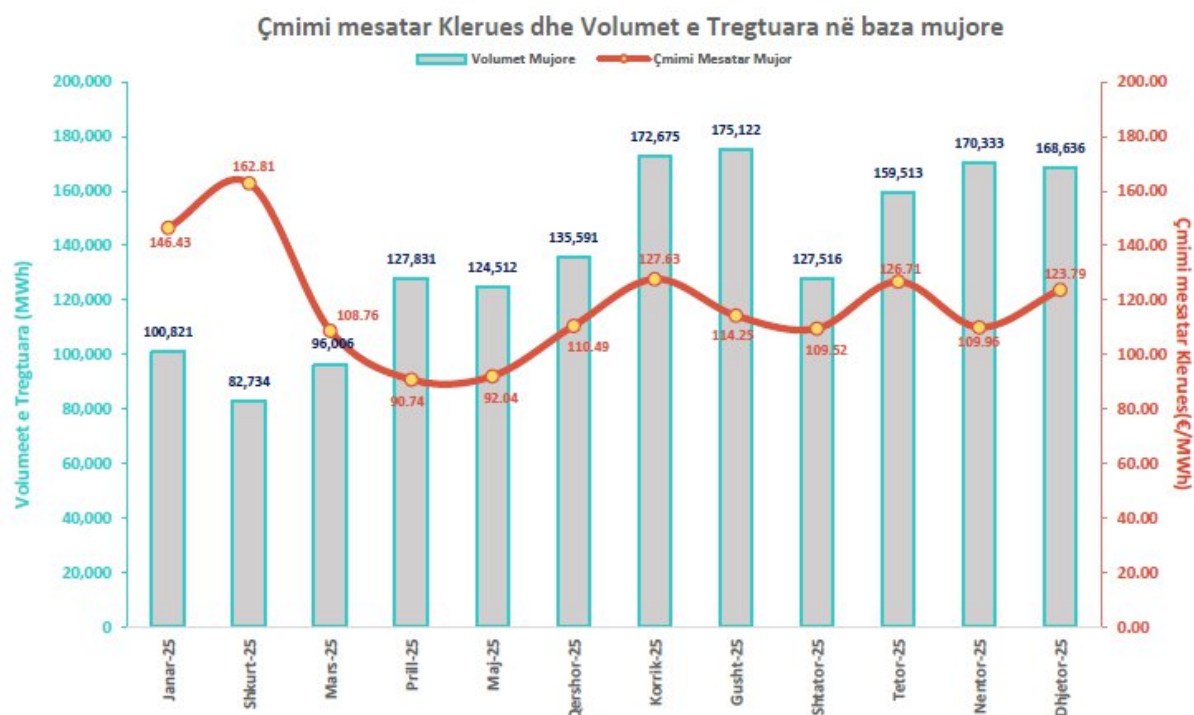


Fig . 3. 4 Traded volumes and average clearing price for the day-ahead market

The performance of the Intraday Auction Market (IDM) is presented as follows:

- Total volume traded in the Intraday Market of 29,442.24MWh with an average clearing price of 139.17 €/MWh
- Energy flow:
 - From Albania to Kosovo: 11,396.36MWh.
 - From Kosovo to Albania: 11,549.37MWh

3.7.2 The Electricity Market Liberalization Process

The Energy Regulatory Office, in the session held on 11 April 2025, with Decision V_2698_2025, approved the Maximum Allowed Revenues for Universal Service of Supply for the tariff year 2025, where through this process the revenues of regulated operators such as: KOSTT JSC (Transmission and Market System Operator), KEDS JSC (Distribution System Operator) and KESCO JSC (The Universal Service Supplier) were also approved, and by Decision V_1703_2025 have been reflected in the retail tariffs for customers who are supplied with the right to Universal Service of Supply for the year 2025 until the next tariff review, by deciding, according to the Law on Electricity, that customers (economic enterprises) that have met the legal criteria for entry into the open market, and the costs for these economic enterprises have been removed from the bills of household customers.

ERO, through the Consultation Report, has addressed the process of customer deregulation, presenting ERO's legal obligations, the international obligations of the Republic of Kosovo as a signatory to the Energy Community Treaty, the process of market deregulation and liberalization, as well as the expected effect on customers.

As regards the legal obligations relating to the organised energy market and market liberalisation, the obligations are defined in Articles 5, 7, 26, 37 and 40 of the Law on Electricity. Whereas, in relation to Kosovo's obligations as a party to the Energy Community Treaty, there has been an obligation to transpose the "Acquis Communautaire" on energy into domestic legislation, in accordance with the decisions of the Energy Community Council of Ministers. This transposition includes eight EU legal acts, including Directive (EU) 2019/944 on the rules of the internal market in electricity and Regulation (EU) 2019/941 on risk-preparedness in the electricity sector. One of the main obligations of the Republic of Kosovo is the implementation of the principles set out in Directive (EU) 2019/944. Article 27 of this Directive provides that Member States shall ensure that all household customers and, where Member States deem it appropriate, small enterprises, are entitled to universal service, namely the right to be supplied with electricity of a specified quality within their territory at competitive, easily and clearly comparable, transparent and non-discriminatory prices.

ERO through this process, has emphasized that it aims to make the electricity market more flexible, more customer-oriented and more decentralized, contributing to security of supply and sustainable energy transition. It should be noted that Directive 2009/72, namely Article 3, paragraph 3, has emphasized that Member States shall ensure that all household customers and, where Member States deem it appropriate, small enterprises, are entitled to universal service, namely the right to be supplied with electricity of a specified quality within their territory at competitive, easily and clearly comparable, transparent and non-discriminatory prices. Directive 2009/72 also defines small enterprises as enterprises which employ fewer than 50 employees and whose annual turnover and/or total annual turnover does not exceed 10 million euros.

As part of this process, it has been decided that non-household customers (economic enterprises), who do not fulfill the criteria for Universal Service of Supply, will enter the open electricity market starting from 1 June 2025, in accordance with the Law on Electricity and relevant ERO decisions. This step aimed to develop competition in the market, increase efficiency and enable customers to choose their supplier.

Also, following legal and judicial developments, the process of liberalization of the electricity market has been confirmed by the judicial system. In particular, the Supreme Court of the Republic of Kosovo, through Judgment PAno.18/2025, has clarified the interpretation of the legal provisions regarding the universal service, emphasizing that the right to supply within the framework of the universal service belongs only to household customers and small enterprises that fulfill the legal criteria cumulatively (number of employees and annual turnover). The Court has concluded that the electricity market is legally open, and that the further implementation of the primary law and the EU *acquis* does not require additional normative intervention by the Regulator.

Likewise, the Constitutional Court of the Republic of Kosovo, with the Decision in case KI252/25, has declared the request for constitutional review as inadmissible, not finding any violation of constitutional rights in relation to the process of liberalization of the electricity market. The rejection of the request as inadmissible confirms that the allegations raised have failed to prove a violation of constitutional rights and, consequently, do not call into question the legality of institutional actions in this process. ERO considers that regulatory developments and judicial decision-making at the level of the Supreme Court and the Constitutional Court have contributed to strengthening legal certainty, confirming the direction of reforms for the liberalization of the electricity market in the Republic of Kosovo, in accordance with domestic legislation and international obligations.

It is worth noting that at the beginning of 2025, ERO launched a comprehensive customer information campaign targeting non-eligible customers. This process aimed to inform affected customers about the applicable timelines, regulatory requirements and procedures for switching to the open electricity market. In this context, ERO organized and participated in several meetings and workshops with customer representatives, including the Chamber of Commerce, the American Chamber of Commerce, the German Economic Chamber, the Kosovo Business Alliance, as well as international chambers of commerce operating in Kosovo and other stakeholders in the energy sector.

In parallel, the system operators KEDS and KESCO identified customers who are not eligible for USS (deregulated customers) and have taken the necessary technical, operational and commercial measures to enable their effective participation in the open electricity market.

Table 5 below presents the number of metering points of customers in the open market that have entered into supply contracts with licensed electricity suppliers.

Tab. 3. 10. Licensed suppliers and customer metering points in the open market

Supplier	Number of measuring points
KESCO	4,641
KEK	3,955
Voltkos	539
Enercon	330
EDS International	68
Future Dynamics	2

TOTAL
9,535

3.8 Activities of the Regulator in the field of price regulation

3.8.1 Tariff review

The Energy Regulatory Office (ERO), based on the powers granted in the primary and secondary legislation for the energy sector, is the sole authority responsible for setting tariffs for regulated activities in the energy sector. Through an open, transparent process and based on the applicable regulatory methodologies, ERO determines the allowed revenues and tariffs for regulated operators. This responsibility, in addition to being defined in domestic legislation, also derives from the requirements of Directive 2009/72/EC concerning common rules for the internal electricity market.

During 2025, ERO has carried out the process of regular annual tariff adjustments in accordance with the respective Rules on Revenues in the electricity sector. This process includes the review of applications from regulated operators for the determination of allowed revenues and tariffs for the relevant activities, based on a detailed analysis of allowed costs, planned investments, efficiency parameters and other economic and technical factors.

Tariff review is a complex and transparent process, where ERO takes into account various factors that affect energy prices, such as increased demand for electricity, energy prices in international markets that have a direct impact on the costs of purchasing electricity for Kosovar customers.

The review of applications for regulated revenues and tariffs in the electricity sector has included, among others: wholesale energy purchasing activities from local generators, energy prices in regional and international markets, electricity import costs, the activity of the system operator, transmission and market operator, electricity distribution activity. These elements have a direct impact on the costs of electricity supply to customers in Kosovo.

The tariff review process has been conducted through a transparent and consultative procedure, including the publication of relevant documents and consultation with stakeholders. ERO, when determining revenues and tariffs for regulated operators, has taken into account the documents published on the official website of ERO, as follows:

- From 24 to 31 January 2025, ERO has received applications for the review of Maximum Allowed Revenues from the Universal Service Supplier (KESCO), the Distribution System Operator (KEDS), and the Transmission System and Market Operator (KOSTT);
- Consultation Reports allocated to the Maximum Allowed Revenues (MAR) for the Universal Service Supplier, the Distribution System Operator and the Transmission System and Market Operator, were published on 14 March 2025;
- The final reports on Maximum Allowed Revenues, together with responses to stakeholder comments, for the Universal Service Supplier, the Distribution System Operator and the Transmission System and Market Operator, were published on 11 April 2025.

During this process, ERO has analyzed in detail the cost structure of regulated operators, assessing operating costs, energy purchase costs, network investments and efficiency parameters. The aim of this process is to ensure that electricity tariffs reflect the real and reasonable costs of providing services, while promoting operational efficiency and investments in the development of the energy sector.

The process of determining and approving revenues and tariffs is of particular importance for the sustainable functioning of the electricity sector. Through this process, a balance is ensured between protecting the interests of customers, creating conditions for necessary investments in energy infrastructure and guaranteeing a stable and secure supply of electricity.

During 2025, the electricity market in Europe has faced significant challenges, characterized by rising prices and supply uncertainties. These developments have also affected the countries of the Western Balkans, including Kosovo. In this context, developments in international markets have reflected in the costs of electricity supply and the need for careful cost management within the Regulatory process.

At the same time, these developments have highlighted the importance of investments in renewable energy sources, increasing energy efficiency and developing the electricity market, with the aim of ensuring a more sustainable and competitive electricity supply in the future.

The realization of electricity supply forecasts depends largely on the performance of domestic power plants. In recent years, maintaining a stable level of production has been challenging, mainly due to the age of the generating units and the need for continuous investments to maintain and keep them in operation. In this context, various technical investments have been undertaken, including the installation and improvement of environmental filters, which have continued throughout 2025. However, due to operational and investment challenges, the performance of these production capacities remains influenced by various factors, which may continue to affect the realization of electricity production and supply in the coming periods.

3.8.2 Energy Purchases in the Wholesale Market

Electricity prices in the energy markets have remained relatively high even in 2025. The following table presents a comparison between the realized values and those allowed by ERO for the supply of electricity to the Universal Service Supplier (USS). From the data analysis, deviations are observed both in the amount of energy supplied and in the total cost of purchasing electricity. The energy supplied by KEK constitutes the main source of supply for the USS, where the realized quantity has reached around 3,924.7 GWh, compared to the allowed 3,876.1 GWh, while the average price has remained at 29.5 €/MWh. As a result, the cost of supply by KEK has reached around 115.8 million euros, remaining roughly in line with the value allowed by ERO.

However, during the period under review, domestic production was also affected by operational challenges in the generation units at the Kosovo A and Kosovo B power plants. The age of these plants, operation beyond their designed lifespan, and unplanned outages have affected the availability of domestic production. Furthermore, the units have been engaged in maintenance and rehabilitation investments at certain periods to maintain their long-term operation. These factors

have in some cases limited domestic production and increased the need to secure additional energy from the market.

One of the main components that has influenced the total cost of supply is the import of electricity. Imports have been used mainly to cover demand during periods of peak consumption and during periods when domestic generation units have been under maintenance or have had limited availability. The average realized import price has reached 146.2 €/MWh, reflecting the conditions of the regional energy market. As a result, the total cost of imports has reached around 75.2 million euros, constituting one of the main components of the cost of supply.

In total, the realized cost of purchasing electricity for USS has reached around 234.1 million euros, while after including the retail margin of 2.54%, the total cost of supply reaches around 240 million euros, compared to around 193 million euros allowed by ERO.

The sources of electricity in the wholesale market from which the country's energy demand is covered are: energy production by KEK, hydro power plants, solar power plants, wind turbines and energy purchases from imports. The energy and financial data of the wholesale market allowed for 2025 are summarized in the following table:

Tab. 3. 11 Allowed costs for energy purchases

Costs of energy purchase for USS	Realized GWh	Realized €/MWh	Realized €000	Allowed GWh	Allowed €/MWh	Allowed €000
Amounts supplied by KEK	3,924.7	29.5	115,779.4	3,876.1	29.5	114,346.4
Generation at TSO level	418.3	68.5	28,644.6	501.7	67.1	33,676.8
Generators at DSO level	11.7	55.5	650.7	16.3	63.8	1,036.7
Import	514.5	146.2	75,234.5	243.8	161.3	39,312.9
Export	-1.5	123.9	-188.8	-1.3	130.3	-171.0
The tax for ALPEX tariffs			34.76	-	-	46.3
Imbalance costs			13,924.3			
Total supplied amounts	4,867.8	48.1	234,079.6	4,636.6	40.6	188,248.0
Retail margin 2.54%			2.54%			2.54%
USS Margin Cost			5,945.6			4,781.5
Total energy purchase costs for USS			240,025.2			193,029.5

As shown in the following Figure, significant deviations between forecast and actual consumption, import, RES production and supply from KEK have been identified during 2025. Consumption has been higher than forecast, while RES production has been lower, increasing the need for imports. Also, supply from KEK has fluctuated due to technical limitations. Although in the annual total it seems that KEK has supplied more energy, during peak hours' domestic production has not been sufficient, forcing imports at times with higher prices. Meanwhile, the highest production has occurred off-peak, when prices are lower, thus increasing average supply costs.

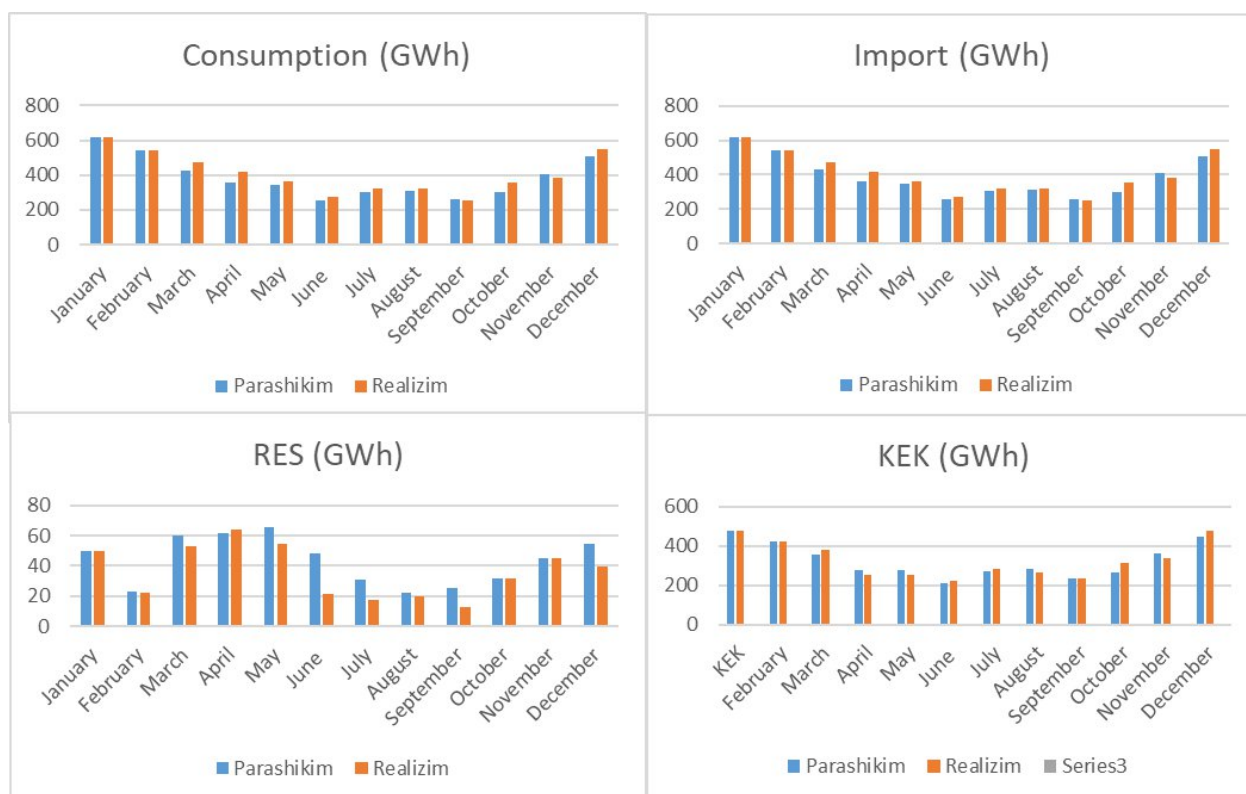
As a result, the increase in the cost of purchasing energy was influenced by increased consumption (+351 GWh), increased imports (+270 GWh) and decreased production from RES (-88 GWh).

Although the average realized import prices during 2025 were lower than the allowed ones, the total energy purchase costs resulted higher than the allowed level. This is because the main impact on the total cost was not only the price per unit, but also the significantly higher quantity of imported energy. The lack of domestic production in certain periods, especially during peak hours, together with the increase in overall consumption, has increased the need for additional imports. Moreover, the lower production from RES has also contributed to the widening of the gap between the energy available

from domestic sources and the real demand. As a result, although the average import price has been more favorable compared to the allowed one, the higher import volume and the increase in consumption have caused the realized energy purchase costs to be higher than the allowed costs.

In general, the increase in costs in 2025 is related to increased demand, insufficient domestic production and greater dependence on imports, also affected by outages at the Kosovo A and Kosovo B power plants.

Fig. 3. 5 Forecast and realization of electricity purchases for the supply of regulated tariff customers for 2025



3.8.3 Maximum Allowed Revenues for tariff regulated customers

The reasonable costs used to determine the Maximum Allowed Revenues for regulated customers with universal service obligations include several main categories of costs. These include the supplier's retail costs, the costs of the transmission and distribution network, the costs of purchasing electricity, working capital, bad debt and adjustments related to the costs incurred. The revenues of the Universal Service Supplier are structured in such a way as to enable the recovery of costs along the entire electricity supply chain, including generation, transmission, distribution and retail supply activities. In this way, the supplier collects from regulated end-customers the overall costs of supply through electricity bills and then transfers them to the operators and relevant parties in accordance with the costs of the services provided.

An important element of the adjustment process is that uncontrollable costs, wholesale energy purchase costs and pass-through costs will be updated regularly based on current information from network operators. This information is essential for setting new tariffs and to reflect any potential

changes in costs as a result of developments in international energy markets, as well as changes in the operating costs of transmission and distribution systems.

In the following table we have a comparison of the revenues requested by the USS in the amount of 447.99 million euros, allowed by ERO in the amount of 435.92 million euros, while the realized costs as reported are in the amount of 488.03 million euros, showing that the real costs of supply have been significantly higher than the revenues allowed by the Regulator.

The largest deviations between allowed and realized costs are observed in the wholesale electricity purchase component, where the cost allowed by ERO for 2025 was 193.03 million euros, while the realized value has reached 240.03 million euros. This change mainly reflects developments in energy markets and the need to secure additional energy from the market in certain periods.

In general, the differences between actual costs and allowed revenues are part of the regular tariff adjustment process, through which ERO analyses changes in the cost structure and sets new tariffs in order to ensure the coverage of reasonable costs of electricity supply to universal service customers. The details of these costs and the comparison between the required, allowed and actual values for 2025 are presented in the following table.

Details of these costs for 2025 are presented in the following table:

Tab. 3. 12 Maximum Allowed Revenues of the Universal Service Supplier

Maximum Allowed Revenues (MAR) for USS	Unit	ERO Allowed 2025	USS Application 2025	ERO Actual 2025
OPEX	€m	6,71	6,745	6,22
Depreciation	€m	0,13	0,361	0,134
Pass-through costs TSO	€m	33,43	34,83	30,61
Pass-through costs DSO	€m	141,2	141,73	147,25
Pass-through costs for RES Fund	€m	13,76	13,756	14,82
Working Capital	€m	2,22	2,268	2,53
Wholesale Power Purchase Costs	€m	193,03	196,52	240,03
Allowed tax	€m	0,02	0,019	0,019
Bad debt	€m	8,03	8,291	9,04
Other adjustments - HPP costs	€m	-0,15	-0,15	-0,15
Adjustments (2023)	€m	37,38	43,65	37,53
Maximum Allowed Revenues	€m	435,92	447,989	488,03

3.8.4 Regulated tariffs for universal service customers

Setting tariffs in the electricity sector constitutes an important regulatory process, as tariffs must balance several key objectives: ensuring affordability for customers, covering reasonable costs of sector operators, and creating economic signals that encourage the efficient use of electricity.

The regulated tariffs for the relevant tariff year 2025 are designed to cover the costs of electricity service for all customers supplied by the Universal Service Supplier (USS). Customers supplied with regulated tariffs are mainly customers connected to the 35 kV, 10 kV and 0.4 kV voltage levels, while

customers connected to the 220 kV and 110 kV levels and customers who do not meet the criteria for supply under universal service criteria are supplied in the open market at unregulated prices.

ERO, based on legislation, must determine the regulated tariffs for customers who enjoy the right to supply under universal service criteria. The criteria for which customers enjoy this right are set out in the Law on Electricity, according to which: “The right to supply with universal service is entitled to all household and non-household customers who have an annual turnover of no more than ten (10) million euros, or no more than fifty (50) employees”. However, due to the lack of competition in the electricity market, high prices in the markets, many planned business customers were unable to switch to the deregulated market.

The retail tariff structure for universal service customers is designed to cover the allowed revenues of the USS, which for the relevant tariff year are set at around 435.92 million euros. The design of the tariffs aims to achieve two main objectives. The first objective is to reflect the real cost of supply, which is a prerequisite for the sustainable functioning of the sector and for covering the reasonable costs of operators involved in the electricity supply chain. The second objective is to send the right economic signals to customers, in order to encourage more efficient use of electricity.

Given that electricity has unique physical and economic characteristics compared to conventional goods, it is important that tariffs provide signals that encourage customers to better manage their energy consumption. In the absence of these economic signals, customers would not have sufficient motivation to reduce consumption during periods of high demand or to use energy more efficiently.

For this reason, the tariff structure for regulated customers includes tariff blocks, which represent a common international practice in energy sector regulation. Tariff blocks enable energy prices to better reflect the level of consumption and send economic signals for managing electricity demand. This approach helps to promote energy efficiency and better manage the load on the system.

As part of the regular tariff adjustment process for the relevant year, ERO has conducted a detailed technical and economic analysis of the revenues of the Universal Service Supplier. Based on this analysis and in accordance with the respective Rules on Revenues in the electricity sector, the ERO Board has decided to increase tariffs by 16.1% for all categories of regulated tariff customers.

The tariff structure for regulated customers is presented in the table below:

Tab. 3. 13 Structure of regulated tariffs for final customers for 2025

Tariff Group	Voltage level of supply	Tariff element	Unit	Time of day	Proposal
1	35 kV	Customer's fixed tariff	€/customer/month		14.54
		Engaged power	€/kW/month		7.61
		Active energy (P), of which	€/kWh	High tariff	6.40
			€/kWh	Low tariff	4.11
		Reactive energy (Q)	€/kVArh		0.87
2	10 kV	Customer's fixed tariff	€/customer/month		6.00
		Engaged power	€/kW		6.56
		Active energy (P), of which	€/kWh	High tariff	7.44
			€/kWh	Low tariff	4.80
		Reactive energy (Q)	€/kVArh		0.87
3	0.4 kV Category I (reactive energy customers)	Customer's fixed tariff	€/customer/month		3.34
		Engaged power	€/kW		3.87
		Active energy (P), of which	€/kWh	High tariff	8.70
			€/kWh	Low tariff	6.46
		Reactive energy (Q)	€/kVArh		0.87
4	0.4kV Category II	Customer's fixed tariff	€/customer/month		3.87
		Active energy (P), of which	€/kWh	Single tariff	11.47
			€/kWh	High tariff	13.92
		Active energy (P), of which	€/kWh	Low tariff	6.90
5	0.4kV 2-rate meter (household)	Customer's fixed tariff	€/customer/month		2.32
		0-800kWh (First block)	€/kWh	High tariff	9.05
			€/kWh	Low tariff	3.88
		>800kWh (Second block)	€/kWh	High tariff	15.43
		€/kWh	Low tariff	7.28	
6	0.4kV 1 rate meter (household)	Customer's fixed tariff	€/customer/month		2.32
		0-800 (First block)	€/kWh	Single tariff	7.12
		>800 (Second block)	€/kWh	Single tariff	12.39
7	0.4kV (unmetered household)	Evaluated consumption			
		Customer's fixed tariff	€/customer/month		2.32
		Active energy (P), of which	€/kWh	Average tariff	9.05
8	Public lighting	Customer's fixed tariff	€/customer/month		4.17
		Active energy (P), of which	€/kWh	Single tariff	12.01
High tariff (day) is applied from 07:00 - 22:00 during the period 1 October to 31 March					
High tariff (day) is applied from 08:00 - 23:00 during the period 1 April to 31 September					
The customer is charged with reactive energy above the allowed one which corresponds to $\cos(\varphi) < 0.95$					

Before designing tariffs, the transmitted costs of the USS, such as the costs of using the transmission and distribution network, must also be determined.

3.8.5 Revenues and tariffs for the transmission use of system, system and market operation

During 2025, the Energy Regulatory Office (ERO) has carried out the process of regular annual adjustments for the Transmission System and Market Operator (TSO/MO), taking into account a number of factors that influence the determination of transmission service costs and tariffs and system operation. Among the main factors included in this process are: the efficiency factor, the indexation of costs to the inflation rate applied to operating expenses, repairs and maintenance, as

well as adjustments related to the costs of purchasing energy to cover network losses. In addition, the costs of return on capital and depreciation, which stem from planned investments in accordance with investment and development plans, have been taken into account.

The Regulatory period constitutes an essential element in the determination of tariffs, as it ensures stability and predictability for the main regulatory parameters. The determination of performance objectives for the TSO/MO requires sufficient time for implementation, as these objectives are closely related to investments in the network, improving the reliability of supply, reducing technical losses and increasing the quality of services. In this context, medium and long-term investment planning remains a key component for the sustainable development of the transmission system.

Regarding the costs of purchasing energy to cover the allowed losses in the transmission network, an increase is observed between the allowed and realized values. For the year 2025, the allowed costs for covering losses were around 13.11 million euros, while the realized costs reached 13.65 million euros, reflecting the increase in energy prices in regional and international markets. These costs have been calculated in accordance with the principles of the Rules on Revenues and have been included as part of the tariff adjustments for the relevant year 2025.

The average price of energy (from KEK and ALPEX) has increased from €99.18/MWh as predicted by ERO to €106.97/MWh, or about 8% which will be adjusted to 2026 costs.

The table below presents the Maximum Allowed Revenues approved by the ERO Board for the relevant tariff year 2025 for the TSO/MO.

The Maximum Allowed Revenues for KOSTT will be collected through tariffs approved by ERO, in accordance with the Methodology on Determination of Tariffs for the Transmission System, System Operation and Market Operation. These tariffs are structured in such a way as to reflect the real costs of the service and ensure fair distribution of costs among network users.

Overall, developments in energy costs and market parameters have had a direct impact on the determination of revenues and tariffs for TSO/MOs, highlighting the importance of a prudent and flexible regulatory approach to address changes in the electricity sector.

Tab . 3. 14 Maximum Allowed Revenues for TSO/MO

Maximum Allowed Revenues (MAR) for KOSTT	Unit	ERO	Allowed 2025	KOSTT's Application 2025	ERO Actual 2025
OPEX	€m		7,86	7,86	7,86
Depreciation	€m		14,49	14,49	14,49
Return costs (RTNct)	€m		10,96	10,96	10,96
Costs of losses (LSSct)	€m		13,11	14,96	13,65
RES Fund - Corrections	€m		17,34	17,34	-5,64
Ancillary services	€m		37,72	49,55	39,64
Unregulated revenues	€m		-8,31	-8,31	-15,75
ITC Mechanism	€m		-0,40	-0,40	0,89
Adjustments for 2022 and PRR2	€m		-5,42	-5,42	-5,42
$KREVt = (AACat-1 - ARRt-1) * (1+It)$	€m		0,85	0,85	0,85
Total revenues including the Fund	€m		88,20	101,88	61,53
Total revenues without the Fund	€m		70,86	84,54	67,17

The following table presents the tariff structure for the Transmission Use of System, System Operation and Market Operation for the relevant tariff year 2025.

The table presents the structure of tariffs for the Transmission Use of System, System Operation and Market Operation, divided according to different groups of network users. The tariffs are designed in accordance with the Regulatory methodology and aim to cover reasonable costs of operating the system, ensuring a fair distribution of costs between producers, network operators and suppliers.

The tariff structure reflects the differences in the use of the network by different categories, where producers, distribution operators and suppliers contribute to the recovery of costs depending on the role and level of use of the transmission system and the market. Furthermore, the inclusion of specific tariff components enables the recovery of costs for market operation and the support of energy policies, including the development of renewable sources.

Overall, this tariff structure contributes to the efficient functioning of the electricity system and to the establishment of appropriate economic signals for rational use of the network and participation in the electricity market.

Tab. 3. 15 TSO/MO tariff structure for 2025

Tariff group	Tariff element	Unit	Tariff 2025
Transmission connected generation	System Operator Tariff	€/MWh	5,682
	Market Operator Tariff	€/MWh	0,022
Distribution connected generation	System Operator Tariff	€/MWh	0,157
	Market Operator Tariff	€/MWh	0,022
Distribution Operator	System Operator Tariff	€/MWh	4,644
	Market Operator Tariff	€/MWh	0,018
Supply	TUOS Tariff 400/220 kV	€/kW/vit	2,087
	TUOS Tariff 110 kV	€/kW/vit	4,939
	System Operator Tariff	€/MWh	4,644
	Market Operator Tariff	€/MWh	0,018
	RES Fund Tariff	€/MWh	2,924

3.8.6 Revenues and tariffs for the Distribution Use of System

After reviewing the application of the DSO company, ERO has assessed in detail the estimated and actual costs, based on technical, economic and financial indicators, as well as the provisions of the Rule on DSO Revenues. This process has also included public consultation with stakeholders, after which the Maximum Allowed Revenues for the tariff year 2025 have been determined.

As shown in the table, ERO's allowed revenues for 2025 amount to approximately 180.65 million euros, while actual revenues are at the level of 193.28 million euros, reflecting the necessary adjustments based on real costs. The DSO's application was higher at 214.45 million euros, however ERO has made adjustments to ensure that only reasonable and justified costs are included in the allowed revenues.

The main deviations are observed in the costs of purchasing energy to cover losses, where the actual value is significantly higher compared to the allowed one. This increase is mainly related to the higher energy prices in the market and the lack of domestic production, which has forced the operator to rely more on imports. There is also an increase in the component of payments to KOSTT for system and market operation services.

The average price of energy (from KEK and Import) has increased from €95.39/MWh as predicted by ERO to €108.42/MWh, or about 13.7% which will be adjusted to the costs of 2026. The price increase is a consequence of various factors such as increased demand for energy, lack of domestic production, and its replacement with imported energy, and increased prices in international energy markets.

The table below presents the Maximum Allowed Revenues and those realized for the relevant tariff year 2025 for the DSO.

Tab. 3. 16 Maximum Allowed Revenues for DSO for the relevant tariff year 2025

Component	Unit	Allowed ERO 2025	DSO Application 2025	Actual ERO 2025
OPEX	€ mil	29,25	40,82	29,25
Depreciation	€ mil	22,63	22,63	22,63
Allowed return	€ mil	18,62	18,62	18,62
Purchase of energy for losses	€ mil	86,04	97,93	99,72
Payments for KOSTT for SO and MO	€ mil	3,28	3,59	3,70
Licensing taxes	€ mil	0,00	0,00	0,00
Unregulated revenues	€ mil	-5,41	-2,74	-6,89
Previous adjustments (2022 and PRR)	€ mil	0,09	0,09	0,09
KREV 2024	€ mil	26,16	33,41	26,16
Total	€ mil	180,65	214,45	193,28

KEDS in their application has requested capital investments for the four northern municipalities of the Republic of Kosovo. ERO has allowed these capital costs in the amount of 2.3 million euros related to the provision of the envisaged services such as network, substations, transformers, measuring equipment and instruments, trucks, cranes, etc.

After determining the Maximum Allowed Revenues, ERO has set tariffs for the distribution use of system in order to ensure the collection of these revenues in accordance with the relevant Regulatory Methodology. The tariffs are structured according to the voltage level, reflecting the real costs of the service and the technical characteristics of the network.

As shown in the table, tariffs vary depending on the voltage level to which customers are connected. Customers connected at the 35 kV level face lower tariffs, as this level is characterized by lower technical losses and higher network efficiency. At the 10 kV level, tariffs are higher due to increased distribution costs, while customers at the low voltage of 0.4 kV face higher tariffs, as a result of higher losses and higher operating and investment costs at this level of the network.

This tariff structure ensures a fair and proportionate distribution of costs between customer categories, reflecting the level of network usage and the corresponding service costs. At the same time, it creates economic signals for more efficient use of electricity and encourages customers to better manage their energy demand.

Table. 3. 17 Tariff structure for DSO for 2025

Tariffs of customers connected to DSO		
Voltage level	Unit	Tariff
35 kV	€/kWh	1,74
10 kV	€/kWh	2,33
0.4 kV	€/kWh	3,46

3.8.7 Average electricity prices without taxes

The figure below shows the average prices for household and non-household customers realized for the period 2015 - 2025.

The analysis shows an upward trend in prices, especially after 2021, as a result of developments in international energy markets. For 2025, the average price for household customers reaches around 8.17 €cent/kWh, marking an increase compared to 2024 (7.39 €cent/kWh). While for non-household customers, the average price is around 10.46 €cent/kWh, with an increase compared to the previous year.

The increase in average prices in 2025 is mainly related to the increase in supply costs, including import prices and system balancing costs, as well as the higher consumption structure of energy expenditure.

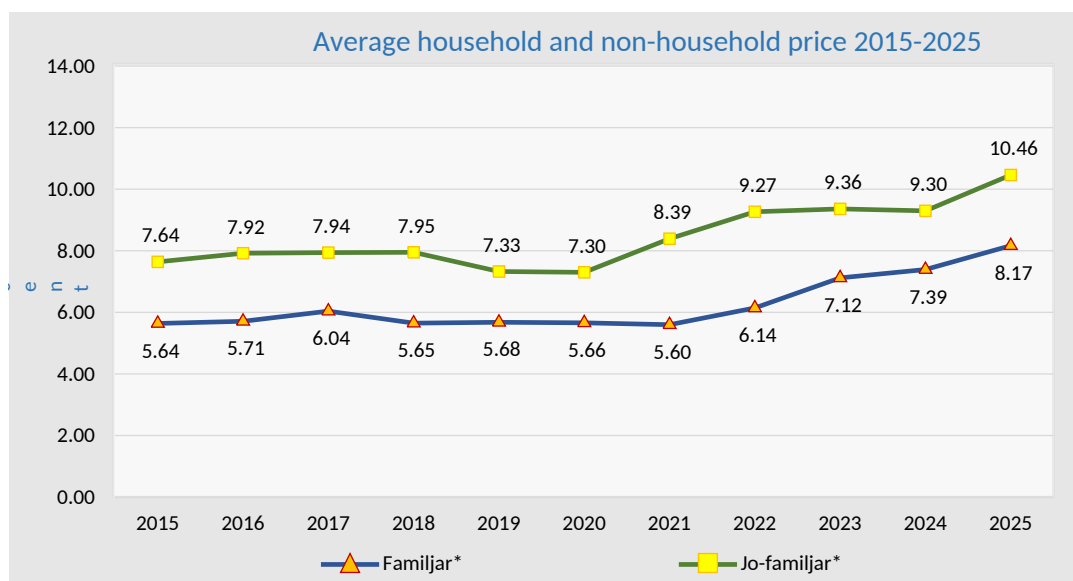


Fig. 3. 6 Average prices for household and non-household customers for the period 2015-2025 (excluding VAT)

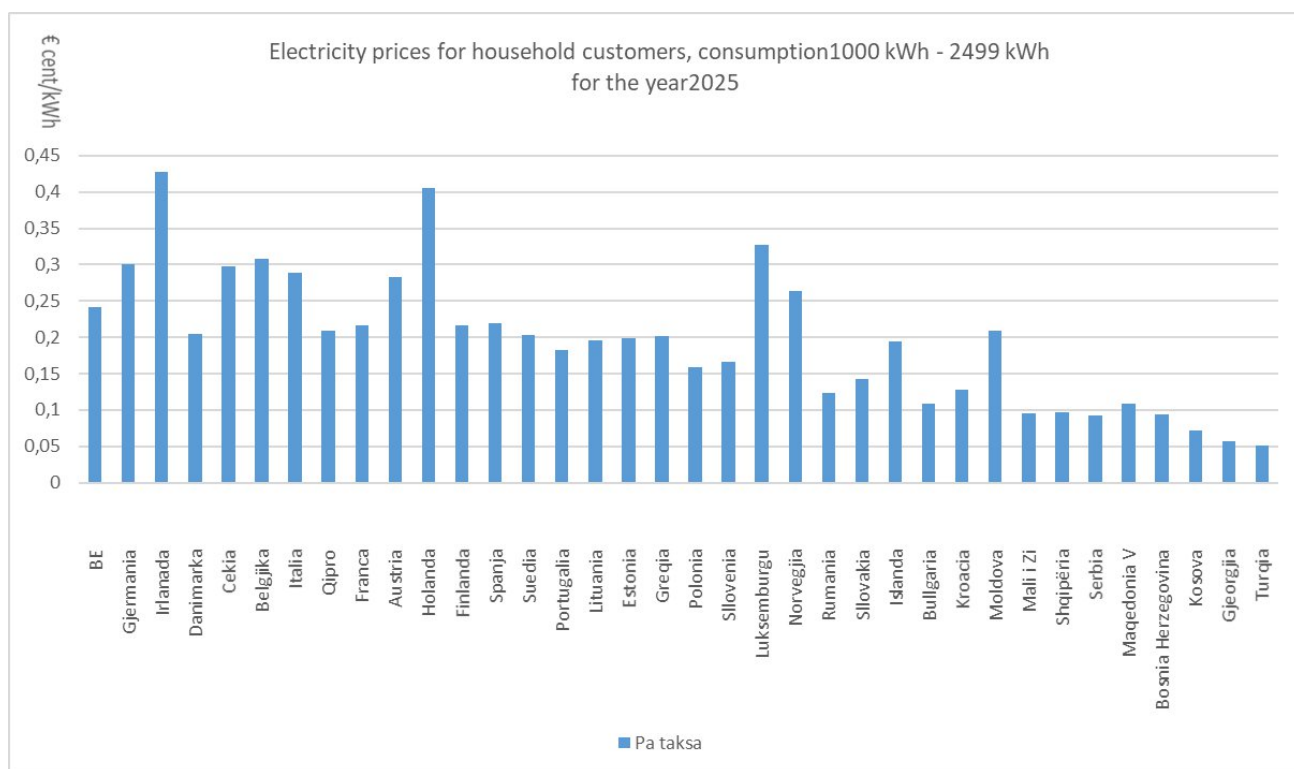
The figure below shows the electricity prices for household customers (customers with a consumption range of 1000 kWh - 2499 kWh) for the first half of 2025, for various countries, including Kosovo, as provided by EUROSTAT. The data shows that Kosovo continues to remain among the countries with the lowest electricity prices in Europe. Compared to European Union countries such

as Germany, Ireland and Denmark, which have the highest price levels, Kosovo has a significant advantage in terms of energy affordability for household customers.

Compared to countries in the region, Kosovo also presents lower or comparable prices, reflecting the impact of domestic generation and the regulated tariff structure.

The price of electricity for household customers in Kosovo for 2025 is 0.071 €cent per kilowatt-hour, which is one of the lowest prices in Europe and the region. The highest prices for household customers are in Ireland (0.427 €cent/kWh), the Netherlands (0.405 €cent /kWh), and Luxembourg (0.327 €cent /kWh).

Compared to other countries in the region, Kosovo also has a lower price than countries such as: North Macedonia (0.109 €cent/kWh), Albania (0.096 €cent/kWh), Montenegro (0.095 €cent/kWh), Serbia (0.092 €cent/kWh).



* Data source from EUROSTAT

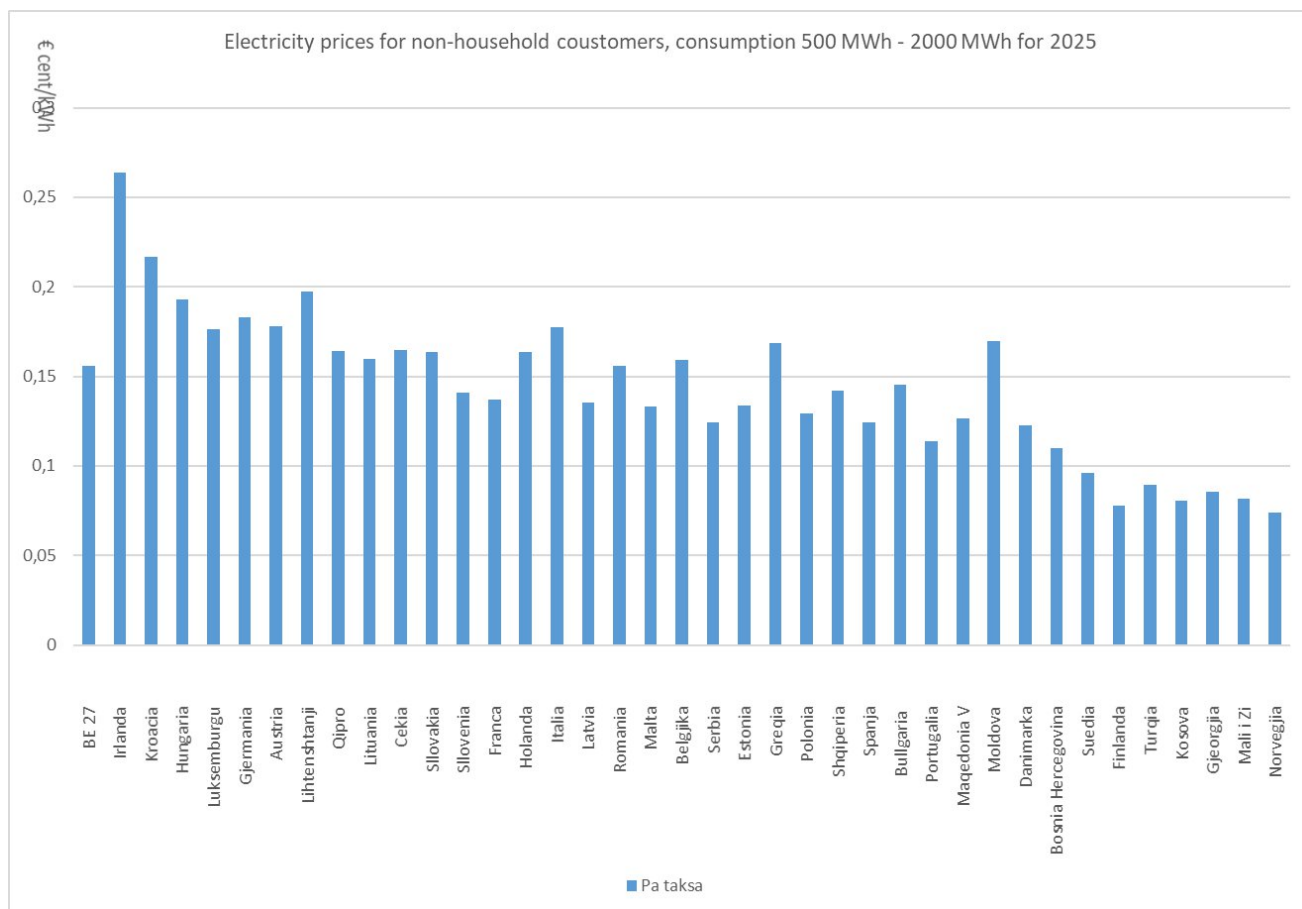
Fig . 3. 7 Average prices for household customers for 2025 (excluding VAT)

The figure below shows electricity prices for non-household customers (customers with a consumption range of 500MWh - 2000MWh) for the first 6 months of 2025 in various countries based on Eurostat data (for Kosovo, data was obtained from KESCO because it was not published). The price per kilowatt-hour without taxes is divided into several European countries and the region, where Kosovo has the lowest value for 2025 compared to other countries.

The price of electricity for non-household customers in Kosovo for 2025 is 0.080 €cent/kWh, which is a relatively lower price compared to many European countries, especially those of the European Union and several other countries in the region.

Kosovo has a much lower electricity price than many European countries such as Ireland (0.263 €cent/kWh), Croatia (0.216 €cent/kWh), and Liechtenstein (0.197 €cent/kWh).

In the region, Kosovo has a lower electricity price than countries such as: Albania (0.142 €cent/kWh), North Macedonia (0.126 €cent/kWh), Serbia (0.124 €cent/kWh) and Montenegro (0.081 €cent/kWh).



* Data source from EUROSTAT

Fig . 3. 8 Average prices for medium and large non-household customers for 2025 (excluding VAT)

Overall, data for 2025 show that Kosovo continues to have a relatively favorable position in terms of energy prices for non-household customers, contributing to the competitiveness of the economic sector.

3.8.8 Thermal energy tariffs

In accordance with primary legislation - Articles 47 and 48 of the Law on the Energy Regulator, the Energy Regulatory Office (ERO) is responsible for determining the tariff methodology and approving tariffs in the regulated energy sector.

Within its legal powers and obligations, the Energy Regulatory Office has issued the Thermal Energy Pricing Rule. The Rule sets out the procedures for submitting, reviewing tariff applications and approving tariffs, as well as the Methodology for calculating Maximum Allowed Revenues and tariffs.

Schematically, the Tariff Methodology is shown as follows:

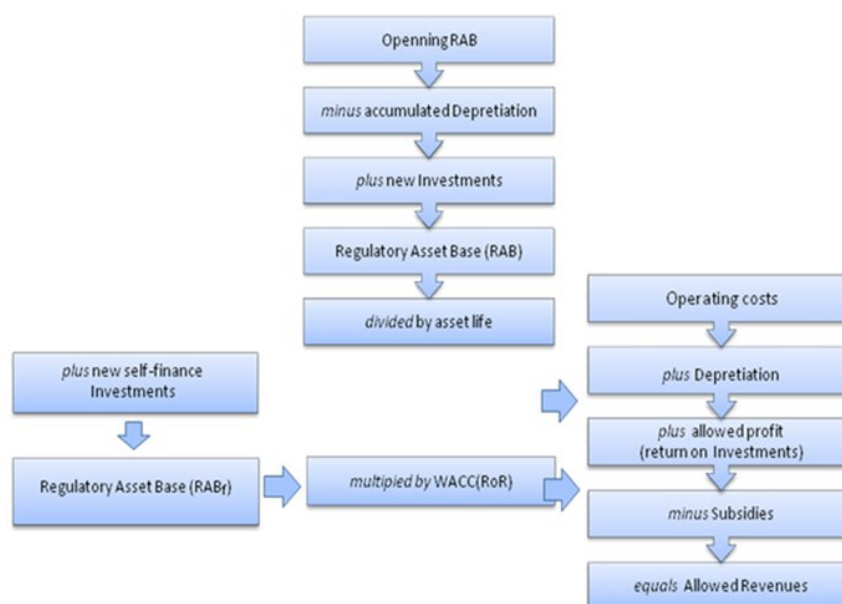


Fig. 3. 9 Scheme for calculating the allowed revenues

From the schematic presentation, it is observed that the costs that the enterprise must cover consist of operating costs, depreciation that represents the opportunity for the enterprise to replace its assets, the cost of network losses and the return on the Regulatory Asset Base (RAB).

The process of determining tariffs and approving them for the 2025/2026 season was carried out in two steps:

1. Determination of Maximum Allowed Revenues, based on: i) the information and data provided in the tariff application; ii) the information presented during the Regulatory reporting of realizations in the previous season 2024/2025; and iii) the coordination between actual and projected realizations, which is based on the difference between planned and actual revenues of the previous heating season.
2. Calculation of tariffs based on Maximum Allowed Revenues and tariff structure.

To determine the Allowed Revenues of thermal energy enterprises (district heating) for the 2024/2025 season, in accordance with the Thermal Energy Pricing Rule, ERO has undertaken the following:

- 1) Estimating and determining allowed operating costs;
- 2) Evaluation and determination of depreciation;
- 3) Determining the allowed Return on Investment (RAB), which includes:
 - a) determining the RAB - assessing and approving the company's assets, verifying and approving planned investments and working capital; and
 - b) calculation of the Allowed Rate of Return (RoR)/WACC;
- 4) Evaluating and determining the allowed cost for network losses.

ERO has engaged the available expertise to make a realistic assessment of the forecast information submitted by the companies. A comprehensive analysis and assessment of the information submitted has been carried out, which has been followed by a comparison of the respective data from previous

seasons, in order to make the most accurate determination (forecast) of the allowed revenues for the 2025/2026 season.

As part of the tariff review for thermal energy enterprises: DH Termokos and DH Gjakova, ERO has drafted Regulatory Reports for determining the Maximum Allowed Revenues and for determining thermal energy tariffs for the 2025/2026 season.

After reviewing the relevant tariff review documents, at the session held on 30 December 2025, the ERO Board has approved the Maximum Allowed Revenues (MAR) for DH Termokos for the 2025/2026 season, in the amount of €11,463,803. Also in the same session, the tariffs reflected by the MAR of DH Termokos for the 2025/2026 heating season were approved.

Decisions issued:

- V_3013_2025 - on the approval of the Maximum Allowed Revenues (MAR) for DH Termokos that will be collected from thermal energy (heating) tariffs for end customers for the 2025/2026 season;
- V_3014_2025 - on the approval of thermal energy tariffs for end customers of DH Termokos for the heating season 2025/2026;

Also for DH Gjakova, after reviewing the relevant reports and documents, in the session of the ERO Board dated on 30 December 2025, the Maximum Allowed Revenues (MAR) in the amount of €964,160 were approved. Also in the same session the tariffs for DH Gjakova for the 2025/2026 heating season were also approved.

Decisions issued:

- V_3015_2025 - on the approval of the Maximum Allowed Revenues (MAR) for DH Gjakova to be collected from thermal energy (heating) tariffs for end customers for the 2025/2026 season;
- V_3016_2025 - on the approval of thermal energy tariffs for end customers of DH Gjakova for the heating season 2025/2026;

The structure and levels of thermal energy tariffs for DH Termokos and DH Gjakova are presented as follows. In this regard, it should be noted that the tariffs with metering of DH Termokos have been reduced by about 4%, while those according to the heating area have remained the same as in the previous season. While the tariffs for DH Gjakova have been reduced on average by 4.5%. The structure and levels of thermal energy tariffs for DH Termokos and DH Gjakova are presented as follows.

Tab. 3. 18 Thermal energy tariff structure for the year 2025/2026

Thermal Energy Tariffs - Season 2025/2026					
Metered tariff components	Unit	DH Termokos		DH Gjakova	
Monthly Tariff for Thermal Capacity (fixed component)	[€/kW/month]	0.73		0.86	
Tariff for supply/cons. of thermal energy (variable component)	[€/MWh]	33.65		51.18	
Unmetered tariff components	Unit	Household customers	Com.&Inst. customers	Household customers	Com.&Inst. customers
Monthly Tariff for Thermal Capacity (fixed component)	[€/m ² per month]	0.11	0.14	0.12	0.17
Tariff for supply/cons. of thermal energy (variable component)	[€/m ² Per month]	0.65	0.81	0.73	1.02
Total tariff for unmetered customers	[€/m ² per month]	0.76	0.95	0.85	1.19

3.9 The Regulator's activity in the area of customer protection

In accordance with Article 17 of Law No. 05/L-084 on the Energy Regulator, the Regulator is responsible for resolving complaints and disputes between customers and energy enterprises, system operators and energy enterprises, as well as between two energy enterprises. In addition to other competencies provided for in the Law on the Energy Regulator, ERO is responsible for ensuring the application of customer protection legislation in the energy sector in Kosovo.

According to the provisions of the Rule on the Resolution of Complaints and Disputes in the Energy Sector, all customers have the right to file complaints related to the services provided by the supplier or system operator and these complaints must initially be addressed to the supplier or system operator, as a body of first instance, which reviews the complaint and issues a response within the legal deadline. After receiving the response from the licensee, the customer, if not satisfied, may address the Regulator for further review of his complaint.

The Regulator registered 418 official complaints from customers and applicants for new connections who exercised their right to object to the responses issued by the Universal Service Supplier of electricity, the Electricity and Thermal Energy Distribution System Operators, and the Thermal Energy Suppliers. Meanwhile, it returned 125 complaints to the Suppliers and Distribution System Operators for review, and forwarded 42 customer requests/complaints regarding the review of measurement accuracy to the DSO, which were also reviewed fully. It is worth noting that within the total number of complaints submitted by customers, 110 complaints were related to customers who met the legal criteria for switching to the open electricity market.

During 2025, the Regulator, in addition to registered and resolved customer complaints, also provided support in providing information, explanations, verbal consultations, e-mail, and by telephone for all energy customers.

The number of complaints received by customer categories is presented in the table below.

Tab . 3. 19 Customer complaints by category, 2025

Customer complaints by category	Number	Share [%]
Household customers	280	66,99
Commercial customers	138	33,01
Total	418	100,00

The figure below shows the number of customer complaints submitted to ERO according to their nature.

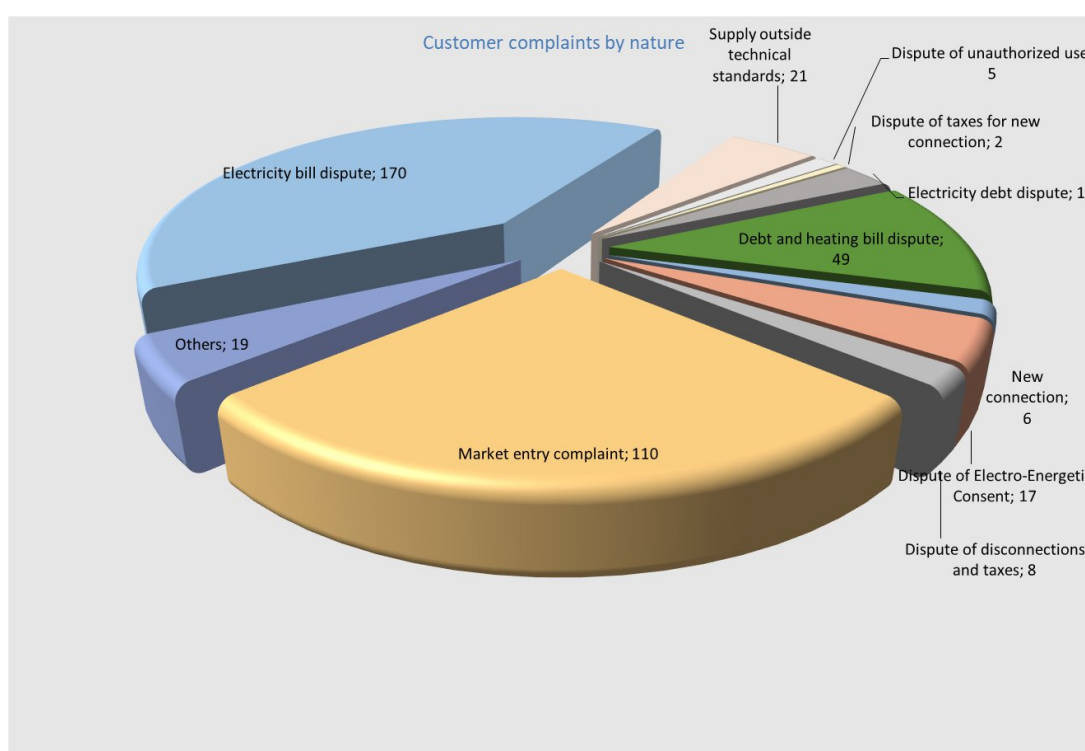


Fig . 3. 10 Number of customer complaints by their nature

Below is a clarification of the nature of customer complaints registered for 2025:

- **Disputing electricity bills** concerns customer complaints about cases of reading errors and irregular readings, which in this case are considered to have given an inaccurate reflection of the real situation of electricity consumption.
- **Disputing unauthorized use of electricity** concerns complaints from customers who have been charged by the energy company for unauthorized use of electricity (loss recovery). ERO, based on the Law on Electricity and the legal provisions of the Rule on the Resolution of Complaints and Disputes in the Energy Sector, is not competent for these cases of complaints, and has instructed customers to address the competent authorities for further action.
- **Disputing new connections** concerns complaints from customers who have been denied the right to a new connection by the Distribution System Operator. In these cases of complaints,

customers, in order to obtain a new connection, have been forced by the company to first make payments on debts at the old amount that existed previously.

- **Disputing additional charges** concerns customer complaints regarding additional billings from regular billing. These complaints are the result of incorrect reading of electricity consumption, as a result of a faulty metering system.
- **Disputing electricity debt** concerns customer complaints related to problems regarding the supplier's failure to accurately define uncollected electricity debt in cases of property sales and for properties that have been occupied.
- **Tariff group dispute** concerns customer complaints about changing the tariff group, where customers request to change the tariff group for various reasons.
- **The dispute of Electro-energy Consents** concerns complaints from customers or even applicants for new connections that relate to the technical solutions offered by the System Operator.
- **Disputing thermal energy bills** concerns complaints from customers who have disputed thermal energy bills, heating area, heating quality, previous debts, debt statute of limitations issues.
- **Complaints against Market Liberalization** relate to complaints from customers who have opposed the legality of the market opening process, as well as disputed the legal criteria for moving to the open market.

During 2025, the Regulator resolved 369 customer complaints, including complaints that were returned for review to the Universal Service electricity Supplier, the Electricity and Thermal Energy Distribution System Operators, and thermal energy suppliers, which mainly related to new connections, electricity consents, meter inspections, meter replacement, deactivation, account name change, financial corrections, enforcement of court decisions, and other customer requests. Of the total number of resolved complaints, 224 of them were decided in favor of customers or expressed in percentage as 60.7%, while 142 customer complaints or 38.48% were rejected as ungrounded, and 3 complaints or 0.81% of the resolved complaints were outside the competence of ERO. All complaints reviewed by the operators, which have been processed by the Regulator, have been reviewed once again by the Regulator with the aim of fully resolving the complaints according to the customers' requests, and the customers have been notified. In all reviewed cases, the customers have agreed with the solutions offered.

Starting from 1 June 2025, customers who have met the legal criteria under Law No. 05/L-085 on Electricity and the European Union Directive have switched to the open electricity market. During this process, ERO has received several complaints from customers who have opposed the switch to the open market, with the respective justifications as in the complaints submitted. Initially, given that the legal criteria set out in the Law on Electricity and the EU Directive are at issue, and given that the ERO Board Decision V_2703_2025 dated 16.04.2025 on retail tariffs has determined the customers who enjoy the right to Universal Service of Supply, as a final decision in the administrative procedure, ERO had notified customers that, in accordance with the legal provisions of the Law on General Administrative Procedure, as well as the Law on the Energy Regulator, final decisions in the administrative procedure cannot be challenged through appeals, to the same institution that issued

that decision, and any other objection related to this process can be submitted to the competent courts, through the initiation of an administrative conflict, by lawsuit. During 2025, ERO received a total of 110 complaints from legal entities and, according to a Judgment of the Commercial Court - Second Instance Chambers, began reviewing them and issuing the relevant decisions, acting in accordance with the legal obligation to implement final court decisions, despite ERO's initial position that this process can only be challenged before the competent courts.

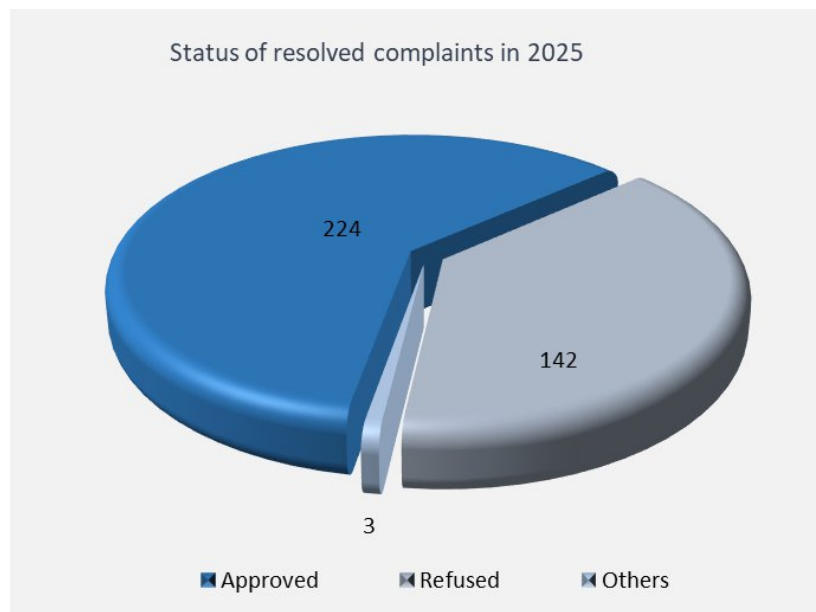


Fig . 3. 11 Resolved complaints, 2025

The figure below shows the number of customer complaints registered and resolved by the Regulator by years.



Fig. 3. 12 Registered and resolved customer complaints 2011- 2025

3.9.1 Decisions of the Regulator's Board in the area of customer protection

Based on the Rule on the Resolution of Complaints and Disputes in the Energy Sector, customers and licensees have the right to file a complaint against the decision of the Customer Protection Department (CPD) as a first instance decision, to the Regulator's Board as a second instance of review and decision-making.

During 2025, the Regulator's Board issued seventy (70) decisions related to customer complaints and licensees' objections, filed against CPD decisions, as well as several other cases related to the implementation of court decisions on customer complaints.

Customers have filed 41 complaints with the Regulator's Board against the decisions of the CPD. Of the 41 complaints filed, the Regulator's Board has reviewed all of these complaints, as well as all other relevant evidence, and after review, all complaints have been rejected as ungrounded and the decisions of the CPD have remained in force, except for one case that has been returned for reconsideration and decision-making to the Thermal Energy Supplier.

Furthermore, 15 Objections (complaints) of Suppliers, submitted against the decisions of the CPD, were also reviewed. The Board has carefully reviewed and analyzed these objections and other relevant documentation and has rejected them as ungrounded and the Decisions of the CPD have remained in force.

Based on the Rule on Resolution of Complaints and Disputes in the Energy Sector, for the categories of customers of Tariff Groups 1, 2 and 3, the CPD has issued fourteen (14) Recommendations to the ERO Board, regarding complaints submitted by non-household (commercial) and industrial customers, so that, after reviewing and analyzing the recommendations and other relevant documentation, the ERO Board has approved all recommendations issued by the Department for Customer Protection.

3.9.2 Other activities related to customer protection

During this reporting year, ERO, in addition to the registered complaints, the Customer Protection Department has also held over 800 meetings with customers, and telephone conversations with the parties, including electronic communication, who have addressed the office on various contractual issues between customers and licensees. It is important to note that, during direct meetings with customers, electronic communications and telephone conversations, all issues raised by customers are addressed to the licensees, if review and evaluation by the licensees is required in prior and customers are notified of the actions taken, as well as, customers are notified of their rights and obligations in relation to the Suppliers or the Distribution System Operator.

During 2025, the Regulator has also received several complaints and requests from customers via mail, which despite the fact that they should have addressed the licensees or the courts, they insisted on addressing the Regulator for the resolution of their complaints. It is worth noting that the nature of these complaints has mainly been for unauthorized use of electricity, compensation for damage or even requests that are not within the scope of the Regulator's review. In all these cases, the Regulator has responded to customers in writing, instructing them on further procedures regarding their complaints.

As in previous years, during 2025, the Regulator has had close cooperation with the Customer Protection Department within the Ministry of Trade and Industry, where during this reporting year it has also received several customer complaints from this institution. These complaints have been received and reviewed by the Regulator in accordance with the legal provisions.

3.9.3 CPD activities related to decisions disputed at competent courts

Referring to Article 25 - Board Sessions, Chapter VI - Administrative Procedures, of Law No. 05/L-084 on the Energy Regulator, as follows: "The Board's decisions shall be immediately applicable and shall not be subject to any review, except judicial review", customers and licensees, exercising their legal right to appeal these decisions, have initiated administrative conflict procedures and other judicial procedures against the final decisions of ERO in administrative proceedings.

Thus, during 2025, a certain number of decisions of the ERO Board were disputed at the Basic Court in Pristina - Department for Administrative Matters, as well as at the Commercial Court - First Instance Chambers, as well as at other basic courts at the national level, with requests to assess the legality of these decisions, as well as other specific requests related to certain cases. Thus, during this year, ERO has received fifteen (15) Decisions on Responses to the Lawsuit, from the competent courts and within the legal deadlines, ERO has acted in accordance with its legal obligations, so that Responses to the Lawsuit have been submitted, and relevant documentation regarding the respective cases has been attached. During this reporting year, ERO has participated in sixteen (16) court hearings, in administrative conflicts initiated by customers and licensees, at the competent courts at the national level.

Also, during 2025, ERO has received four (4) Judgments from the Supreme Court of Kosovo, through which, requests for extraordinary review of judicial decisions, according to administrative conflicts initiated by the plaintiffs, against the Decisions of the Board of the Energy Regulatory Office, regarding the review of customer complaints, were rejected as ungrounded, and the Board's decisions were confirmed as fair and legal decisions.

It is worth noting that the majority of ERO's final administrative decisions during 2025 have been confirmed as legal and fair decisions by the competent courts, in administrative conflicts initiated by lawsuits of plaintiffs, such as customers or licensees. Meanwhile, for the remaining part of the decisions that have been returned for review, ERO will continue to use all legal means, appealing the same, so as to confirm their legality.

It should also be noted that, before the competent courts, a considerable number of lawsuits have been filed by customers, with the object of the dispute for compensation for damage or unjust enrichment. In connection with these lawsuits, during 2025, ERO has received 135 Decisions from the courts, through which the legal proceedings related to these cases have been suspended, until the conclusion of the examination of the preliminary issue.

Regarding the liberalization of the energy market, in addition to filing complaints, a number of other legal entities have filed lawsuits at the Basic Court in Pristina - Department for Administrative Matters and at the Commercial Court of Kosovo - First Instance Chambers, through which they have opposed the market liberalization process. During this reporting year, ERO has received 178 Decisions on Responses to the Lawsuits from the competent courts, and within the legal deadlines, ERO has filed

Responses to the Lawsuits and attached the relevant documentation regarding these cases. It is important to note that all filed lawsuits have also requested a security measure or interim measure, for suspension of the implementation of the ERO decision or suspension of the transition of legal entities to the open energy market for certain entities. For a large number of cases, ERO has already received the decisions of the Second Instance Chambers of the Commercial Court, through which requests for security measures were rejected as ungrounded, so that legal entities, despite the objections presented, have entered the electricity market, according to the legal requirements stemming from primary legislation.

In conclusion, even for this reporting year, the initiation of administrative conflicts by authorized parties has required great commitment and dedication. However, ERO will continue to make maximum efforts to ensure that final decisions in administrative procedures ensure the protection of customer rights, and licensees as well, by reviewing all complaints of customers and licensees fairly and accurately.

4 COOPERATION WITH OTHER PARTIES AND TRANSPARENCY

ERO has carried out its activities in accordance with the principles of institutional transparency, ensuring full transparency in relation to the public through holding open Board sessions and publishing all approved decisions. In order to provide accurate and timely information, the institution has used press releases, official announcements and continuous publications on the website and social networks, through which the public has been informed about the main activities and developments of ERO.

In continuation of the commitments to strengthen transparency and public information, a total of 114 press releases and announcements were distributed to the media and the public during 2025, which were published on the official website and on the official Facebook profile. These publications reflected various developments related to the activities of the Energy Regulatory Office, including the holding of Board sessions, announcements for the publication of documents for public consultation, licensing processes, institutional representation of ERO before local and international stakeholders, as well as other developments of importance for the functioning and regulation of the energy sector.

4.1 Public Involvement in Regulatory Processes through Public Consultations

For the review of various regulatory documents and with the aim of the proper functioning of the energy sector, ERO during 2025 has conducted public consultations and published the following documents:

- On 07 February 2025, ERO published draft consultation reports relating to the Annual Adjustments of the Maximum Allowed Revenues for the Transmission System and Market Operator (TSO - KOSTT), the Distribution System Operator (DSO - KEDS) and the Universal Service Supplier (USS - KESCO).
- On 12 March 2025, ERO published the notice on the continuation of the liberalization process of the electricity market in Kosovo, designating KESCO as a supplier with the right to universal service and enabling the transition of customers who meet the legal criteria to the open market.
- On 11 April 2025, the Board of the Energy Regulatory Office reviewed and approved the Maximum Allowed Revenues for licensed operators. Within the framework of this decision, revenues for the Transmission System and Market Operator (KOSTT) were approved in the amount of €88,198 million, for the Distribution System Operator (KEDS) in the amount of €180,653 million, and for the Universal Service Supplier (KESCO) in the amount of €435,626 million, which also includes the costs associated with the licensed operators DSO and TSO/MO.
- On 11 April 2025, ERO published the Final Report on Maximum Allowed Revenues for 2025, along with the Official Responses to Comments received during the public consultation period.
- On 16 April 2025, the Board of the Energy Regulatory Office approved the tariffs for the Transmission Use of System and Market (TSO/MO), the distribution network (DSO), as well as the tariffs for the Universal Service Supplier (USS). The approved tariffs for tariff-regulated customers reflect a linear increase of 16.1% for all categories of customers within the framework of the universal service and entered into force on 1 May 2025.

- On 18 April 2025, ERO announced the tender for the selection of the Supplier of Last Resort, ensuring guaranteed electricity supply to customers who do not have an active contract or in the event of bankruptcy of the relevant supplier.
- On 01 June 2025, ERO notified the public that the continuation of the liberalization of the electricity market in Kosovo has successfully begun, providing customers with the opportunity to choose their supplier, and has published the list of licensed suppliers and instructions for their selection.
- On 09 July 2025, ERO announced that the Basic Court in Pristina rejected the requests for the imposition of a security measure against the Public Notice on the Liberalization of the Electricity Market. The court found that ERO acted in accordance with the law and that the liberalization process promotes competition, lower prices and better service quality for customers. Also, on 13 August 2025, ERO announced that the Commercial Court - Second Instance Chambers approved ERO's appeal and rejected the lawsuit for the postponement of the liberalization of the electricity market, confirming the legality of the process.
- On 18 August 2025, ERO published for public consultation the Concept Paper on the Rule on the Support Mechanism for Renewable Energy Sources, inviting interested parties to submit their comments in writing.
- On 18 August 2025, ERO published the document "Rule on the Renewable Energy Support Mechanism" for public consultation, inviting all interested parties to submit their comments in writing. Also, on 15 September 2025, ERO, in cooperation with the EBRD, held a public hearing on this document, presenting the findings and comments collected during the public consultation.
- On 7 November 2025, ERO re-announced the tender for the selection of the Supplier of Last Resort, but no licensed supplier responded to the invitation for expression of interest. Due to the failure to meet the minimum criteria of two bidders, ERO on 18 December 2025, published the notice of cancellation of the tender.
- On 18 November 2025, ERO published the document "Proposal for the Curtailment Methodology for Renewable Energy Sources" for public consultation, inviting interested parties to submit their comments in writing.
- On 18 November 2025, ERO received the Judgment of the Supreme Court of Kosovo, which rejected the requests for the repeal of the Notice on the Liberalization of the Electricity Market and for the cancellation of the contracts of non-household customers, confirming the continuation of the liberalization process. The Court confirmed that the supply at regulated tariffs belongs only to customers who qualify for Universal Service, while others must be supplied in the open market. Also, two provisions of the previous liberalization guidelines have been repealed, for which ERO will follow the relevant legal procedures.
- On 18 November 2025, ERO opened the re-tendering procedure for the selection of the Supplier of Last Resort (SoLR), which provides temporary electricity supply to customers in cases provided for by law.
- On 18 December 2025, the Board of the Energy Regulatory Office reviewed the Supreme Court Judgment PAno.18/2025, finding that Article 8 of the Electricity Market Liberalization Guidelines (2017), as well as Article 2 of the amendments and supplements of 2018-2019, have been repealed and no longer constitute part of the legal order.

- On 15 December 2025, the Energy Regulatory Office (ERO) published the Report on Maximum Allowed Revenues for the DH Gjakova Enterprise for the 2025/2026 season.
- On 15 December 2025, the Energy Regulatory Office (ERO) published the Report on Maximum Allowed Revenues for the DH Termokos Enterprise for the 2025/2026 season.
- On 30 December 2025, the ERO Board reviewed and approved the Maximum Allowed Revenues for the enterprises DH Termokos JSC. and DH Gjakova JSC. for the 2025/2026 heating season, as well as the thermal energy tariffs for final customers of these enterprises.



Fig. 4 . 1 Public hearing on the document “Rule on the Renewable Energy Support Mechanism”, organized by ERO in cooperation with the EBRD, on 15 September 2025

4.2 Reporting and cooperation with the Assembly of Kosovo

Due to the non-constitution of the Assembly of the Republic of Kosovo during 2025, ERO was unable to report on the 2024 Annual Report and the 2024 Financial Report to the relevant parliamentary committees.

4.3 Meetings with other stakeholders

- ~ On 9 January 2025, the ERO Board hosted the EBRD team to discuss the financing of projects in the transmission network, the legal framework for annual adjustments, and recent developments in the energy sector.
- ~ On 15 January 2025, the ERO Board hosted the MCA Kosovo team to discuss the developments of the Battery Storage System Project, including implementation, legal framework and challenges in engaging human capacities.
- ~ On 20 February 2025, the ERO Board hosted the KfW team to discuss cooperation on the Policy Based Loan for the energy and climate sectors, including reforms in KEK and developments in energy markets in Kosovo.
- ~ As part of the energy market liberalization process, ERO has organized information meetings with stakeholders to provide appropriate information and discuss the challenges and demands of the sector. The meetings were held with: Kosovo Chamber of Commerce, on 18

March 2025; American Chamber of Commerce of Kosovo, on 19 March 2025; Kosovo Business Alliance, on 26 March 2025; German-Kosovar Chamber of Commerce, on 27 March 2025 and Pro-Credit Bank, on 01 April 2025. Also, ERO has continuously responded to requests and questions from the public and the media for information regarding this process.

On 20 March 2025, the Chairman of the Board of ERO, Mr. Ymer Fejzullahu, held a meeting with the Director of the Tax Administration of Kosovo, Mr. Ilir Murtezaj, to coordinate institutional actions regarding the legal processes of businesses for participation in the open energy market.

On 4 April 2025, ERO launched consultation meetings with stakeholders to review the annual adjustments of the Maximum Allowed Revenues for the licensed operators DSO-KEDS, TSO/MO-KOSTT and USS-KESCO. Representatives of Green Energy Kosova, INDEP and the KEDS Workers' Union participated in this meeting, ensuring a comprehensive dialogue on the proposals and comments received during the public consultation.

On 7 April 2025, ERO held a meeting with the media as part of the consultation meetings with stakeholders in order to properly inform the media and the public for the review of the annual adjustments of the Maximum Allowed Revenues for the licensed operators DSO-KEDS, TSO/MO-KOSTT and USS-KESCO.

On 25 April 2025, ERO held an information meeting with electricity suppliers in Albania to present the progress and opportunities of the liberalization of the energy market in Kosovo.

On 6 May 2025, ERO held a meeting with representatives of KEK and ALPEX to strengthen institutional cooperation and exchange of information on electricity trading.

On 12 May 2025, ERO held an information meeting with electricity suppliers in North Macedonia to present the progress and opportunities of the liberalization of the energy market in Kosovo.

On 16 May 2025, ERO held a meeting with representatives of the Kosovo Chambers of Commerce to discuss business concerns regarding the energy market liberalization process.

On 16 May 2025, ERO held a meeting with KEK, KOSTT, KEDS and KESCO to discuss their preparations regarding the energy market liberalization process.

On 22 May 2025, ERO held a comprehensive meeting with licensed electricity suppliers, emphasizing the importance of transparency and accurate information to customers for the transition to the liberalized market.

On 23 May 2025, ERO held a coordination meeting with the Chief Executive Officers of KEK, KOSTT, KEDS and KESCO to review the final steps towards the liberalization of the energy market.

On 30 September 2025, the Energy Regulatory Office hosted a meeting with the World Bank team within the framework of the Kosovo Renewable Energy Preparation Support Project.

On 3 October 2025, the Board of the Energy Regulatory Office held an information meeting with the Deputy Ambassador of Germany to Kosovo, Mr. Christian Böttcher, with the aim of deepening institutional cooperation between ERO and the German Embassy in Pristina.

On 9 October 2025, the Board of the Energy Regulatory Office (ERO) held a meeting with representatives of a joint mission of the World Bank and the International Finance Corporation (IFC), in the framework of the preparation of the Kosovo Private Sector Diagnostic (CPSD).

4.4 Meetings of the Implementation Group within the SEE - MC market integration initiative

On 22 October 2025, the next meeting of the Implementation Group for the integration of electricity markets between Kosovo, Albania, North Macedonia and Greece was held, under the facilitation of the Chairman of the Board of ERO, Mr. Ymer Fejzullahu. The meeting involved discussions on the main developments in regional cooperation, including capacity calculation methodologies and market integration processes. The parties reaffirmed their support for advancing joint projects and harmonization with European legislation, with the aim of building a more efficient regional market and increasing the security of energy supply.



Fig. 4. 2 Meeting of the Implementation Group for the Coupling of Electricity Markets during the proceedings of 22 October 2025

4.5 Cooperation with international organizations

During November 2025, the Energy Regulatory Office conducted a study visit to Sweden, with the support of the LuxDev project, with the aim of harmonizing the Kosovo Guarantees of Origin system with the European Energy Certification System (EECS). The visit served to exchange institutional experiences and build capacity, supporting the advancement of the legal and technical framework for renewable energy certification in accordance with European standards.

ERO and CDF sign Memorandum of Understanding

On 03 October 2025, the Energy Regulatory Office (ERO) and the Community Development Fund (CDF) signed a Memorandum of Understanding to support the development of Renewable Energy Communities in Kosovo. This cooperation aims to create a sustainable regulatory framework, ensuring transparency, community involvement and compliance with European Union best practices, including the provision of technical expertise, education and pilot projects to raise awareness and sustainable energy development.

Kosovo a full member of the Association Issuing Bodies for the Certificates of Origin - AIB

Kosovo has been admitted as a full member of the AIB, with a decision adopted on 26 November 2025 at the General Assembly held in Lisbon. This membership makes Kosovo part of the European Guarantees of Origin platform and enables the adoption of the EECS system. This step increases the credibility of renewable energy certification, enables more efficient cross-border trade and strengthens the country's integration into the European energy market, while supporting the energy transition and harmonization with the EU regulatory framework.



Fig. 4. 3 Study visit of the Energy Regulatory Office to Sweden, carried out with the support of the LuxDev project, November 2025

4.6 Participation of the Regulator in international activities

Participation in international activities is considered by ERO as one of the main elements that serves institutional strengthening, increasing the knowledge and experience of its staff. Below are presented the main activities and active participation in international organizations, international conferences, working tables or multilateral and bilateral meetings.

- ~ On 27 March 2025, the Chairman of the Board of ERO, Mr. Ymer Fejzullahu, participated as a panelist at the Third Annual CorrWatch Conference in Pristina, emphasizing the importance of public involvement in decision-making processes and ERO's commitment to transparency and accountability.
- ~ On 24 September 2025, the Chairman of ERO, Mr. Ymer Fejzullahu, participated in the panel at the Kosovo Energy Forum & Green Business Expo 2025, on the topic "Empowering Competitiveness: Investing in Renewables and Energy Efficiency in a Liberalised Market", emphasizing the importance of energy market liberalization for increased competition and sustainable economic development.
- ~ On 25 September 2025, ERO representatives, Mr. Skender Muqolli and Mr. Muharrem Gashi, participated in the 20th meeting of the ECRB Working Group on REMIT, where they presented the latest developments of the REMIT roadmap and its regional process.
- ~ On 15 October 2025, in Brussels, ERO representative, Ms. Ilirjana Tolaj, participated as a panelist in CEER's "Women in Energy Awayday" event, discussing initiatives and policies for the inclusion and empowerment of women in the energy sector.
- ~ On 3 October 2025, ERO staff participated in the ECRB Electricity Working Group meeting on regional electricity market integration, discussing market harmonisation, the role of NEMOs and cross-border trading capacities.

4.6.1 ERRA ¹activities

Being an associate member of ERRA, ERO has its regular members appointed to the working groups and the Chairmen's' group, which have held their meetings during this period as well.

- ~ On 23 October 2025, the Chairman of the ERO Board, Mr. Ymer Fejzullahu, participated in the ERRA meeting, where regulatory developments, energy market reforms and prices for household customers were discussed, emphasizing the importance of the independence of regulators.

4.6.2 Participation in the Energy Community Regulatory Board (ECRB)

The Energy Community (EC) is an international organization established through an international Treaty (the so-called Energy Community Treaty) in October 2005 in Athens, where the countries of the European Union and the South-Eastern Europe and Black Sea region participate. The EC's

¹ ERO has been a member of the Energy Regional Regulatory Association (**ERRA**) since 2005. ERRA is a voluntary organization composed of independent energy regulators mainly from Europe, Asia, Africa, the Middle East, South America and North America. <https://erranet.org/>

activities during 2025 are focused towards achieving common goals: the implementation of the "acquis communautaire", the development of a harmonized regulatory framework at regional level, and the liberalization and integration of the electricity and natural gas sector markets.

The Contracting Parties of the EC are: Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Montenegro, Serbia, Moldova, Ukraine and Georgia. The participants are the Member States of the European Union, while Norway, Turkey and Armenia have Observer status.



Fig. 4.4 63rd Meeting of the Energy Community Regulatory Board (ECRB), held on 2 December 2025 in Athens

- ~ On 2 April 2025, the Energy Community Secretariat in Vienna expressed support for the actions of the ERO Board in the tariff process, emphasizing the importance of transparency and independence in decision-making as key elements for a fair and sustainable energy market.
- ~ On 04 June 2025, the Chairman of the ERO Board, also the President of the Energy Community Regulatory Board (ECRB), Mr. Ymer Fejzullahu, chaired the 61st meeting of the Energy Community Board in Athens, where the achievements of the first half of 2025, the importance of international cooperation and exchange of experiences, as well as the coupling of markets and the harmonization of legislation for a sustainable, integrated and secure energy market were discussed.
- ~ On 10 June 2025, ERO participated in the Energy Community Energy Forum, discussing regional market integration and the just energy transition. The Chairman of the Board, Mr. Ymer Fejzullahu, presented the new competencies of regulators and the experience of the coupling of energy markets between Kosovo and Albania, emphasizing the need for institutional and financial independence. The Board Member, Mr. Gani Buçaj, participated in two panels, where he presented the importance of affordable energy and active customer participation, as well as the integration of renewable sources and ERO's experience in promoting solar energy.

On 30 September 2025, the Chairman of the ERO Board, also President of the Energy Community Regulatory Board (ECRB), Mr. Ymer Fejzullahu, chaired the 62nd ECRB meeting in Athens, attended also by the ERO Board Member, Mr. Gani Buçaj. The discussions focused on regulatory developments, market reforms and regional integration, including transmission capacity management and the activities of working groups.

The Chairman of the ERO Board chaired the 63rd meeting of the Energy Community Regulatory Board, held on 2 December 2025 in Athens. The meeting addressed key regulatory developments, regional cooperation and approved the ECRB Work Programme for 2026.

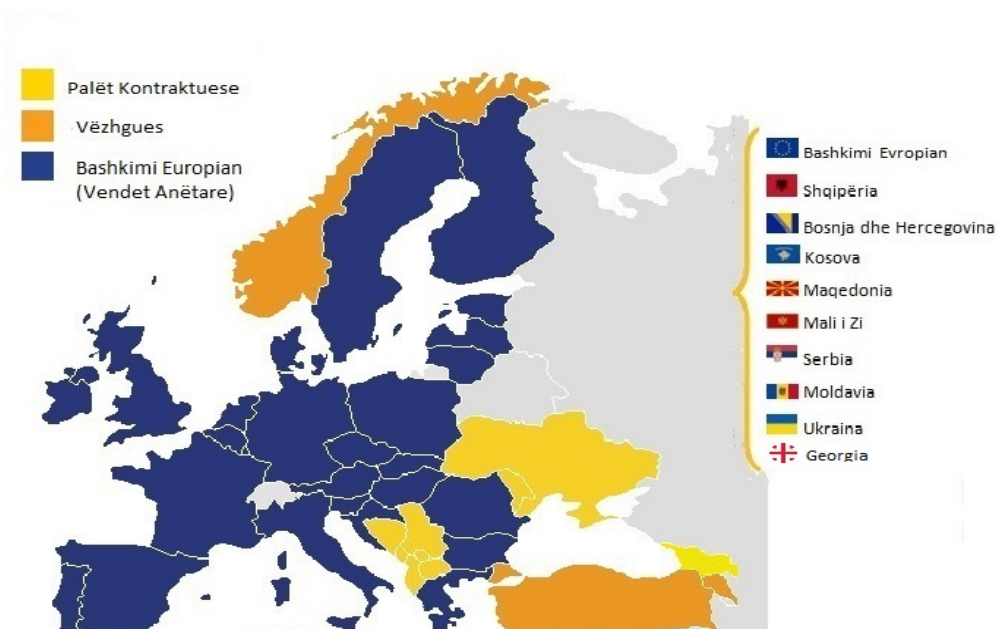


Fig. 4. 5 Member States of the Energy Community of South-East Europe

The Energy Community Treaty (ECT) is a key strategic component of the European Union (EU) for South-Eastern Europe and an effective pre-accession tool, aiming to expand the benefits of the regional Energy Market, before the countries of the region become EU members.

The main institutions of the EC are: the Council of Ministers (CM), the Permanent High Level Group (PHLG), the Energy Community Regulatory Board (ECRB), the EC Secretariat located in Vienna, and the four consultative forums: for electricity, natural gas, social affairs and oil.

The Energy Community Regulatory Board (ECRB) is an institution established under Article 58 of the ECT, consisting of Regulatory Authorities of the Contracting Parties, Participants and Observers. The ECRB has the role of a coordinating body of regulatory authorities for the harmonisation of the Regulatory framework, the exchange of knowledge, and the development of practices for the implementation of the Treaty.

Based on the provisions of the EC Treaty, the ECRB has the following responsibilities:

- Advises the Ministerial Council and the PHLG on statutory, technical and regulatory matters;
- issues recommendations to the parties, in accordance with the provisions of the Treaty, on cross-border disputes, etc.;

- takes measures against the parties, if authorized by the CM;
- facilitates cooperation and coordination between regulatory authorities;
- makes recommendations and prepares reports regarding the functioning of energy markets; and
- requires the fulfillment of obligations by the parties under the ECT.

To fulfill its responsibilities, the ECRB is organized into working groups that develop activities in relevant areas. The ECRB is led by a chair elected annually by representatives of national regulators, and a vice-chair who is delegated by the European Commission.

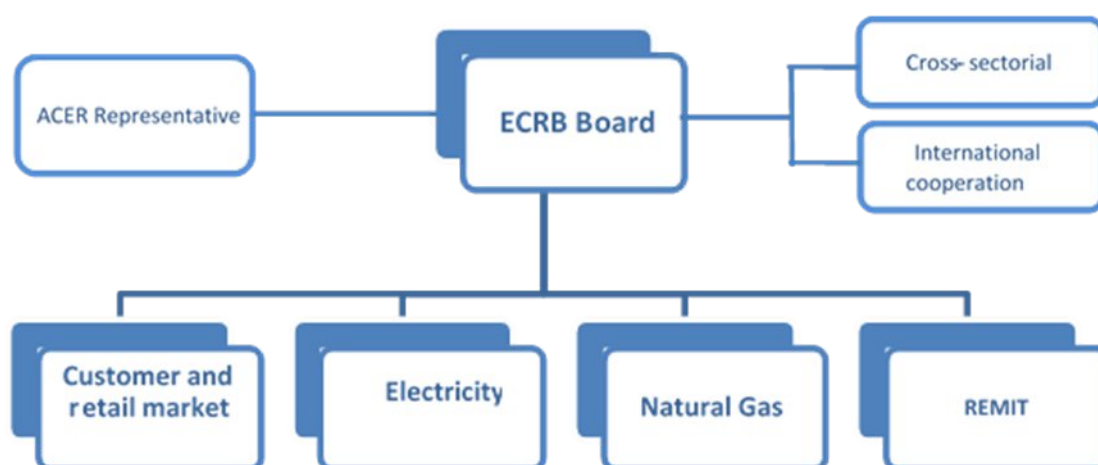


Fig. 4. 6 Structure of the Energy Community Regulatory Board

4.6.3 Activities of the Regulator within the ECRB

According to its obligations to the EC, ERO has appointed its members to the ECRB and to each working group, and actively participates in the work of the Board and the relevant working groups.

4.6.3.1 Electricity Working Group

This working group, during 2025, has developed regular activities and meetings within its scope of activity; for more efficient work, this group has undertaken activities through subgroups ('Task Force'-TF) as follows:

- **TF1 - Wholesale electricity market opening and integration** - In order to support the effective opening of the regional electricity market in the Energy Community, this subgroup is focused on activities for regulatory support, integration of 'day-ahead' and 'intraday' markets in South-Eastern Europe;
- **TF2 - Favourable regulatory environment for investments** - the activities of this subgroup are focused on creating a stable, sustainable and harmonized regulatory framework at the regional level, as a fundamental prerequisite for attracting investments in energy infrastructure.
- **TF3 - Monitoring the wholesale electricity market:**

Market monitoring, as a key component of regulatory responsibilities, includes full reporting on market performance and development prospects, enabling the promotion of competition, customer protection, energy efficiency, investments and security of supply.

- **TF4 - Renewable Energy Integration and Balancing** - Within the framework of this task force, the Regulatory challenges of integrating renewable energy into energy systems and the responsibility of energy producers from renewable sources for balancing the system were assessed.
- **TF5 - Opinions on Electricity Network Codes and Regulatory Guidelines** - the main task of this subgroup has been the coordinated review and provision of opinions on electricity network codes and relevant regulatory guidelines.
- **TF6 - Implementation of network codes and regulatory guidelines** - Under this task, the EWG will review the monitoring process of ACER and ENTSO-E and report on the monitoring activity, and mainly focuses on monitoring the implementation of the Network Codes - Connection Code.

4.6.3.2 Gas Working Group (GPG)

This working group focuses its activities on issues of regulation of the natural gas sector, harmonization of the Regulatory framework at regional level and other issues related to the development of natural gas infrastructure in the SEE region. In order to be efficient and address specific issues, activities have been undertaken through the following separate subgroups ("Task Force" - TF):

- **TF1 - Monitoring the wholesale natural gas market** - Market monitoring as a key component of regulatory responsibilities includes full reporting on market performance and development prospects, enabling the promotion of competition, customer protection, energy efficiency, investments and security of natural gas supply.
- **TF2 - Implementation of the Network Code for Congestion Management** - Activities within this task force are focused on monitoring congestion at interconnection points considering capacity trading in secondary markets and the use of 'interruptible' capacity, as well as the analysis of existing long-term contracts.
- **TF3 - Implementation of the Network Code for Capacity Allocation Mechanism** - activities are focused on the involvement of National Regulatory Authorities and Gas Transmission System Operators in the selection of the joint capacity reservation platform, with the aim of implementing Article 37 of the Network Code for Capacity Allocation.
- **TF4 - Investment-friendly regulatory environment** - the activities of this subgroup are focused on creating a stable, sustainable and harmonized regulatory framework at the regional level, as a fundamental prerequisite for attracting investments in natural gas infrastructure.
- **TF5 - Opinions on Natural Gas Network Codes and Regulatory Guidelines** - the main task of this subgroup has been the coordinated review and provision of opinion on electricity network codes and relevant regulatory guidelines.

4.6.3.3 Working Group on Customers and Retail Markets

Within the ECRB, there is a customer working group with its own subgroups, which deals with activities related to customer protection, retail tariffs and prices, contractual relations between suppliers and customers, as well as the quality of energy supply and voltage quality regulation.

- **TF1 - Retail Market Monitoring** - Market monitoring as a fundamental component of regulatory responsibilities includes full reporting on market performance and development prospects to enable the creation of an effective framework that balances the needs of market participants and promotes competition, customer protection, energy efficiency, investment and security of supply.
- **TF2 - Customer Protection** - since customer protection is considered one of the main tasks of Regulatory Authorities, this responsibility is consequently also conveyed to regional/international organizations such as ECRB, CEER and MEDREG. The activities are focused on the cooperation of these 3 regional bodies for the exchange of best and most efficient experiences in the field of customer protection.
- **TF3 - Customer empowerment and protection** - The main task of this sub-working group has been to assess the inclusion/transposition of Directive 2019/944 in the primary and secondary legislation of the Member States regarding customer rights as it establishes a solid basis for the active participation of customers in electricity markets by introducing dynamic price contracts, the opportunity to join with other customers, demand response (through aggregation) and the involvement of citizens as an energy community.

4.6.3.4 Working Group on REMIT and Cybersecurity

Within this group, 4 task forces have operated:

- **TF1 - REMIT Guideline** will assess whether the relevant guidelines developed by ACER can be used in the same way or whether adaptations to the specificities of the Contracting Parties or the "REMIT light" version applicable in the Energy Community are needed. In the latter case, the working group will develop specific ECRB guidelines.
- **TF2 -Central Registry Maintenance:** will assess the feasibility of implementing the registration and creation of the central registry, including potential IT requirements for automated collection of census data.
- **TF3 - Platform for inside information:** This task force will discuss and assess the need for a centralized platform for the publication of inside information.
- **TF4 - REMIT Implementation:** The Regulator will report on cases, investigations undertaken etc. in relation to REMIT, including cases discussed and coordinated by the ECRB.

4.7 Procurement activities

The Regulator continues to monitor procurement procedures by the Central Procurement Agency (CPA), which sometimes, as a result of the amendment to the law on public procurement, are lengthy and cause difficulties in securing services and supplies that are necessary for the normal functioning of the office.

5 FINANCIAL REPORTING TO THE REGULATOR

The Energy Regulatory Office is financed from its own revenues, in accordance with the Law on the Energy Regulator, Chapter 4, namely from taxes collected from licensed operators in the energy sector.

5.1 The revenues

All collected revenues of the Energy Regulatory Office are deposited in accordance with Article 64 of the Law on Public Financial Management and Accountability, in the official bank account established by the Director General of the Treasury.

In 2025, the Energy Regulatory Office has generated revenues in the amount of €1,900,601.80. Considering that the total amount of the budget spent by ERO in 2025 is €827,785.64, the unspent revenues in the amount of €1,072,815.93, in accordance with Article 23 of the Law on the Energy Regulator, have been transferred to the Budget of the Republic of Kosovo.

Tab . 5. 1 Revenues

Description	Amount
Own Source Revenues 2025	(1 900 601,80) €
Expenditures 2025	827 785,87 €
Revenues paid to the Budget of the Republic of Kosovo	(1 072 815,93) €

5.2 The budget

The Assembly of the Republic of Kosovo, with Law No. 08/L-332, on Budgetary Allocations for the Budget of the Republic of Kosovo for 2025, approved the budget of the Energy Regulatory Office in the amount of €1,148,610, which was entirely allocated as a government grant, despite the fact that under the Law on the Energy Regulator, ERO is financed from its own revenues and only in cases where these revenues are insufficient, then ERO can use budget allocations in the form of a government grant. According to economic categories, ERO's budget was as follows:

Tab. 5. 2 Budget at the beginning of the year

Description	Budget
Wages and salaries	567 478,00 €
Goods and services	478 332,00 €
Utilities	22 000,00 €
Capital expenditures	80 800,00 €
Total	1 148 610,00 €

By Government Decision dated 26.12.2025 no. 04/282, the budget of the Energy Regulatory Office in the category "goods and services" was cut by €35,973.48, while in the economic category "Salaries and Allowances", by Government Decision no. 03/261 dated 05.06.2025, a budget of €8,567.21 was added for the second half of the year due to the increase in the salary coefficient. At the end of the year, the unspent budget due to unfilled positions by Government Decision no. 01/281 was cut by €188,447.92.

Expressed as a percentage, the ERO budget has been cut by 18%.

Tab . 5. 3 Final budget

Description	Budget
Wages and salaries	387 597,29 €
Goods and services	442 358,52 €
Utilities	22 000,00 €
Capital expenditures	80 800,00 €
Total	932 755,81 €

5.3 Budgetary expenditures

To finance activities carried out in 2025, ERO has spent €827,785.87.

According to economic classification, ERO's expenses are:

Tab. 5. 4 Expenditures by economic categories

Description	Amount
Wages and salaries	387 597,29 €
Goods and services	340 263,14 €
Utilities	19 497,58 €
Capital expenditures	80 427,86 €
Total	827 785,87 €

Budget execution in relation to the remaining budget after cuts is 88.75%.

The budget execution rate by economic categories, expressed in percentage, is presented in the table below.

Tab. 5. 5 Budget execution expressed in percentage

Description	Budget	Expenditures	Difference	Execution in %
Wages and salaries	387 597,29 €	387 597,29 €	- €	100,00%
Goods and services	442 358,52 €	340 263,14 €	102 095,38 €	76,92%
Utilities	22 000,00 €	19 497,58 €	2 502,42 €	88,63%
Capital expenditures	80 800,00 €	80 427,86 €	372,14 €	99,54%
Total	932 755,81 €	827 785,87 €	104 969,94 €	88,75%

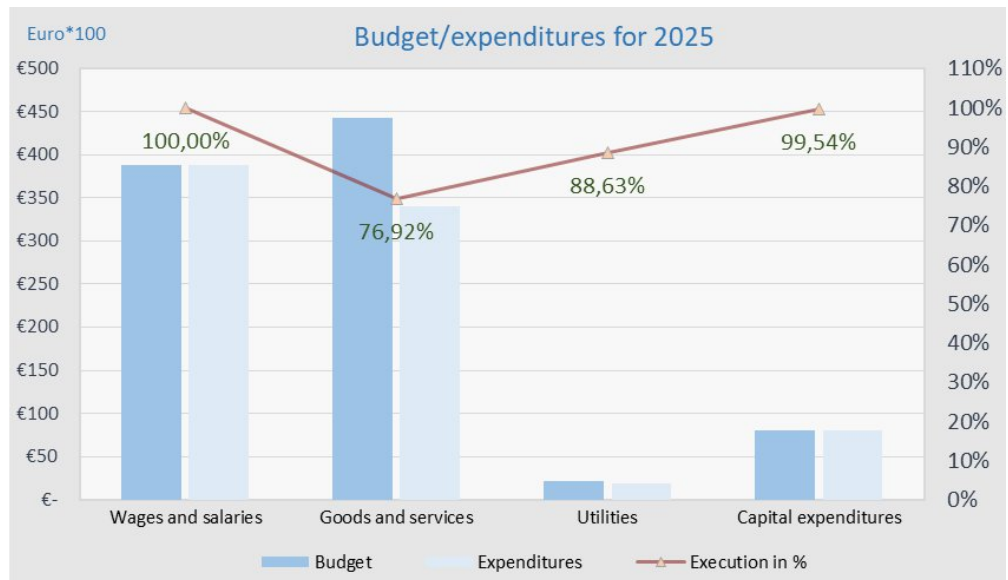


Fig. 5. 1 Budget and expenditures for the year 2025

The following tables reflect expenses according to economic codes.

Tab. 5. 6 Wages and salaries

Wages and salaries	Amount
Net wages	227 347,28 €
Personal Income Tax	27 267,62 €
Employee's pension contribution	18 457,33 €
Work experience	14 607,09 €
Employer's pension contribution	18 457,33 €
Overtime work	1 868,42 €
Transitional allowances	79 592,22 €
Total	387 597,29 €

Tab. 5. 7 Goods and services

Goods and services	Amount
Accommodation for business trips domestically	3 120,00 €
Transportation for official trips abroad	6 362,61 €
Pocket money - Per diems for official trips abroad	8 199,26 €
Accommodation for business trips abroad	3 849,80 €
Other expenses for business trips abroad	1 582,30 €
Internet expenses	3 510,12 €
Mobile phone expenses	5 116,17 €
Postal costs	239,80 €
Education and training services	500,00 €
Various professional and counseling services	5 017,26 €
Printing services	119,50 €
Physical security of public facilities	44 461,20 €
Membership expenses	38 901,88 €
Furniture	156,00 €
Computer	15 658,94 €
Other IT equipment	9 928,00 €
Other equipment	2 100,00 €
Office supplies	260,20 €
Food and beverage supply (not official lunch)	1 584,77 €
Derivatives for vehicles, generators and machinery	2 810,04 €
Vehicle registration	510,00 €
Vehicle insurance	2 516,58 €
Municipal vehicle tax	60,00 €
Vehicle technical inspection	90,00 €
Vehicle maintenance and repair	797,00 €
Maintenance of administrative and business buildings	6 632,88 €
Information technology maintenance	4 000,20 €
Rent for buildings	164 294,40 €
Equipment rental	2 039,25 €
Domestic representation compensation	5 844,98 €
Total	340 263,14 €

As can be seen from table 1.7, the amount of funds spent for this category of expenses is €340,263.14.

Tab. 5. 8 Municipal expenses

Utilities	Amount
Electricity	6 145,37
Water and sewerage costs	369,30
District heating	12 677,64
Telephone charges	305,27
Total	19 497,58

Tab . 5. 9 Capital expenditures

Capital expenses	Amount
Official vehicles	38 950,00
IT equipment	41 477,86
Total	80 427,86

6 ELECTRICITY SECTOR

6.1 Characteristics of the electricity sector

The energy system in the Republic of Kosovo, consisting of electricity generation, electricity transmission, electricity distribution and suppliers as well as wholesale traders, is designed primarily to produce baseload electricity, which is based on lignite as a raw material, but not to cover peak loads and balance the system, which remains a major challenge for all participants in the sector.

Despite the interest of investors in investing in new capacities from RES, during 2025 there was a small number of new electricity production capacities from photovoltaic systems, a total of 6 plants with a total capacity of 21.48 MW. The installed generation capacities in Kosovo total 1,593.07 MW, including RES generation capacities. The operational capacity is considered to be around 1,261.12 MW, of which lignite - fired thermal power plants (TPPs) account for around 76.12%, while the rest consists of HPP Ujmani, RES in transmission and other RES (hydropower plants, solar panels and wind power plants) with 23.88%.

Most of the consumption is covered by domestic production, but due to the age of the power plants and their lack of flexibility to adapt to demand in different periods, especially during peak times, the need for imports and sometimes exports to balance the system has arisen.

The figure below presents the production, import, export and demand of electricity over the last ten years.

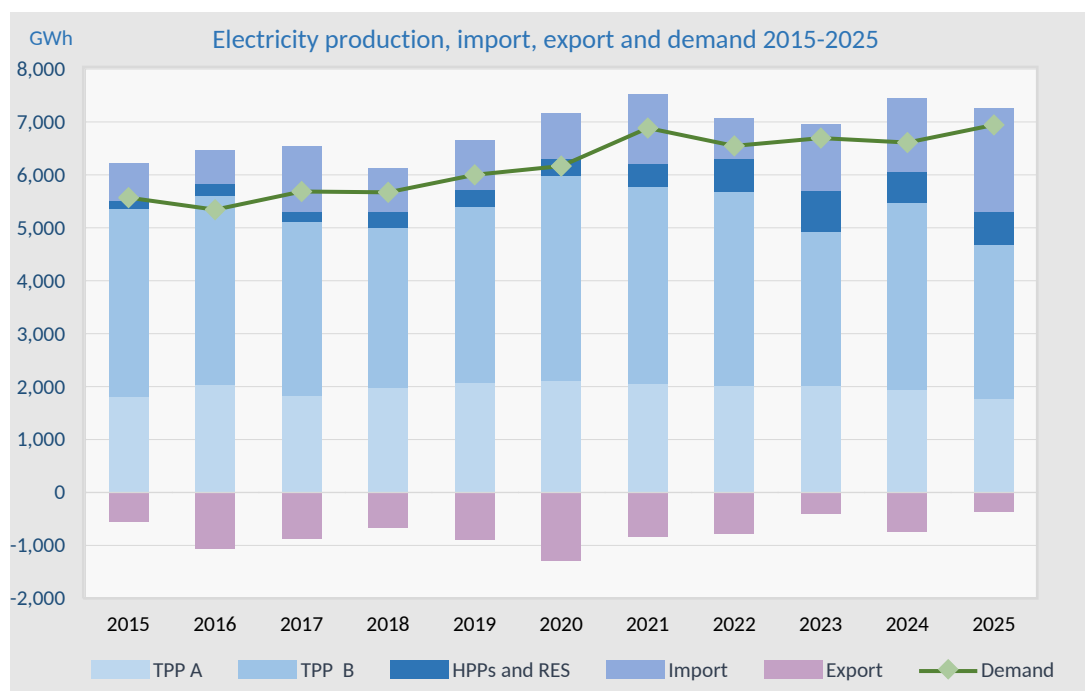


Fig . 6. 1 Energy production, import and demand 2015 - 2025

6.1.1 Electricity market

The electricity market in Kosovo in 2025 has continued to develop and consolidate with significant steps, reflecting the positive effects of the reforms undertaken during the previous year according to legal requirements.

ALPEX has recorded a stable performance during 2025, gradually increasing the volume of energy traded in both the day-ahead and intraday markets. The increased participation of operators and the better integration of energy sources have contributed to increased liquidity and more stable price formation. In addition, the use of market mechanisms through ALPEX has enabled better optimization of the portfolios of suppliers and producers.

However, despite the development of organized markets, wholesale trading in Kosovo continued to be dominated by bilateral contracts in 2025. The constraints arising from existing contractual obligations, particularly in relation to guaranteed supply to universal service customers and recovery of system losses, have affected the level of liquidity in the organized market. According to the Bulk Supply Agreement (BSA), the electricity produced by KEK is offered to the Supplier supplying customers with the right to Universal Service as well as for recovery of system losses, while the surpluses are traded on the wholesale market according to market principles (partly in ALPEX and the rest through bilateral contracts).

In 2025, HPP Ujmani continued to trade all energy on the open market, participating in the ALPEX day-ahead auctions.

Also, the energy produced by RES generators with support schemes is traded through ALPEX with Contracts for Difference (CfD).

Despite the progress achieved, Kosovo's power system continues to face structural challenges, mainly related to the age of existing power plants and the lack of flexible regulation capacities. These factors limit the system's ability to respond efficiently to high loads during peak periods, making the country dependent on imports and, in some cases, even exporting electricity.

Cross-border interconnection capacities continue to play a crucial role in the functioning of the energy market. However, the restrictions caused by the unilateral blocking of interconnection lines by Serbia have significantly affected the functioning of regional markets, with a more pronounced impact on Kosovo. As a result, a significant increase in the prices of cross-border capacities has been observed, making access to international markets more difficult and contributing to the increase in the cost of electricity imports.

Energy Market Department (EMD) has prepared a draft-Monitoring Report on the import of electricity from the exchanges, including cross-border capacities, regarding the increase in prices of cross-border capacities, with a particular focus on the Kosovo-Montenegro border, which has had a direct impact on the increase in costs for end customers. The investigation has been carried out in several key segments, including the process of selecting the agent by KESCO for the realization of purchases on international exchanges, the fulfillment of KESCO's obligations to provide the necessary cross-border capacities in the function of security of supply, the analysis of the agreement between KESCO and the selected agent in terms of contractual compliance, as well as the assessment of the behavior of the parties, including energy purchasing practices.

The findings of this report highlight that the above-mentioned factors, in combination with structural limitations of cross-border capacities and the blockage of cross-border lines with Serbia, have contributed to the increase in electricity supply costs, directly reflecting in the financial burden of customers.

The overall demand for electricity at the national level has marked a slight increase of about 5%, with the total demand for electricity at the national level being 6,944 GWh (including transmission and distribution losses). The majority of this demand is covered by domestic production, while the rest is covered by electricity imports.

The table below presents the balancing of the system; from which it can be seen that our country continues to be a net importer in 2025.

Tab. 6. 1 Balancing of the electricity system 2025

	Balancing the power system 2025	GWh	%
1	Production from generators in transmission	5 140	74%
2	Production from generators in distribution	158	2%
3	Import	1 965	28,29%
4	Total available energy	7 263	105%
5	Export	377	5%
6	Net import/export	-1 588	
7	System deviations (offtakes from the system)	2	0%
8	Transit	2 370	34%
9	National demand	6 944	
10	Transmission losses	135	2%
11	Consumption of customers in transmission network	92	1%
12	LLOMAG Consumption	105	2%
13	Load in distribution network	6 612	
14	Distribution losses	995	15,1%
15	Net consumption in distribution	5 617	84,9%

Production from generators that deliver electricity to transmission decreased by 13.2% compared to 2024. Imports under contracts in 2025 increased by approximately 40.43% compared to the previous year, while exports decreased by approximately 48%. National demand in 2025 was 6,944 GWh, which represents an increase of approximately 5.04% compared to 2024 (6,611 GWh), while demand in the distribution network was 6,612 GWh, which represents an increase of approximately 5.66% compared to 2024 (6,258 GWh).

KOSTT continues to operate as a Regulatory Area within the Kosovo - Albania Regulatory Block, where system balancing is the full responsibility of KOSTT, which also means covering all system deviations and responsibility for the secure operation of the interconnection system, as well as the allocation of cross-border capacities and congestion management, which means collecting revenues from cross-border trading, in addition to the allocation of cross-border capacities with Serbia.

The figure below shows the flow of electricity from generation, transmission to distribution to customers, as well as the flows of electricity to and from regional networks, including transit.

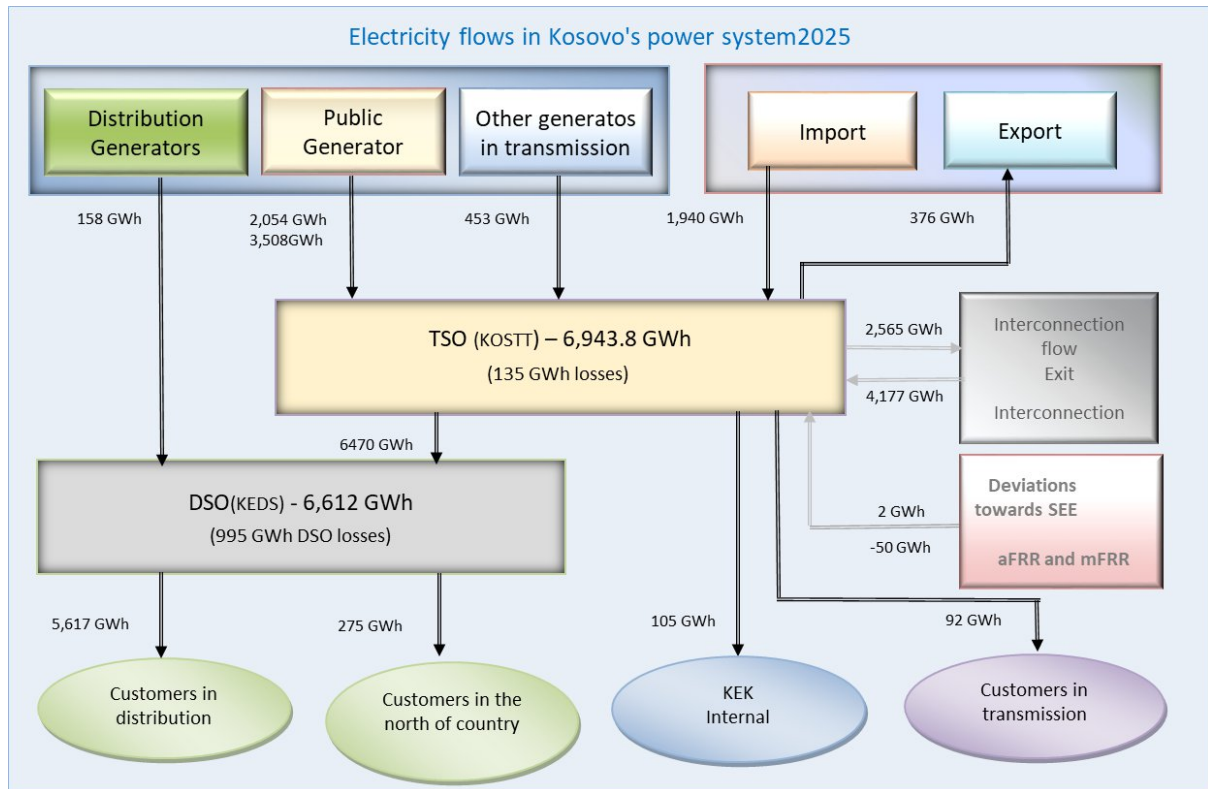


Fig. 6.2 Electricity flows in the system in 2025

6.1.2 Generation adequacy and security of supply

Domestic generation is not sufficient to cover the maximum load in the Kosovo electricity system. This lack of energy to meet national demand is covered by electricity imports.

Total operating capacity of generators in Kosovo is 1,248.63 MW, while the maximum load during this year was 1,624 MW, therefore the generation adequacy ratio to maximum load is 76.88%.

In the table below the maximum and minimum loads during 2025 are presented on a monthly basis.

Tab. 6. 2 Maximum and minimum loads in 2025

Load 2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	MWh/h	MWh/h	MWh/h	MWh/h	MWh/h	MWh/h	MWh/h	MWh/h	MWh/h	MWh/h	MWh/h	MWh/h
Maximum	1 435	1 474	1 192	1 121	855	779	948	939	822	1 054	1 171	1 624
Minimum	630	635	381	341	322	317	361	361	340	394	460	593

While the generation system has deficiencies in terms of adequacy, the transmission system contains sufficient reserves to enable electricity flows to meet domestic demand, including covering maximum (peak) load, as well as to enable transit through interconnection lines.

The table below shows the maximum and minimum loads (P_{max} and P_{min}) of the Kosovo power system over the years, the time of their occurrence, production, and the corresponding import and export of electricity.

Tab. 6. 3 Maximum and minimum loads of the electric power system

Year	Maximum Load							Minimum Load						
	Pmax			Production	Import	Export	Deviation *	Pmin			Production	Import	Export	Deviation *
	[MW]	Date	Hour	[MW]	[MW]	[MW]	[MW]	[MW]	Date	Hour	[MW]	[MW]	[MW]	[MW]
2015	1 129	31,12	20:00	825	308	0	-4	272	30,08	04:00	250	0	50	-72
2016	1 160	31,12	18:00	797	321	0	42	246	12,06	06:00	711	0	310	155
2017	1 161	11,01	20:00	660	415	0	86	286	3,06	06:00	733	50	440	57
2018	1 203	31,12	18:00	787	271	0	145	265	27,06	06:00	577	5	430	-113
2019	1 253	31,12	18:00	861	348	16	60	289	7,06	06:00	435	15	140	21
2020	1 251	21,12	11:00	819	350	32	114	288	9,08	04:00	548	12	280	-8
2021	1 398	21,12	23:00	819	360	147	366	310	5,08	20:00	416	600	374	332
2022	1 429	24,01	23:00	946	629	267	121	294	29,05	06:00	561	401	654	14
2023	1 413	8,02	23:00	863	641	163	47	311	11,06	06:00	514	308	521	4
2024	1 472	26,12	23:00	707	706	191	-120	317	26,05	06:00	795	176	633	-1
2025	1 624	31,12	18:00	908	685	136	-78	317	7,06	06:00	482	307	409	39

* System deviation towards the interconnecting system

As mentioned earlier, the energy needed to cover losses in the transmission and distribution network is initially provided in a proportional manner from the energy remaining from KEK after the allocation of energy for universal service, while the remaining part of the energy to cover losses is provided by import, in a market.

6.2 Primary energy sources

In recent years, there has been an increase in production capacities from RES such as: water power, wind power, solar power, but in Kosovo, energy produced from lignite still continues to dominate as the primary energy source, which on the one hand enables long-term security of electricity production, but the environmental impact remains a problem due to the emission of greenhouse gases and other pollutants.

6.2.1 Lignite production and consumption

Lignite production in 2025 was 6.91 million tons, while consumption was 7.34 million tons, which are lower than in 2024.

Lignite production and consumption by month for 2025 is presented in Table 6.4.

Tab. 6. 4 Lignite production and consumption in 2025

Lignite production/consumption	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Lignite production (t*1000)	6 908	778	658	685	541	480	415	380	496	516	616	663	679
Lignite consumption (t*1000)	7 341	820	720	724	437	447	414	532	491	532	689	716	818
Lignite consumption in the market	0	0	0	0	0	0	0	0	0	0	0	0	0

The figure below shows the production and consumption of lignite during the years 2015 - 2025.

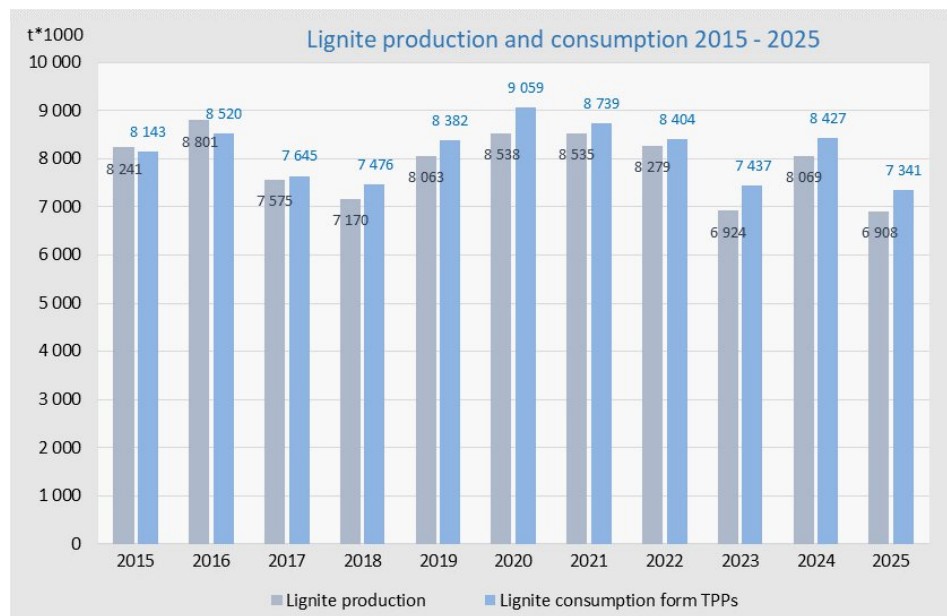


Fig . 6. 3 Lignite production and consumption in 2015 - 2025

6.3 Electricity production

6.3.1 Electricity production capacities

The total operating capacity of electricity generation in Kosovo is 1,248.6 MW, of which 960 MW or 76.88% are from thermal power plants and the rest are hydropower plants and renewable energy sources (hydropower plants, wind power plants and photovoltaic panels).

The capacity of the generating units is presented in the table below according to the type of primary source, installed and operating capacity, minimum and maximum production limits, and the year of entry into operation.

Tab. 6. 5 Generating capacities in the Kosovo electricity system

Generating units	Unit capacity (MW)		Min/max	Entry in operation
	Installed	Net		
TPP Kosova A1	65	Nuk operon		1962
TPP Kosova A2	125	Nuk operon		1964
TPP Kosova A3	200	144	100-130	1970
TPP Kosova A4	200	144	100-130	1974
TPP Kosova A5	210	144	100-135	1975
TPP Kosova A	610	432		
TPP Kosova B1	339	264	180-260	1983
TPP Kosova B2	339	264	180-260	1984
TPP Kosova B	678	528		
HPP Ujmani	35,00	32,00		1981
HPP Lumbardhi I	8,08	8,00		(1957) 2006
HPP Dikanci	4,02	3,34		(1957) 2013
HPP Radavci	1,00	0,90		(1934) 2010
HPP Burimi	0,95	0,85		(1948) 2011
Lumbardhi II	6,20	6,20		2020
Total HPPs (outside Support Scheme)	55,25	51,29		
EGU Belaja	8,06	8,06		2016
EGU Deçani	9,81	9,81		2016
HPP Hidroline-Albaniku III	4,27	4,27		2016
HPP Brod II	4,80	4,80		2015
HPP Restelica 1&2	2,28	2,28		2016
HPP Brodi III	4,70	4,70		2016
HPP Brezovica	2,10	2,10		2017
HPP Orqusha	4,00	4,00		2021
HPP Lepenci 3	10,00	10,00		2019
HPP Dilli com	0,31	0,31		2020
HPP Hidroline-Albaniku II	3,55	3,55		2020
HPP ECO Energji	1,00	1,00		2020
HPP Hidroline-Albaniku IV	1,12	1,12		2021
HPP Restelica 3	2,35	2,35		2021
HPP Brod I	2,48	2,48		2021
HPP Sharri	6,45	6,45		2021
HPP Vica	4,60	4,60		2021
HPP Shterpca	5,30	5,30		2021
Wind Power	1,35	1,35		2010
Air Energy-Kitka	32,40	32,40		2018
SOWI Kosova	103,41	103,41		2021
PV LedLight Technology	0,10	0,10		2015
PV ONIX SPA	0,50	0,50		2016
PV Birra Peja	3,00	3,00		2018
PV Frigo Food Kosova	3,00	3,00		2018
PV Eling	0,40	0,40		2019
PV SGE	3,00	3,00		2019
PV Proenergy	3,00	3,00		2023
PV Eling	1,00	1,00		2024
PV Energy Development-Kosova LLC.	6,00	6,00		2025
PV Elektroheta LLC.	3,00	3,00		2025
Eko Park Group LLC.	6,00	6,00		2025
Vita Energy LLC.	3,00	3,00		2025
VBS LLC.	3,00	3,00		2025
LURN LLC.	0,48	0,48		2025
Total RES (in the Support Scheme)	249,82	249,82		
Total	1 593,07	1 261,12		

6.3.2 Electricity production

The total electricity production in 2025 was 5,298 GWh, while in 2024 it was 6,059 GWh, which means that there is a decrease of 12.6%. Meanwhile, compared to the electricity balance for 2025, the production was realized at around 95.5%.

The table below presents national production and own expenditures by units and months during 2025.

Tab . 6. 6 Electricity production in 2025

Producers GWh	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TPP A3 bruto	617,2	93,5	12,6	78,3	0,0	56,8	59,4	60,0	52,7	50,0	91,6	0,0	62,3
TPP A4 bruto	661,3	32,4	76,6	94,4	75,0	26,9	0,0	27,7	59,5	53,6	52,8	68,0	94,4
TPP A5 bruto	760,5	65,4	91,3	16,6	65,3	39,9	77,6	96,5	56,1	70,4	27,7	91,2	62,4
TPP A Self-consum	265,1	25,1	22,3	23,0	18,3	16,9	18,8	24,2	22,5	22,7	22,3	21,2	27,8
TPP A threshold	1 773,8	166,1	158,2	166,3	122,0	106,7	118,1	160,0	145,9	151,3	149,8	138,1	191,3
TPP B1 gross	1 978,4	200,1	157,6	142,2	36,8	203,3	175,6	197,7	184,4	195,4	140,2	176,4	168,9
TPP B2 gross	1 266,4	183,8	165,1	180,6	144,7	0,0	0,0	0,0	0,0	6,6	191,6	189,7	204,3
TPP B Own-consum	332,0	38,9	33,4	33,1	20,8	19,8	18,2	19,5	18,6	22,7	34,2	36,0	36,9
TPP B threshold	2 912,7	345,1	289,2	289,7	160,7	183,5	157,4	178,1	165,7	179,4	297,7	330,0	336,2
Ujmani	69,9	4,2	3,8	3,7	14,7	6,4	5,0	4,5	3,6	2,6	2,6	3,0	15,9
Lumbardhi	38,7	2,5	1,3	5,9	9,4	7,6	2,1	0,0	0,0	0,0	0,4	5,3	4,1
Kitka	92,7	9,5	5,2	10,2	7,9	9,1	5,9	7,2	6,7	5,1	9,7	8,6	7,4
Sowi	251,8	31,7	10,1	25,8	23,9	25,4	10,6	16,5	17,7	12,6	29,0	26,0	22,5
RES Distr.	158,4	14,5	8,9	19,9	29,0	20,7	10,4	5,0	4,0	3,0	7,8	18,9	16,3
Total	5 298,0	573,7	476,6	521,5	367,7	359,4	309,5	371,4	343,6	353,9	497,0	530,0	593,9
Balance 2025	5 545,8	586,4	485,7	530,1	376,3	367,9	322,8	407,2	386,8	420,8	480,8	575,8	605,2
Ratio tot./bal.	95,5%	97,8%	98,1%	98,4%	97,7%	97,7%	95,9%	91,2%	88,8%	84,1%	103,4%	92,0%	98,1%

The gross production of thermal power plants in 2025 was 5,283.7 MWh and compared to 2024, 6,178 MWh, it was lower by about 14.5%, of which 597 MWh or 11.3% was consumed by the thermal power plants themselves as own consumption. A part of this own consumption (for both generators TPP Kosova A and TPP Kosova B) is realized directly by the internal plants, while the rest is fed into the transmission system and then consumed by the thermal power plants.

The figure below shows the participation of generators in total electricity production in 2025.

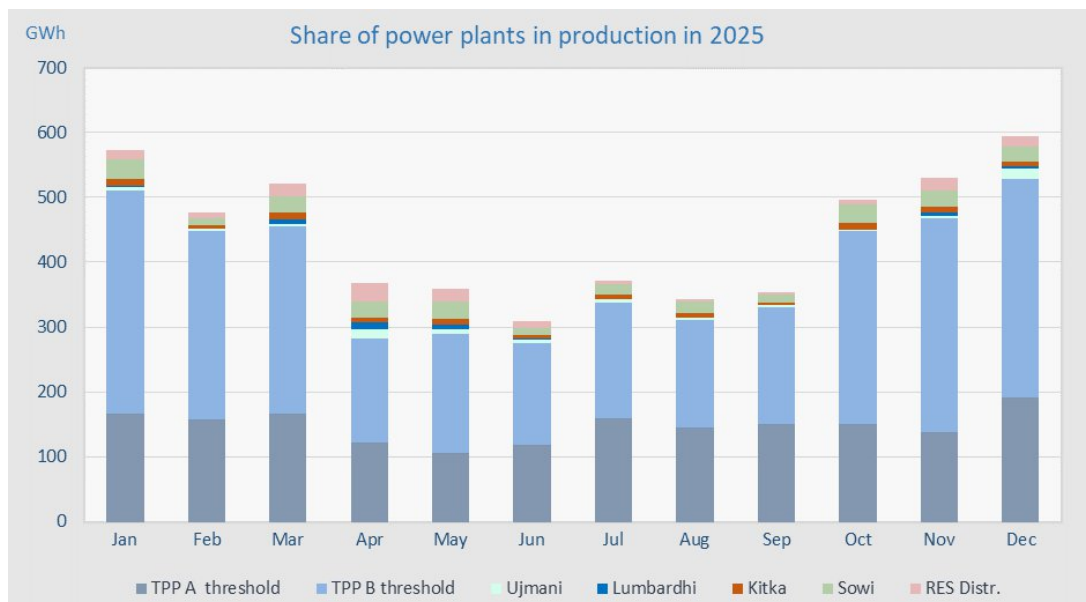


Fig. 6. 4 Production of generating units in 2025

The production of RES connected to the transmission network in 2025 was 453.1 GWh and is 3.6% higher compared to 2024 (437.5 GWh). Meanwhile, the production of RES connected to the distribution network was 158.4 GWh, and is 12.34% higher compared to 2024 (141 GWh).

The following tables present the production of electricity from RES connected to the transmission network, respectively to the distribution network.

Tab. 6. 7 Generation of RES connected to the transmission network in 2025

RES in transmission	Installed capacity	Production	Share in production*
	MW	MWh	%
HPP Ujmani	35,00	69 906	15,43
HPP Kaskada Lumbardh	32,15	38 734	8,55
Air Energy/Kitka	32,40	92 652	20,45
PEE Selaci	103,41	251 807	55,57
Total RES	202,96	453 099	100%

*Share of generating units towards RES in transmission

Tab. 6. 8 RES production connected to the distribution network in 2025

RES Distribution	Installed capacity	Production	Share in production*
	MWh	MWh	%
Hydro Power Plants	65,28	136 792	86,4
Biomass	1,14	1 672	1,1
Photovoltaic Power Plants	23,00	19 892	12,6
Total	89,42	158 356	100

Compared to last year, the number of outages from the operation of lignite-fired generating units has been slightly higher, which proves that the reliability and sustainability of thermal power plants is decreasing from year to year. The table below presents all types and frequency of outages and the availability in working hours of thermal power plants for 2025, where it is noted that the availability of the generating units of TPP Kosova B2 has been good.

Tab. 6. 9 Interruptions of generating units 2025

2025	TPP Kosova A			TPP Kosova B	
	A3	A4	A5	B1	B2
Planned Interruptions	4	5	2	2	1
Unplanned interruptions	4	2	4	10	8
Failures	4	0	1	5	5
Total interruptions	12	7	7	17	14
Working hours	5 617	5 209	5 411	7 413	4 868

The operating hours of the generating units of TPP Kosova A and TPP Kosova B are presented in graphic form in the figure below, with variations according to units, where it is noted that unit B1 has operated for over 80% of the hours of the year, respectively 84.6%, while units A3, A4 and A5 and B2 have operated for 64.1%, 59.5%, 61.8% and 55.6% of the year, respectively.

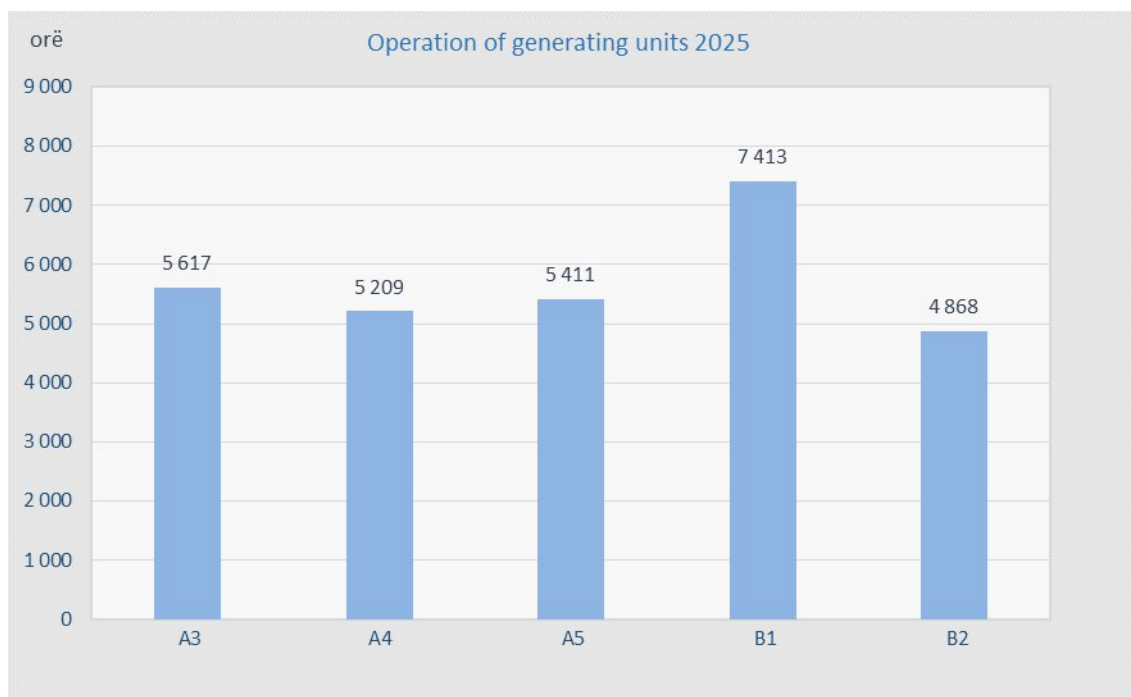


Fig. 6. 5 Operation of generating units in 2025

The figure below shows the production of generating units for the period 2015 - 2025.

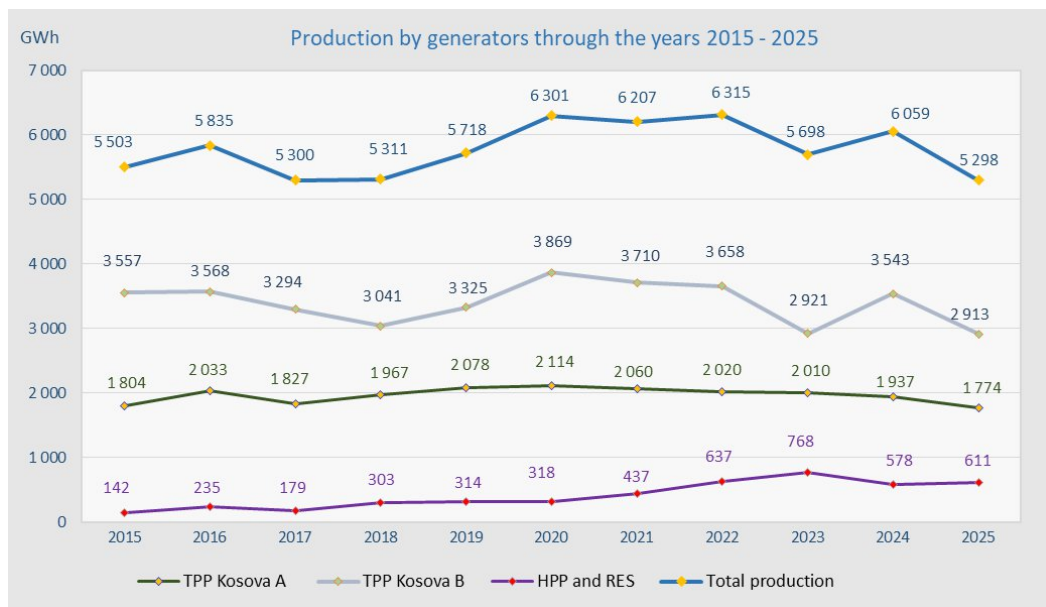


Fig. 6. 6 Electricity production for the years 2015 - 2025

6.4 Transmission system

Transmission as a regulated energy activity is responsible for the operation, management, maintenance, development and construction of the transmission network, transmission lines and system balancing, as well as ensuring the long-term ability of the network to meet the demands needed for the transmission of electricity.

The transmission network of the Kosovo electricity system is well developed and provides sufficient system security and is well connected to the regional and European system through interconnection lines with:

- Albania, North Macedonia, Montenegro and Serbia - with 400 kV lines;
- Albania and Serbia - with 220 kV lines; and
- Serbia - with two 110 kV lines.

The transmission network of the Kosovo electricity system meets local transmission needs as well as the N-1 criterion for the entire high voltage level.

The following tables present the transformation capacities and transmission network lines, according to voltage level:

Tab. 6. 10 Substations in the transmission network

Transformation (kV/kV)	Owner	No. of SS	No. of TR	Power (MVA)
400/220	KOSTT	1	3	1200
400/110	KOSTT	2	4	1200
220/110	KOSTT	3	9	1350
220/35	Feronikel	1	2	320
220/35/10(20) (Besiana)	KOSTT	1	1	40
220/10(20) (Besiana)	KOSTT	-	1	40
220/10(20)	KOSTT	1	2	80
110/35/10(20)	KOSTT	7	8	357,5
110/35/6.3	Trepça	1	2	63
110/6.3	Trepça	-	1	40
110/35	Ujmani	1	1	20
110/6.3	Sharri	1	2	40
110/10(20)	KOSTT	14	26	949,5
110/35	KOSTT	11	19	641
110/10	KOSTT	6	8	252
35/110 (Deçan)	Kelkos	-	1	40
Total		50	90	6 633

Tab. 6. 11 Lines in the transmission network

Voltage (kV)	Owner	Length (km)
400	KOSTT	279,5
220	KOSTT	238,5
110	KOSTT	918,5
Total		1 436,5

The diagram below presents basic information on the number of substations (SS), transformers (TR) and installed transformer power, the length of lines, as well as the power plants connected at the respective voltage level.

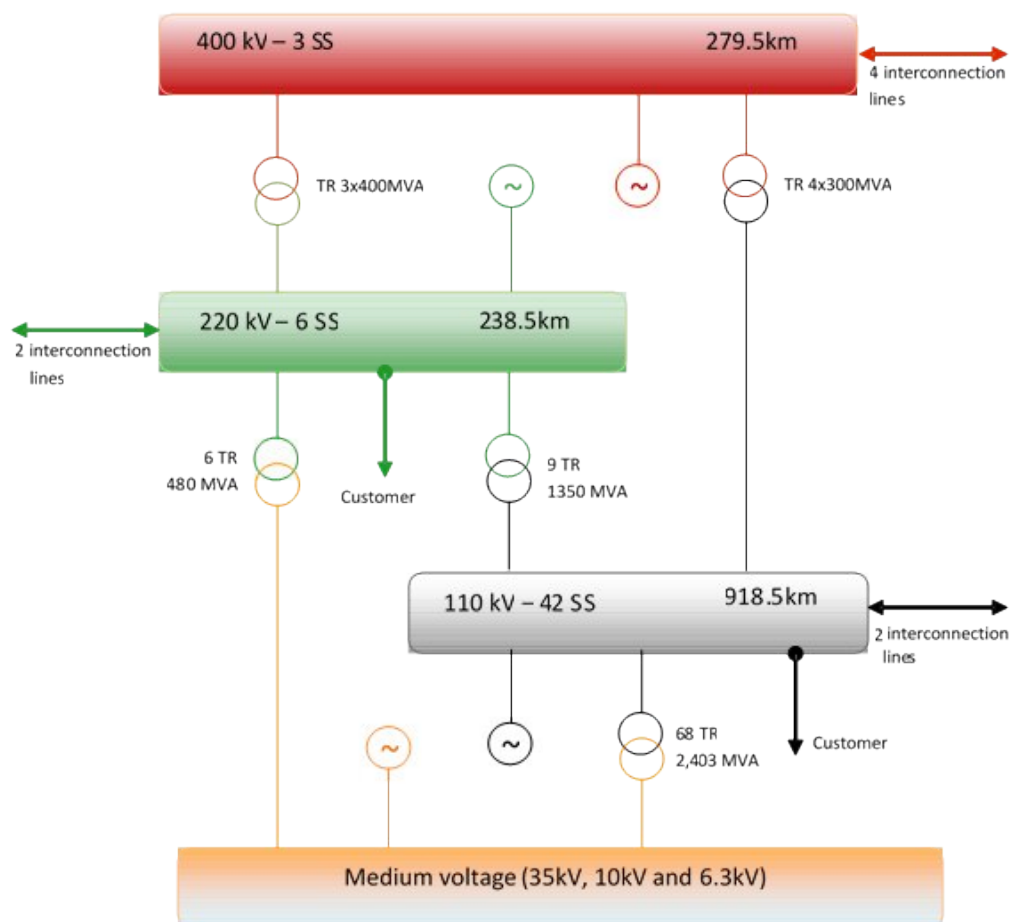


Fig. 6. 7 Basic data of the transmission network

6.4.1 Electricity flows in the transmission network

The transmission system in Kosovo is well connected to the regional and European system through interconnection lines with neighboring countries and has sufficient capacity to cope with energy flows in the system, to cover customer demand from domestic production and imports, but also for eventual exports of surplus electricity, as well as for energy that passes in transit from other countries.

It should be noted that the transit of electricity loads the network by increasing losses, network depreciation, and the need for maintenance of the transmission network, for which the operator is compensated through the ITC Mechanism. The transit of electricity through the Kosovo network in 2025 was 2,370 GWh or about 28.01% compared to demand or 25.33 % to the total entry into the transmission network.

The figure below shows the energy flows through all interconnecting lines in both directions (input, output).

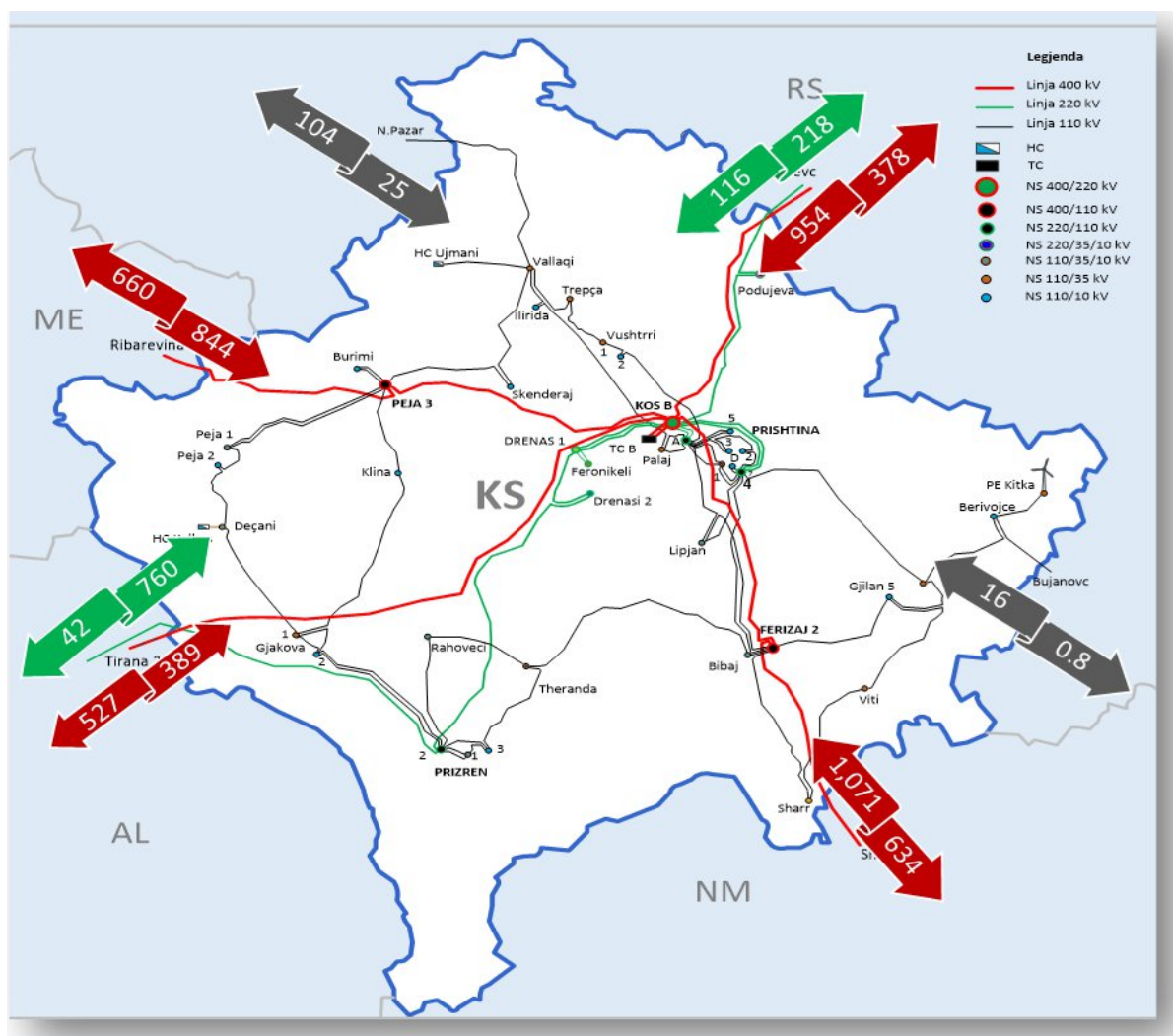


Fig. 6. 8 Power flows through interconnecting lines

6.4.2 Investments in the transmission system

During 2025, investments were made in the transmission network, where investment projects are presented in the following categories:

Projects that have been completed in 2023 and are under a one-year guarantee period

During 2023, the project was technically and financially completed and in 2025 the one-year warranty period ended and the assets were transferred to the Transmission System:

The project in Kastriot includes:

- The construction of the 110/35/10(20) kV Ferizaj 3 (Kastrioti) substation with a 40MVA transformer, even during 2025, has remained with the same status, and the testing of the teleprotection, which is related to the installation of OPGW from the interconnecting LOT, remains to be carried out.

Projects financed by KOSTT, where the contract was signed during 2021/2022 and are in the implementation phase

- Construction of the 110kV line/cable for connection to the new 110/35/10(20) kV substation Kastrioti - During 2025, after resolving all legal disputes and property issues, the project "Construction of the 110 kV line/cable for connection to the new 110/35/10(20) kV substation Ferizaj 3 (Kastrioti)" has been successfully completed.
- Construction of SS. 110/35/10(20) kV Fushë Kosova, the project was implemented according to the contract's time and budget. The project is now in the guarantee phase and has contributed to increasing network capacities, improving operational security and increasing the reliability of electricity supply for the Fushë Kosova area and surrounding areas.

Projects financed by KOSTT and tendered during 2024

- Supply and installation of 40MVA power transformer for SS Fushë Kosova - The project has been successfully completed and is currently in the warranty period. The 40 MVA power transformer has been installed, tested and commissioned according to the technical requirements.
- Preparation of design construction documentation for the 220/35/10(20) kV Malisheva Substation - During 2025, all designs and technical documentation of the project were completed and submitted, all contractual payments were made, administratively concluding the project and the project was successfully tendered for the implementation phase.

Some of the projects planned to begin implementation

- Construction of the new 220/35/20kV Malisheva Substation with 40MVA Transformers and 220kV Transmission Line - A contract has been signed with the Group of Economic Operators for the implementation of the project, advance payments have been made in accordance with the contract, while GOE has submitted the necessary and required insurance under the contract.

Phase VI and VII projects - Financing from the German Development Bank KfW for the implementation of the projects.

According to the investment plan, this group of projects is planned to be financed through borrowing arrangements between the Government of the Republic of Kosovo, KfW (Kreditanstalt für Wiederaufbau) and KOSTT, within the framework of interstate cooperation between the Republic of Kosovo and the Federal Republic of Germany.

Within the framework of the implementation of Phase VII projects, a consulting services company has been selected, which is engaged in the preparation of technical specifications and tender documentation for the projects envisaged under the Investment Tariff Plan 2023-2027, approved by ERO.

The planned projects are as follows:

Tender 1: Supply and installation of 40MVA power transformers;

a. LOT 1: Supply and construction

- “Construction of SS 110/10(20) kV-Dragashi” with 1x40MVA transformers;
- Shunt Reactor 100 MVar at SS Ferizaj 2;
- Supply and installation of equipment for SCADA adaptation (RTU & SCS);
- Replacement of the existing SCADA/EMS system for the National Dispatch Center and the Emergency Dispatch Center; and
- Migration and advancement of the telecom system;

b. Supply and installation of 40MVA power transformers;

- Supply with 110/10(20) kV power transformer at SS Fushë Kosova;
- Supply with power transformer at SS 110/10(20) kV at SS Ferizaj 3- Kastrioti;
- Replacement of the power transformer at SS Gjakova 1, 110/10(20)/35 kV;
- Replacement of the power transformer at SS Prishtina 5, 110/10(20) kV;
- Replacement of the power transformer at SS Prizren 1, 110/10(20)/35 kV;
- Replacement of the power transformer at SS Peja 1, 110/10(20)/35 kV;
- Replacement of the power transformer at the Ferizaj Substation 110/10(20)/35 kV;
- Replacement of the power transformer at SS Deçan, 110/10(20) kV;

c. Transmission lines:

- Double overhead line 110kV SS. Dragash - Zhur (end of the double line), with only one conductor;
- New single-track air line Zhur - SS Prizren 2;
- New 110kV overhead line SS Dragash - SS Kukës (border with Albania);
- New single cable line 110 kV SS Prishtina 4 - SS Prishtina 2; with a total length of approximately 5 km, 1000mm²;

The Batteries Project supported by the Millennium Challenge Corporation (MCC)

The year 2025 is also characterized by the continuation of the work of the government working group in the process of developing the program of the financing agreement from the United States of America through the MCC foundation, for the battery installation project. The project has been temporarily suspended by the President's Trump Administration, but after a review at the end of July 2025, it was decided to continue with the battery installation project with a capacity of 170 MW in Kosovo, as well as for the 45 MW part that will be used for secondary regulation by KOSTT.

6.4.3 Maximum loads and energy demand in the power system

To analyze the functioning of the electric power system, among other things, the value of the maximum (peak) loads is also important, and for this purpose, five (5) maximum loads realized at different hours and days of the year are usually taken. The following table presents the values of the maximum (peak) loads for the year 2025.

Tab . 6. 12 Maximum (peak) load values in 2025

Maximum Load Pmax (MW)	Date	Time
1 624	31.12.2025	18
1 582	30.12.2025	24
1 547	29.12.2024	23
1 458	19.02.2025	23
1 435	19.01.2025	23

The maximum load on the Kosovo power system was recorded on 31 December 2025 at 18:00 at a value of 1,624 MW, which is higher than the maximum load in 2024 where it was 1,472 MW. The minimum load was recorded on 07 June 2025 at 06:00 at a value of 317 MW.

As mentioned above, due to the inflexibility of the energy system, and especially the inflexibility of existing power plants, it happens that on the same day, and even at the same hour, we have imports and exports of electricity. Therefore, generally within the same day, during the daytime hours (high tariff) production does not cover demand and electricity needs to be imported, while at night (low tariff) there is a surplus of electricity that needs to be exported.

The difference between the monthly average of daily maximums and minimums of consumption during the months of 2025 is shown in the diagram below.

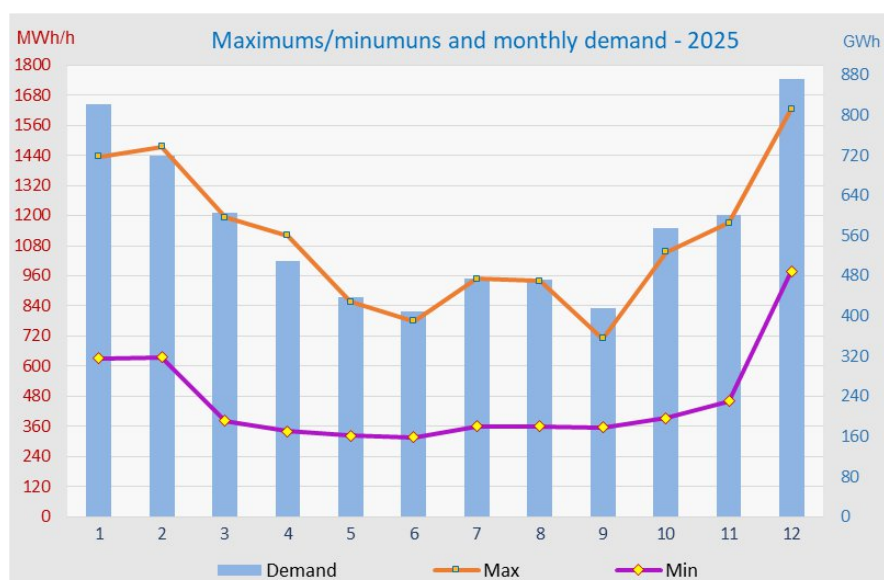


Fig . 6. 9 Monthly average demand and daily maximum/minimum loads 2025

Reductions due to lack of electricity

Based on operator reports, during 2025, electricity reductions due to energy shortages totalled 6,759 MWh, mainly expressed in January and December.

As can be seen from the diagram below, despite all efforts to eliminate supply reductions due to electricity shortages, reductions have been achieved over the years, which have been significantly reduced and in some years have been completely eliminated.

The figure below shows the reductions in electricity shortages over the years.

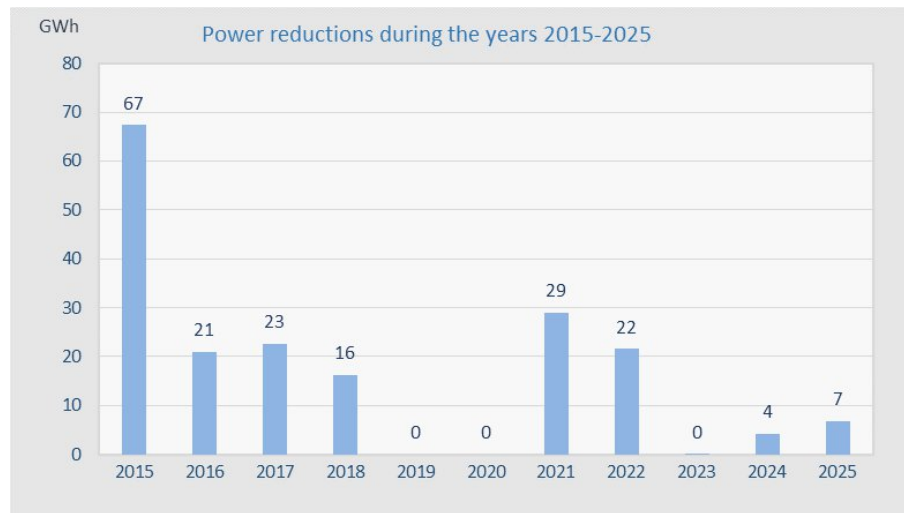


Fig . 6. 10 Consumption reductions during 2015 - 2025

6.4.4 Electricity demand and the transmission network losses

The total national electricity demand in 2025 was 6,944 GWh and represents an increase of 5.03% compared to 2024, when it was 6,610 GWh, while compared to the forecast in the 2025 electricity balance, the demand is 1.38% lower.

Table 6.13 presents the total demand and transmission losses realized in 2025 and compared to the 2025 electricity balance.

Tab. 6. 13 Total demand and losses in the transmission network in 2025

2025	Gross demand realization	Gross demand balance	Ratio Realiz./Banan ce	Losses in transmission realization		Losses in transmission balance	
	MWh	MWh	%	MWh	%	MWh	%
January	828 550	841 153	98,50	16 854	2,03	16 854	2,00
February	723 653	732 821	98,75	14 421	1,99	14 419	1,97
March	619 617	628 324	98,61	11 342	1,83	11 343	1,81
April	532 916	541 517	98,41	9 116	1,71	9 115	1,68
May	452 060	460 575	98,15	7 729	1,71	7 727	1,68
June	407 835	418 860	97,37	7 322	1,80	7 322	1,75
July	466 613	480 544	97,10	9 460	2,03	8 814	1,83
August	462 569	472 074	97,99	9 322	2,02	8 681	1,84
September	404 213	437 191	92,46	8 199	2,03	8 491	1,94
October	564 022	512 678	110,01	11 447	2,03	9 749	1,90
November	610 547	688 177	88,72	12 077	1,98	12 308	1,79
December	871 187	827 398	105,29	18 094	2,08	14 171	1,71
Total	6 943 782	7 041 311	98,61	135 382	1,95	128 995	1,83

As it can be seen from the figure below, there is a continuous stabilization of the demand for electricity, with small fluctuations from year to year, and in the last year a small increase has been observed, which can be seen in the figure below.

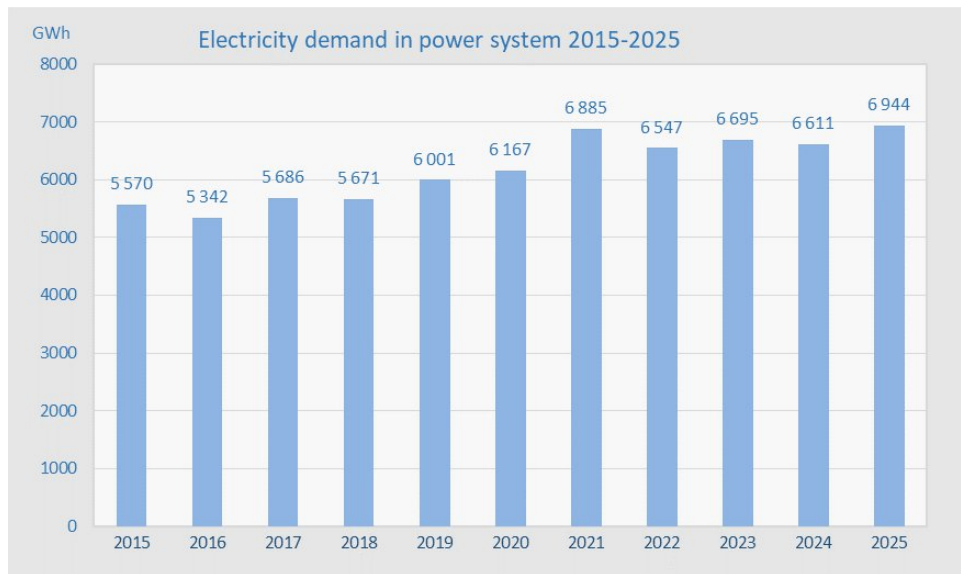


Fig. 6. 11 Total demand in the power system 2015-2025

The total electricity demand is divided into the consumption of customers connected to the transmission network, consumption in the distribution system (including losses), own consumption for the needs of production facilities, as well as transmission losses, and this is presented in the table below divided by categories for the year 2025.

Tab . 6. 14 Demand by category and energy losses

Power demand 2024	Total
	MWh
Gross consumption in distribution*	6 612 183
Customers in transmission	91 635
KEK internal consumption	104 582
Transmission losses	135 382
Overall demand	6 943 782
KEK's own expenses from transmission	159 391

(*) Electricity received in distribution from transmission + production in distribution

The electricity taken from the transmission network for own consumption for the needs of production facilities in 2025 was 159.4 GWh.

The demand for electricity varies according to the consumption period but also according to customer categories, and this is presented in the following table, which also includes losses in the transmission and distribution network (technical and commercial losses).

Tab. 6. 15 Participation of different categories in the total demand 2025

Categories (GWh)	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
220 kV (Ferrokli)	9,1	1,9	1,8	1,3	0,5	0,5	0,4	0,4	0,4	0,4	0,5	0,4	0,4
110 kV (Trepça)	22,0	1,9	1,8	1,8	1,7	1,8	1,6	1,8	1,7	1,8	2,0	1,9	2,1
110 kV (Sharrce)	60,5	4,7	3,2	3,0	2,7	6,3	5,6	5,8	5,1	6,2	6,3	5,7	5,8
35 kV	32,0	4,6	4,6	4,8	4,7	4,3	1,0	1,2	1,6	1,2	1,2	1,3	1,6
10 kV	321,8	46,6	43,8	41,3	39,3	38,1	14,4	15,3	14,7	14,0	16,3	17,4	20,6
Household	3 393,1	448,4	339,6	322,3	271,2	206,9	192,6	212,9	227,8	180,5	267,6	290,8	432,5
0.4 kV I	382,1	51,4	47,6	43,6	40,9	38,3	19,9	23,6	21,8	19,4	22,7	23,3	29,6
0.4 kV II	802,2	91,8	81,2	73,5	65,1	59,1	52,6	64,0	63,6	49,9	57,8	62,3	81,3
Public lighting	47,2	4,4	4,1	3,9	3,4	3,2	2,9	3,3	3,4	4,0	4,7	5,0	5,0
Corr. from the open market	9,0								8,3	0,5	0,1	0,1	0,0
Cons. in the North	169,0	24,0	22,2	19,9	16,1	11,8	11,1	8,4	6,5	4,6	13,4	14,6	16,4
Deregulated customers	448,0						56,1	68,6	57,1	58,8	64,0	65,6	77,8
Total billed	5 696,1	679,8	549,8	515,5	445,6	370,3	358,2	405,3	412,0	341,5	456,7	488,3	673,1
KEK Consumption	104,6	10,4	9,6	10,0	8,3	8,7	7,2	6,3	7,5	7,9	8,6	9,6	10,5
DSO Losses	995,2	121,9	149,5	81,9	69,2	64,3	35,4	44,5	31,8	42,9	86,7	99,8	167,2
KOSTT Losses	135,4	16,9	14,4	11,3	9,1	7,7	7,3	9,5	9,3	8,2	11,4	12,1	18,1
Total	6 931,3	828,9	723,4	618,7	532,3	451,0	408,1	465,5	460,6	400,6	563,4	609,8	868,8

The demand for electricity, presented in Table 6.15, varies by month, and in some categories this variation is quite pronounced, such as household consumption and commercial losses which are higher in the winter season, which is mainly due to the use of electricity for heating.

Losses in the transmission system are at an acceptable level owing to investments made by KOSTT and are approximately at the same level as losses in transmission networks in the region and Europe.

The figure below shows the share of losses in the transmission network compared to the total demand of the Kosovo electricity system.

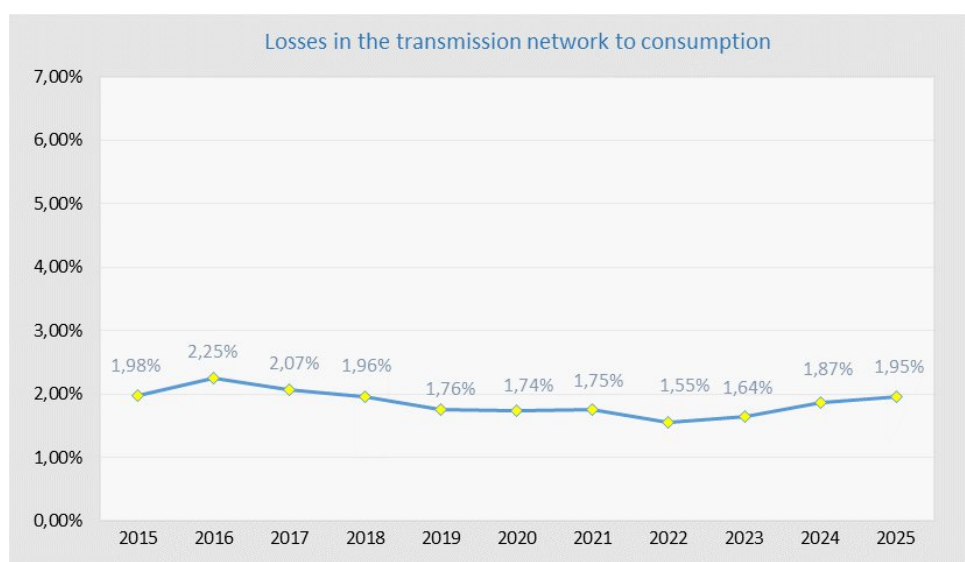


Fig. 6. 12 Share of losses in the transmission network 2015-2025

The losses shown in the figure above are the losses in percentage calculated against local demand and were 1.95%, while the level of transmission losses is affected by all the energy introduced into the transmission system. Therefore, to calculate the percentage of losses against the load of the transmission network, other flows must be included in addition to local demand, such as transit and energy for the generators' own consumption, etc. The percentage of transmission losses calculated in this way is 1.41%.

6.5 Electricity distribution system

The distribution network, as a regulated energy activity, is responsible for the operation and maintenance of the distribution system and the management of generators connected to the distribution system.

The distribution network consists of 35 kV, 10(20) kV, 6 kV and 0.4 kV voltage lines, as well as the corresponding 35/x kV, 10(20)/0.4 kV and 6/0.4 kV level substations.

Basic data of substations and lines including capacity, transformation and length of distribution system lines are presented in the following tables.

Tab. 6. 16 Substations and transformers by voltage level in the DSO

Transformation (kV/kV)	Owner	No. of SS	No. of TR	Installed Power (MVA)
35/10(20)	KEDS	38	87	633,00
35/10(20)	Private	11	15	68,40
35/20	KEDS	3	7	56,00
35/6 kV	Private	5	12	43,00
35/0.4kV	Private	19	29	49,94
10(20)/0.4	KEDS	2 646	2 741	1 397,82
10(20)/0.4	Private	3 881	3 898	2 061,23
10/20	KEDS	2	6	38,00
10/0.4	KEDS	2 896	2 896	918,73
10/0.4	Private	1 247	1 253	606,00
6(3)/0.4	KEDS	66	66	12,77
6/0.4	Private	2	2	1,25
Total		10 816	11 012	5 886,14

Tab. 6. 17 Lines in the DSO

Voltage (kV)	Owner	Aerial network (km)	Cable network (km)	Total (km)
35 kV	KEDS	484	140	625
10(20) kV	KEDS	1 779	631	2 410
10 kV	KEDS	4 165	904	5 069
6 kV	KEDS	42	8	50
3 kV	KEDS	4	1	5
0.4 kV	KEDS	18 351	2 809	21 160
Gjithsej		24 825	4 494	29 319

The chart below presents basic information on the number of substations (SS), transformers (TR) and transformation power (MVA), the length of the lines, as well as the power plants connected at the respective voltage level.

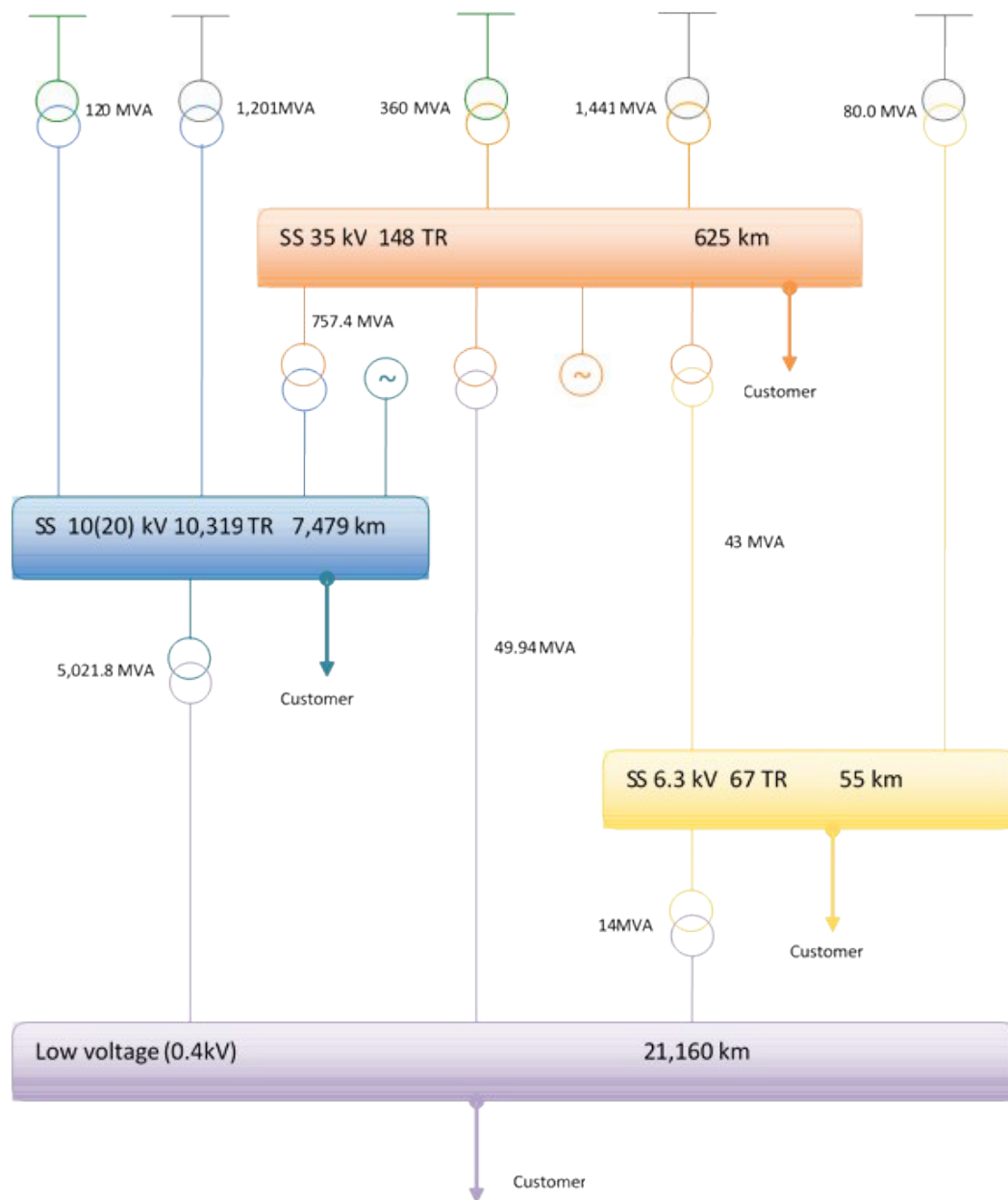


Fig. 6. 13 Basic data of the distribution system

6.5.1 Investments in the distribution system

The Distribution System Operator continuously invests in the distribution network based on the allocated investment budget approved by the Energy Regulatory Office, and thereby enhances the functioning of the distribution system to provide reliable electricity supply, as well as increasing the capacity of the existing network. Investments include projects in the medium and low voltage network as well as projects in the digitalization and modernization of the network such as SCADA, smart meters PLC, etc.

Projects are selected by analyzing the need for investment in the most critical areas, evaluating them through priority criteria to achieve key investment objectives, such as:

- Reducing technical and non-technical losses,
- Reliable and higher quality electricity supply,
- Increasing existing network capacities and modernizing the network.

Investments made during 2025 by the Investment Department

Conversion of feeders at 20 kV voltage level

KEDS has continued with the process of implementing investments in the transition of 10 [kV] feeders to operation at the voltage level of 20 [kV]. With the conversion of 10 [kV] feeders to 20 [kV], the voltage quality has been improved for all customers of these feeders, their power-carrying capacity has been doubled, a ring system has been implemented from two different sources, minimizing the duration of electricity supply interruptions and reducing technical losses.

Tab. 6. 18 Conversion of feeders to 20 kV voltage level in 2025

District	Substation	No. of Exits
DFE	Ferizaj II 35/10(20) [kV]	9
	Ferizaj III 35/10(20) [kV]	5
DG	Gjakova 2 110/10(20) [kV]	2
	Gjakova I 35/10(20) [kV]	5
	Malisheva 35/20 [kV]	9
DfR	Prishtina 2 110/10(20) [kV]	2
	Prishtina 7 110/10(20) [kV]	12
DPZ	Theranda 110/10(20) [kV]	1
Total		45

The feeders that are in the process of implementation and that will be converted to 20 [kV] in 2026 are

Prishtina District - New feeders 1 and 3 between Prishtina 2 and Prishtina 3; new feeders 1 and 2 between Prishtina 3 and Prishtina 5; new feeders 1 (Përparimi), 2 (Qyteza Pejton) and 5 (Faculty of Philosophy) between Prishtina 3 and Prishtina 6; new feeders 1 and 2 (Arbëria) from Prishtina 3; as well as new feeders 1, 3 and 4 from Prishtina 5.

The feeders for which investments have been completed and which will be converted to 20 kV during 2026 are: new feeders 3 (Kroi i Bardhë), 4 (Dardania) and 6 (Ulpiana) from Prishtina 6; new feeders 1, 2 and 3 between Prishtina 2 and Prishtina 5; new feeders 2 and 5 from Prishtina 5 and Prishtina 5 - Butovci Branch; as well as new feeders 2 between Prishtina 2 and Prishtina 3.

Mitrovica District - Feeders supplied by SS 110/10 [kV] Skenderaj (Qirezi, Likovci, Turiqevci and Llausha).

Gjakova District - Feeders supplied by SS 35/10 [kV] Gjakova I (Cermjani, Beci, Ereniku).

Ferizaj District - Kosovapetroli Outlet.

Peja District - Barani exit.

Investments at level 10 [kV]

Pristina District:

“Bardh i Madh” Project: In this project, a new underground line from SS Fushë Kosova 35 [kV] was implemented, in order to demolish the old oil cable and eliminate the segments that pose a

risk to residents in that area. 1,798 customers have benefited from this project. This project has been completed.

Project “Lluzhani and Fshatrat 2 (Villages 2)”: Fshatrat 2 is one of the most problematic feeders, where in addition to the high load, there are also long and scattered branches. It is planned that one of the longest branches of the Fshatrat 2 feeder will be transferred to the Lluzhani feeder with supply from SS Besia. 3,225 customers will benefit from this project and its implementation will continue after this year.

Project “Letanci and Fshatrat 1”: In this project, a new feeder will be created from the Podujeva substation to unload the Letanci and Fshatrat 1 feeders. 5,296 customers will benefit from this project and its implementation will continue after this year.

Peja District

Project “Maja e Zezë, Peja Hospital”: In this project, investments are being made in the construction of an underground cable network. 258 customers will benefit from this project and its implementation will continue after this year.

“Ledinat” Project: At the Ledinat feeder supplied by the Deçani 110/10 [kV] substation, the outdated segment with 35 mm² Al/Ce conductors has been eliminated. 1,288 customers have benefited from this project and the project has been completed.

Ferizaj District

Project “Bobi”: 850 customers have benefited from this project and the project has been completed. This investment improves the security and quality of electricity supply.

“Gaçka” Project: In this project, a new underground line was implemented from SS 35/10 [kV] Ferizaj III to the Distribution Plant in the village of Gaçka. 2,611 customers benefited from this project and the project has been completed.

“Varoshi” Project: With the implementation of this project, the Varoshi feeder is supplied by SS 110/35/10 Bibaj through the new underground line, which was implemented in 2025. 1,546 customers have benefited from this project and the project has been completed.

Mitrovica District:

“Maxhunaj, Nadakovci” Project: The combination of the Nadakovci and Maxhunaj feeders will help to achieve a more balanced load distribution. The Nadakovci feeder has been completed while the Maxhunaj feeder is still in the process of implementation. This project will benefit 2,806 customers and its implementation will continue beyond this year.

“Cities and Villages” Project: 3,133 customers have benefited from this project and the project has been completed. The lines have been relocated near the roads and replaced with new underground and overhead lines, with concrete poles and with appropriate conductor section, improving the quality of electricity supply.

Prizren District:

Project “Brodi”: The Brodi project plans to reconstruct the Brodi outgoing line from SS Dikanca 35/10 [kV], with a length of 3 [km], to the village of Brod. This project will benefit 665 customers and its implementation will continue after this year.

“Restelica” Project: This project is investing in the main line of this feeder. 3,761 customers will benefit from this project and its implementation will continue after this year.

Gjilan District:

“Begunca” Project: At the Begunca feeder supplied by the 110/35/10 [kV] Vitia substation, it is planned to eliminate the obsolete segments with wooden poles and 25 mm² Al/Ce conductors. This project will benefit 1,020 customers and its implementation will continue beyond this year.

“Ropotova” Project: It is proposed to create two outlets in order to increase security of supply and improve voltage drops. This project will benefit 1,851 customers and its implementation will continue beyond this year.

Gjakova District:

Project “Opterusha, Fortesa and Bodrumi”: In the proposed situation, the exits are organized towards a new topology in order to achieve an expandable, standard, simple and reliable network. This project will benefit 2,469 customers and its implementation will continue beyond this year.

“Pataqani” Project: It is planned to invest in the entire feeder, to improve the technical performance of this feeder. 1,341 customers will benefit from this project and its implementation will continue after this year.

Project “Brgjani”: The 10 [kV] Brgjani feeder is supplied by the SS 35/10 [kV] Zveçani i Vogël. In order to unload and achieve a balancing of the outlet load, it is proposed that the 10 [kV] Brgjani outlet be divided into two outlets. Investment has been made only in the new feeder, which is named Brgjani 1. 1,020 customers will benefit from this project and its implementation will continue after this year.

Increasing existing capacities - This category includes projects for 10 [kV] feeders which have been loaded over 100% and customers have paid the capacity tax for connection to these outlets. The 10 [kV] outlets in which investments are being made are: New QMI outlet, Shtime, Loxha, Kqiqi, Rashinca and Vitia.

Investments in the low voltage network

Throughout the DSO network, there are parts that require investment due to their outdated condition. In order to invest in the most critical areas, the analysis was carried out taking into account the priority criteria for selecting projects.

Pristina District - In 2025, projects were implemented in the regions of Drenas, Fushë Kosovë, Obiliq, Podujeva and Pristina as part of low voltage projects. Approximately 8,489 customers benefited from these projects.

Prizren District - In 2025, projects were implemented in the Suhareka, Dragash and Prizren regions within the framework of low voltage projects. Approximately 5,053 customers benefited from these projects.

Peja District - In 2025, projects were implemented in the regions of Deçan, Peja and Klina within the framework of low voltage projects. Around 3,792 customers benefited from these projects.

Gjakova District - In 2025, projects were implemented in the Gjakova, Rahovec and Malisheva regions within the framework of low voltage projects. Approximately 4,695 customers benefited from these projects.

Mitrovica District - In 2025, projects were implemented in the Vushtrri and Skenderaj regions within the framework of low voltage projects. Approximately 1,874 customers benefited from these projects.

North Mitrovica - Considering the poor condition of the low voltage network (LV), investments have been made in the following substations: Vinarc Tower (Lahovit), Vinarc Zymeri and Vinarc

i Eperm-3. Investments have also been made in the villages of Cerajë, Bistrica and Koshtovë due to the poor condition of the network. These projects benefit about 320 customers.

Ferizaj District - In 2025, projects were implemented in the regions of Ferizaj, Lipjan and Shtime within the framework of low voltage projects. Around 4,376 customers benefited from these projects.

Gjilan District - In 2025, projects were implemented in the Gjilan, Viti and Kamenica regions within the framework of low voltage projects. Around 1,876 customers benefited from these projects.

New Connections - Within the framework of low voltage projects, New Connections projects have also been implemented. These projects have been invested all around Kosovo.

In conclusion, for all investments in 2025 for the MV and LV network, the following materials have been spent:

Tab . 6. 19 Amounts of material used in 2025

Type of material	Amount	Unit
Transformers	222	pieces
Columns	6,806	pieces
Meter boxes	3,572	pieces
LV Panels	163	pieces
Kiosks	21	pieces
Alcoves	222	pieces
MV cables	136.21	km
LV cables	382.55	km
Conductors	103.58	km
Manhole covers	658	pieces
Pipes	23,736	pieces
Others	40,953	meter/piece

Investments made during 2025 by the System Operation Department

Medium voltage projects were implemented to address issues related to rapid consumption growth, network overloads and improvements in other technical parameters. At the same time, these projects were integrated with urban planning initiatives of municipalities in the Republic of Kosovo.

Low voltage network reconstruction projects are mainly concentrated in Peja, Gjakova, Mitrovica, Prishtina, etc. These projects aim to improve voltage levels and ensure a higher quality of electricity supply.

During 2025, the System Operation Department, within the framework of project implementation, has invested in projects related to the following areas:

- **Network maintenance and rehabilitation:** As part of the network maintenance and rehabilitation throughout the year, the following activities were carried out: Replacement of medium voltage (MV) and low voltage (LV) poles; cleaning of the track of low and medium voltage networks as a preventive measure to create conditions for the operation of lines unaffected by external factors (such as tree branches, etc.); replacement and tightening of

conductors, replacement of insulators, surge arresters, cross arms and any other element that during the preliminary inspection was considered likely to fail quickly and become a source of interruptions; relocation of 10 [kV] and 0.4 [kV] lines for easier maintenance and repair in case of breakdowns; reinforcement of transformer bases on poles and pillars of metal structures; adjustment of metal transformer kiosks, metal structures; replacement of damaged or overloaded transformers.

- **Cleaning of 10, 20 and 35 [kV] distribution lines:** Throughout the year, 112,900 [m] of line were cleared of vegetation in a total of 92 outages.
- **Replacement of Overloaded Transformers:** A total of 17 transformers have been replaced.
- **Investments in 10 [kV] projects:** DS 10 [kV] Gjakova II, LP Railway Station - Rr. Drenica, LP Exit to the Hospital, Village Kabash - LP Germova, LP Gjinovci, LP Opterusha, TS Malishevë - Agroni, Supply of KOSTT domestic TS - Obiliq, Establishment of ring supply - Resonance & Segment TS Çagllavica 3 - TS Bajram Gashani 1, LP Slivova and LP Kolonia e Vjetër, LP Leshani, LP Loxha, LP Sharbani, LP at the Radavci exit, LP Shtëpia e Kulturës (The House of Culture), LP Kraishta.
- **Reconstruction of the LV and MV network:** are the projects completed during this year, which include investments in new lines, unloading of overloaded 10(20) [kV] outlets, network relocation, installation of transformers and implementation of PLC meters. Medium and low voltage projects: TS Sllovi II (Qerkezët), LP Drenica with Komorani (LP Drenica, segment TS-021 -TS-017), TS Komogllavë (Mirovit-Malokët), TS Bibaj (Milazim Alija), TS Provoli - Nikaj, TS Rrezina, TS Busavata-Jasenovik, TS Viti te Pasqyrja, TS Kufce e Ulet, TS Kosaqë, TS B6 4210 Sports Hall Minatori - Mitrovica, TS. Maxhunaj ex-Mulliri, TS Zhabart, TS Sports Hall, TS Jashanic -Hote, TS Mahall, TS Shushic Sadikajt, LP Dumnica e epërme, TS Sopija II.
- **Investments in 0.4 [kV] projects:** Throughout the KEDS network, there are parts of the 0.4 [kV] network that require investments due to their poor condition. In order to invest in the most critical areas, priority criteria for project selection have been taken into account. In the Prishtina District, 21 projects have been implemented; in the Prizren District, 16 projects; in the Peja District, 14 projects; in the Gjakova District, 16 projects; in the Mitrovica District, 16 projects; in the Ferizaj District, 11 projects; and in the Gjilan District, 22 projects.
- **Unloading overloaded TS:** During 2025, the Network Maintenance Unit has invested in unloading overloaded low voltage feeders, for which projects have also been opened: LP. Haskhalit + Ashkalit II, TS Faculty of Applied Sciences, TS Bllact and Reja, TS Beguncë - Qeshmja, TS Fermat (Rosaleta), TS Tunnel, TS Zatra I, TS Social Center.

Implementation of PLC Projects

The implementation of these projects has significantly reduced technical and non-technical losses where they have been implemented, enabling the establishment of conditions for a better quality supply of electricity and quality voltage to affected customers, where 1,805 customers have been affected by these investments in PLC.

Investments in the metering point - During 2025, the following meters were invested:

- 7,668 meters with direct measurement with GSM GPRS communication;
- 22,577 meters with direct measurement with PLC;
- 846 meters with semi-indirect and indirect measurements, of which 157 are new meters and 689 are replaced meters (including control meters);

- 31,843 mechanical meters have been replaced with digital ones;
- 30,132 meters dedicated to new connections.

Replacement of relay protections in substations: The substations in which the relays have been replaced include 29 substations, while the total number of relays replaced is 283 pieces.

Investments in the SCADA system: During 2024, the SCADA system was implemented in 91 plants, while during 2025 this system was expanded to 10 other plants.

Replacement of power transformers in substations:

- Replacement of power transformer 4 [MVA] at SS 35/10 [kV] Kfori
- Replacement of power transformer 8 [MVA] at SS 35/10 [kV] Shtime
- Replacement of power transformers 2 x 8 [MVA] at SS 110/35/10(20) [kV] Fushe Kosova
- Replacement of power transformers 3 x 8 [MVA] at SS 35/10(20) [kV] Ferizaj III
- Replacement of power transformer 8 [MVA] at SS 35/10(20) [kV] Ferizaj II
- Replacement of power transformer 8 [MVA] in SS 110/35/10(20) [kV] Ferizaj I
- Replacement of power transformer 8 [MVA] at SS 35/10 [kV] Gjakova I

Installation of transformers for the purpose of converting feeders from 10 to 20 [kV] level:

- Installation of power transformer 8 [MVA] at NS 110/10(20) [kV] Theranda
- Installation of 2x8 power transformers [MVA] at NS 110/35/10(20) [kV] Ferizaj 1
- Installation of 2x8 power transformers [MVA] at NS 110/10(20) [kV] Gjakova 2

Maintenance of medium voltage substations: Regarding the maintenance of power transformers, 9 power transformers were maintained during 2025.

Revitalization of substations: During 2025, the DSO has changed the layouts of these substations:

- SS 110/10 [kV] Prishtina 6 (1 new switchgear cubicle)
- SS 110/10 [kV] Gjakova 2 (5 new switchgear cubicles)
- SS 110/10(20) [kV] Theranda (3 new switchgear cubicles)
- SS Malisheva 35/20 [kV] (14 new switchgear cubicles)
- SS Gjakova I 35/10 [kV] (9 new switchgear cubicles)
- SS Gjilani 1 110/35/10 [kV] (2 new switchgear cubicles)
- NS Ferizaj 1 110/35/10(20) [kV] (9 new switchgear cubicles)
- NS Ferizaj II 35/10(20) [kV] (4 new switchgear cubicles)
- SS Prishtina 7 110/20 [kV] (2 new switchgear cubicles)
- NS Prishtina I 35/20 [kV] (1 new switchgear cubicles)

Mobile Generators: During 2025, the project for the supply of 8 mobile generators with a capacity of 100 kVA was implemented.

Installation of Automatic Reclosers: In 2025, a total of 3 automatic reclosers were installed at the exits: Radavci, Gacka and Llapushnik.

The process of work carried out in GIS during 2025:

- Tender preparation - KEDS evaluation, departmental process analysis, BoQ calculation.
- Infrastructure preparation - Preparation of technical specifications for GIS and tables, preparation of model data for GIS, analysis of the KKSH process and application development.

- Tender Completion - Completion of technical evaluation, testing of the KKSH process, analysis of the details of the GIS work processes.
- Starting processes - Converting data from Google Earth to GIS, connecting the medium voltage network, checking all MV values.
- Start of the KKSH - Completion of the KKSH in Vushtrri for 21,000 customers, installation of 11,600 barcodes.

6.5.2 Consumption and distribution losses

Energy flows in distribution include consumption, technical and commercial losses, which are calculated by districts and by months of the year.

The DSO is organized in seven districts: Prishtina, Mitrovica, Peja, Gjakova, Prizren, Ferizaj and Gjiilan. Based on the reports from the DSO, the highest consumption was realized in the district of Prishtina with 30.76% of the total consumption in distribution, while the lowest consumption is in the district of Gjakova with 8.67% of the total consumption.

Energy flows in distribution by districts, including electricity losses, are presented in Table 6.19. The data for the Mitrovica district also include consumption in the northern municipalities, which is calculated in the category of commercial losses.

Tab. 6. 20 Consumption and distribution losses by districts for 2025

Districts	Load in districts	Billed energy	Technical losses		Commercial losses		Total losses	
	MWh	MWh	MWh	%	MWh	%	MWh	%
Prishtina	2 033 692	1 775 663	188 680	9,28	69 348	3,41	258 028	12,69
Mitrovica	834 971	647 331	60 707	7,27	126 933	15,20	187 640	22,47
Peja	740 458	586 249	96 625	13,05	57 585	7,78	154 209	20,83
Gjakova	573 168	488 800	74 081	12,92	10 286	1,79	84 367	14,72
Prizreni	845 690	733 451	94 443	11,17	17 796	2,10	112 239	13,27
Ferizaji	1 002 045	869 069	103 928	10,37	29 049	2,90	132 977	13,27
Gjilani	582 159	516 410	53 652	9,22	12 098	2,08	65 749	11,29
Total	6 612 183	5 616 973	672 115	10,16	323 095	4,89	995 210	15,05

The table below presents the demand (load), billed energy and technical and commercial losses in distribution by months.

Tab. 6. 21 Consumption and distribution losses in 2025

Months	Load	Billed energy	Technical losses		Commercial losses		Total losses	
	MWh	MWh	MWh	%	MWh	%	MWh	%
January	792 704	670 794	88 928	11,22	32 983	4,16	121 911	15,38
February	692 885	543 365	81 182	11,72	68 338	9,86	149 520	21,58
March	592 118	510 169	58 273	9,84	23 676	4,00	81 949	13,84
April	510 577	441 364	48 217	9,44	20 995	4,11	69 213	13,56
May	427 040	362 753	38 056	8,91	26 232	6,14	64 287	15,05
June	385 728	350 293	30 736	7,97	4 700	1,22	35 435	9,19
July	442 932	398 414	36 418	8,22	8 101	1,83	44 518	10,05
August	438 460	406 661	26 950	6,15	4 849	1,11	31 799	7,25
September	379 579	336 662	31 966	8,42	10 951	2,88	42 917	11,31
October	535 084	448 404	53 653	10,03	33 027	6,17	86 680	16,20
November	580 860	481 062	62 324	10,73	37 474	6,45	99 799	17,18
December	834 216	667 033	115 413	13,83	51 770	6,21	167 183	20,04
Realized Total	6 612 183	5 616 973	672 115	10,16	323 095	4,89	995 210	15,05
Total by balance	6 573 724	5 546 395	760 179	11,56	267 150	4,06	1 027 329	15,63

Total losses in the distribution system are measured and represent the difference between the energy entering the distribution system and the billed energy. Since technical and commercial losses cannot be measured separately, the separation of these losses is done by calculating technical losses through relevant software, while commercial losses are further calculated as the difference between total and technical losses.

Technical losses, according to data sent by the DSO, reach a value of 10.16% or 672.1 GWh, where the high level of these losses is influenced by the age of the network, the length of the lines, the quality and type of conductors and transformers, the loading of equipment, as well as their maintenance. While non-technical (commercial) losses were 229.3 GWh (excluding the share of the 4 northern municipalities) and constitute 3.49% of the total demand in distribution.

It should be noted that with the licensing of the supplier Elektrosever, as of 1 January 2024, energy is also billed in the four northern municipalities of Kosovo and out of the total demand of 275.35 GWh in these four municipalities, about 169 GWh (after correction) or about 61.4% of the energy demand has been billed.

Therefore, total non-technical losses to total distribution demand, including losses in the four northern municipalities of Kosovo, in 2025 were 323.1 GWh, or 4.89% of total distribution demand.

The electricity demand at the Distribution System Operator level in 2025 was realized at 6,612 GWh, while in 2024 it was 6,258 GWh, which represents an increase of approximately 5.66%.

The figure below shows demand data in the distribution system from 2015 to 2025.

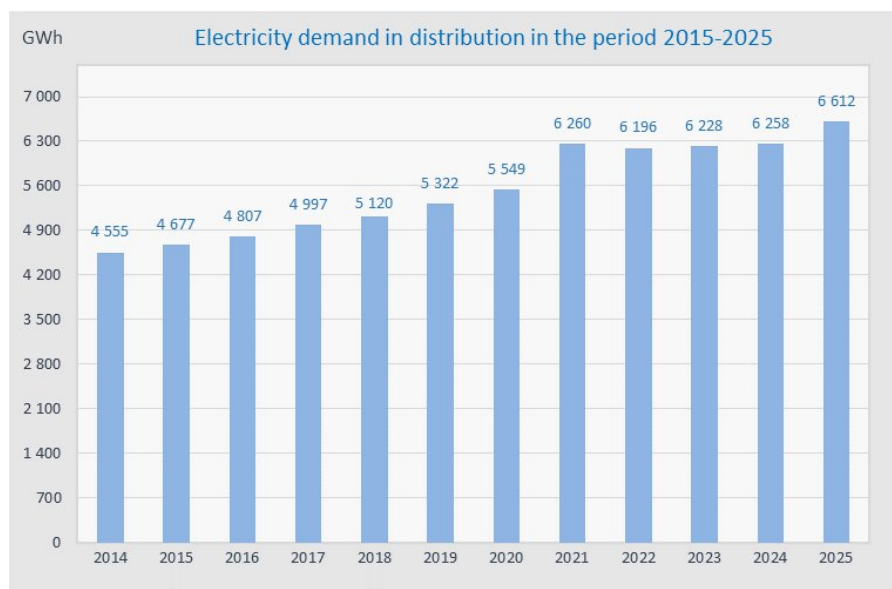


Fig. 6. 14 Electricity demand in the distribution system 2015-2025

Despite the investments made so far in the distribution network, electricity losses still remain high and represent a worrying problem for the electricity sector. The losses also have a negative impact on the supply of customers and the financial sustainability of supply and distribution operators, as well as the entire energy sector.

The cost of electricity losses up to the level set by the Regulator is covered by the customer tariff. The Distribution System Operator makes continuous efforts to reduce distribution losses, but despite the reduction of losses over the years, the DSSH has not managed to meet the targets set by the Regulator, which means that the cost of the exceeded part of these targets is borne by the DSSH itself.

Below is a graph with data on technical, commercial and total distribution losses from 2015 to 2025, showing the trend of decreasing loss limits but also fluctuations in the level of technical and commercial losses.

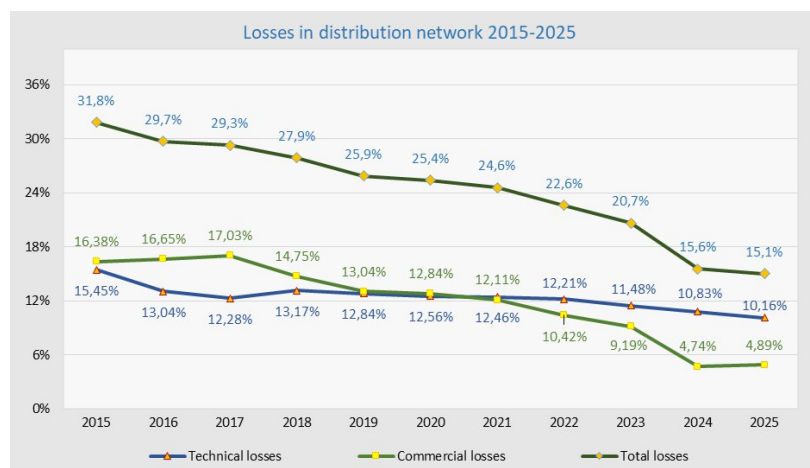


Fig. 6. 15 Technical and commercial losses in distribution for the period 2015-2025

Overall, electricity losses in the DSO, including losses (consumption) in the four northern municipalities of Kosovo, have decreased significantly from 20.67 % in 2023, to 15.6 % in 2024 and

now to 15.05% in 2025 compared to the demand in distribution. This significant decrease starting in 2024 and now continuing with a smaller decrease is due to the fact that from 1 January 2024, the energy consumed in the four northern municipalities of the country has started to be billed, and is not considered entirely as a loss, as it was until December 2023.

6.6 Electricity supply

The supply of electricity to final customers during 2025 has continued to be carried out by KESCO, which is a supplier with a universal service obligation, which has supplied customers with regulated prices, while customers with unregulated prices have been supplied by KEK, Voltkos, Enerco, Future Energy Trading and Exchange Dynamics LLC., KESCO Premium and EDS International LLC.

The share of household customers in total billed consumption still remains dominant at around 59.66%, followed by commercial (regulated) consumption at 20.82%, then by open market consumption at 7.88%, industrial consumption at 7.83%, consumption in the four northern municipalities at 2.97% and finally by public lighting consumption at 0.83%. Compared to the previous year, gross demand increased by 5.66 %, and billing also increased by 6.3%. Household consumption increased by 7.5 %, commercial consumption increased by around 22.9%, while industrial consumption decreased by around 33.6 %.

The figure below shows the share of consumption categories compared to total consumption (presented with and without losses).

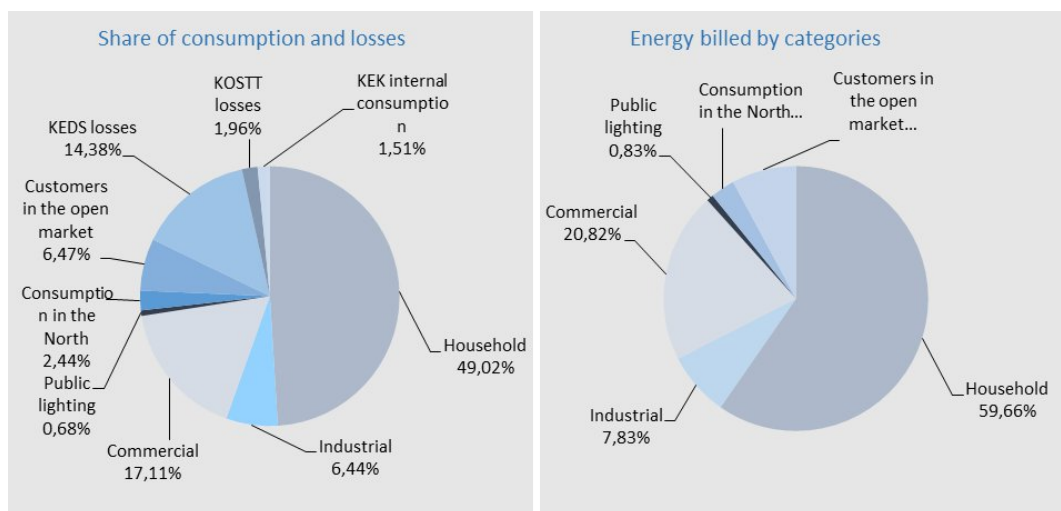


Fig . 6. 16 Share of consumption categories - with and without losses 2025

6.6.1 Billing and collection

The energy billed in the distribution system in 2025 was 5,617 GWh and represents about 84.9% of the distribution system load, which compared to previous years represents a slight increase.

The table below presents the billing, energy collection and gross collection of regulated customers in the distribution network as well as the ratio between billing and energy collection by month for the year 2025, where it can be seen that in some months this ratio is higher than the value of 100%, which means that in these months the electricity billed for the previous months was collected.

Tab. 6. 22 Billing and collection by month in distribution for 2025

Regulated customers 2025	Total realization	Billing	Collection	Coll./Bill.
	MWh	€	€	%
January	647 125	57 615 679	48 203 550	83,7%
February	520 953	46 422 951	46 533 649	100,2%
March	489 400	42 131 062	43 666 740	103,6%
April	424 593	36 978 939	40 114 859	108,5%
May	349 919	35 237 109	34 271 994	97,3%
June	283 360	28 846 542	30 531 247	105,8%
July	320 346	32 718 226	30 299 361	92,6%
August	341 063	34 494 324	30 364 482	88,0%
September	269 615	27 636 471	29 809 446	107,9%
October	370 452	37 049 242	29 066 871	78,5%
November	400 175	40 288 918	32 647 427	81,0%
December	570 463	59 007 004	44 370 504	75,2%
Total	4 987 464	478 426 467	439 880 128	91,94%

Compared to last year, it is seen that the collection of electricity bills for regulated customers remains approximately at the same level of around 92%.

It should be noted that the realization in the table above does not include energy flow and billing in the four northern municipalities of Kosovo.

The energy billed in the distribution network for customers with the right to universal service was 4,987.5 GWh or in the amount of €443.5 million (€478.4 million with VAT), while the collection was €439.9 million with VAT, or about 92%.

The electricity billed and collected (gross) in distribution as well as the ratio between billing and gross collection from 2015 to 2025 for regulated customers is presented in the figure below.

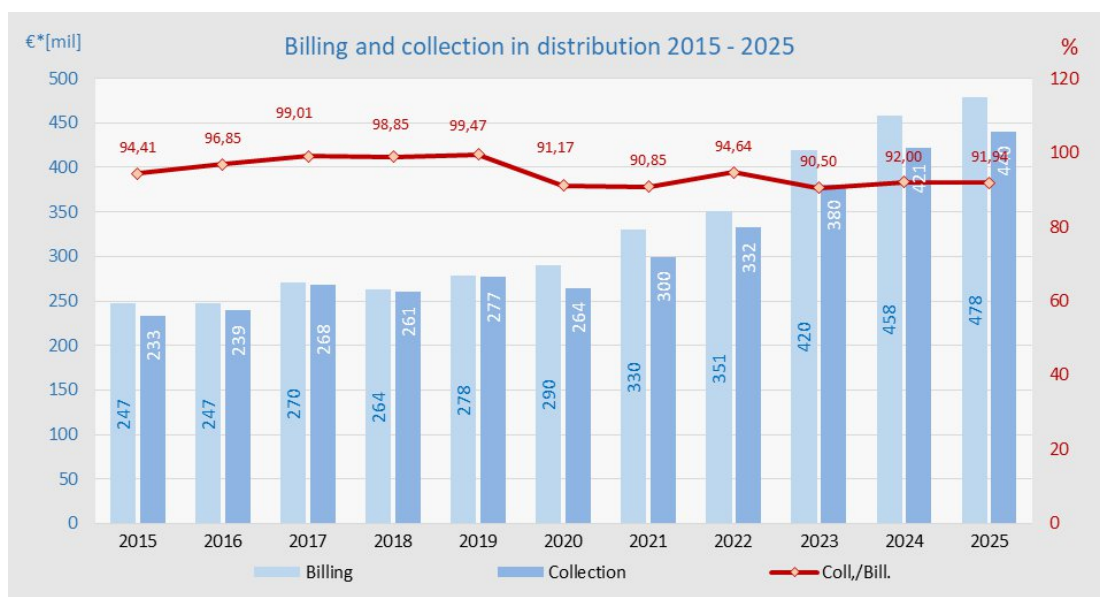


Fig. 6. 17. Billing and collection in distribution during 2015-2025

Consumption categorized by voltage level and customer groups using electricity for 2025 is given in the figure below.

Tab. 6. 23 Billed electricity by tariff categories 2025

Categories (GWh)	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
220 kV (Ferronikeli)	9,1	1,9	1,8	1,3	0,5	0,5	0,4	0,4	0,4	0,4	0,5	0,4	0,4
110 kV (Trepça)	22,0	1,9	1,8	1,8	1,7	1,8	1,6	1,8	1,7	1,8	2,0	1,9	2,1
110 kV (Sharrcem)	60,5	4,7	3,2	3,0	2,7	6,3	5,6	5,8	5,1	6,2	6,3	5,7	5,8
35 kV	32,0	4,6	4,6	4,8	4,7	4,3	1,0	1,2	1,6	1,2	1,2	1,3	1,6
10 kV	321,8	46,6	43,8	41,3	39,3	38,1	14,4	15,3	14,7	14,0	16,3	17,4	20,6
Household	3 393,1	448,4	339,6	322,3	271,2	206,9	192,6	212,9	227,8	180,5	267,6	290,8	432,5
0.4 kV I	382,1	51,4	47,6	43,6	40,9	38,3	19,9	23,6	21,8	19,4	22,7	23,3	29,6
0.4 kV II	802,2	91,8	81,2	73,5	65,1	59,1	52,6	64,0	63,6	49,9	57,8	62,3	81,3
Public lighting	47,2	4,4	4,1	3,9	3,4	3,2	2,9	3,3	3,4	4,0	4,7	5,0	5,0
Corr. from the open market	9,0								8,3	0,5	0,1	0,1	0,0
Cons. in the North	169,0	24,0	22,2	19,9	16,1	11,8	11,1	8,4	6,5	4,6	13,4	14,6	16,4
Deregulated customers	448,0						56,1	68,6	57,1	58,8	64,0	65,6	77,8
Total billed	5 696,1	679,8	549,8	515,5	445,6	370,3	358,2	405,3	412,0	341,5	456,7	488,3	673,1
KEK Consumption	104,6	10,4	9,6	10,0	8,3	8,7	7,2	6,3	7,5	7,9	8,6	9,6	10,5
DSO Losses	995,2	121,9	149,5	81,9	69,2	64,3	35,4	44,5	31,8	42,9	86,7	99,8	167,2
KOSTT Losses	135,4	16,9	14,4	11,3	9,1	7,7	7,3	9,5	9,3	8,2	11,4	12,1	18,1
Total	6 931,3	828,9	723,4	618,7	532,3	451,0	408,1	465,5	460,6	400,6	563,4	609,8	868,8

The national energy demand in 2025 was 6,944 GWh, while the electricity billed in the transmission system was 91.6 GWh and in the distribution system was 4,987.5 GWh.

The following table presents the billing of customers with the right to universal service and customers in the open market.

Tab. 6. 24 Billing and collection in 2025

2025	Billing
	MWh
Regulated customers	4 987 402
Deregulated customers	708 617
Total	5 696 019

Average price of electricity

The average selling price of electricity is based on the tariffs for regulated electricity activities and varies depending on the category of customers, the voltage level to which customers are connected and the use of electricity at different tariffs according to the season and time at which the energy is used. This average selling price (excluding VAT) is presented in the figure below. The average selling

price also varies by district depending on the concentration of commercial/industrial activities that use electricity at certain periods.

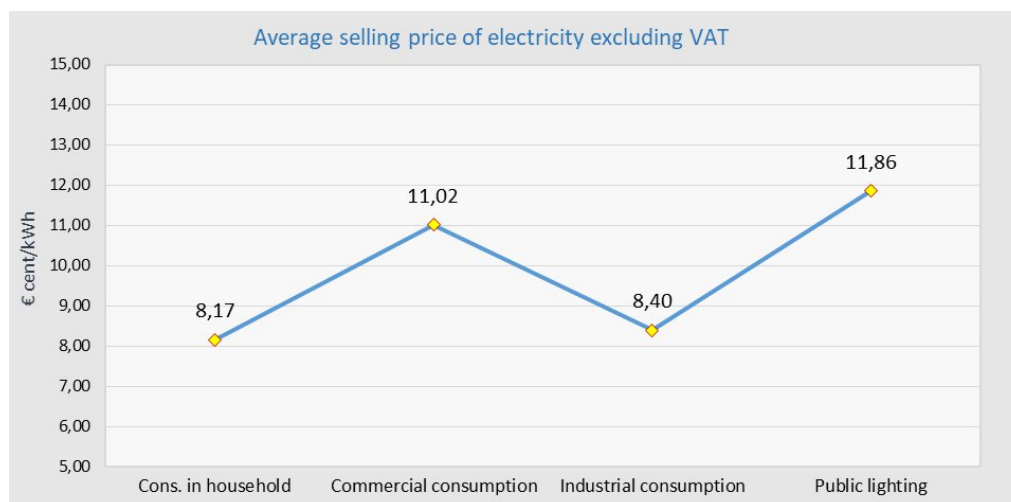


Fig. 6. 18 Average electricity sales price 2025 (excluding VAT)

For the household customer category, the average energy price excluding VAT is 8.17 €cent/kWh. It is 10.5 % higher than in 2024 when it was 7.39 € cent / kWh, while for non-household customers the average price of energy excluding VAT is 10.46 €cent/kWh which is higher than the average price in 2024 when it was 9.30 €cent/kWh.

The figure below shows the average electricity prices for household and non-household customers for the last ten years, prices which do not include VAT.

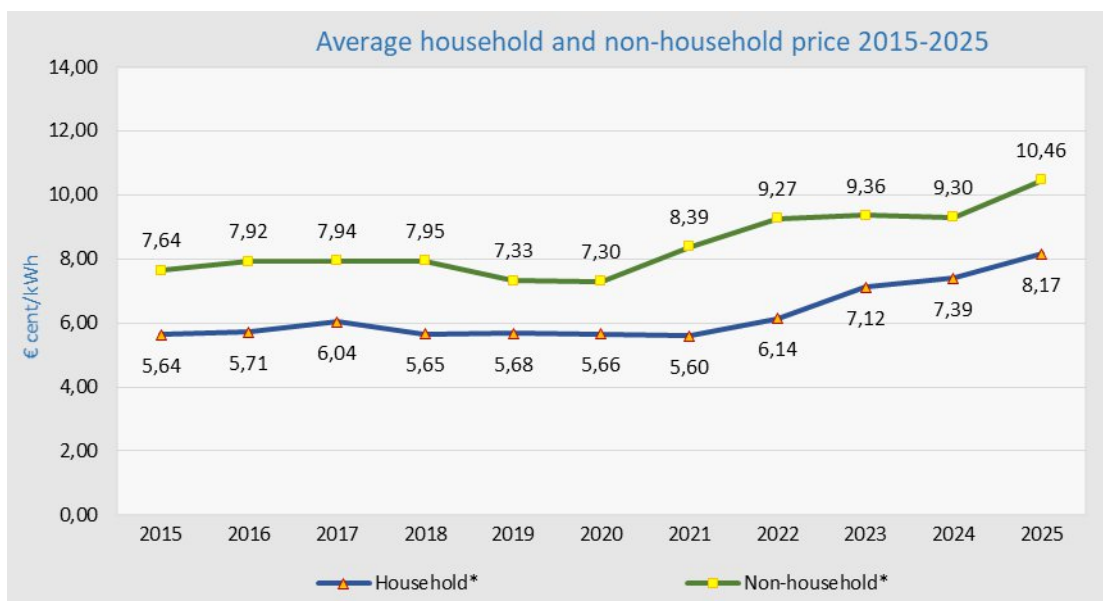
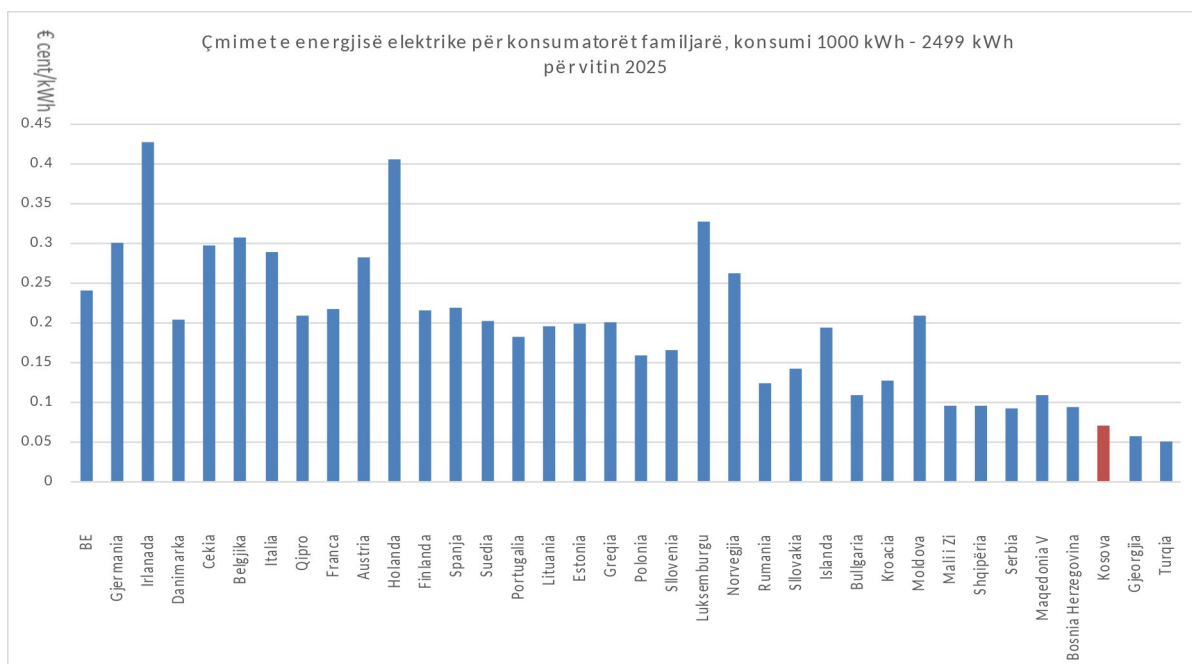


Fig. 6. 19 Average selling price of electricity (excluding VAT) over the years

Compared to the countries of the region and based on data released by Eurostat for the first half of 2025, Kosovo has the average price excluding VAT lower than almost all countries for household customers. Eurostat data categorized by household consumption 2500-5000 kWh/ year, for the first

half of 2025 for some countries, since data for the second half is still missing, are presented in the figure below.



* Data source from EUROSTAT

Fig. 6. 20 Average prices for household customers for the first 6 months of 2025 (excluding VAT)

Also compared to EU countries and the region, based on data released by Eurostat for the first half of 2025, Kosovo has the lowest average prices for non-household customers.

Eurostat data categorized by EU countries and countries in the region for the first half of 2025 are presented in the figure below.

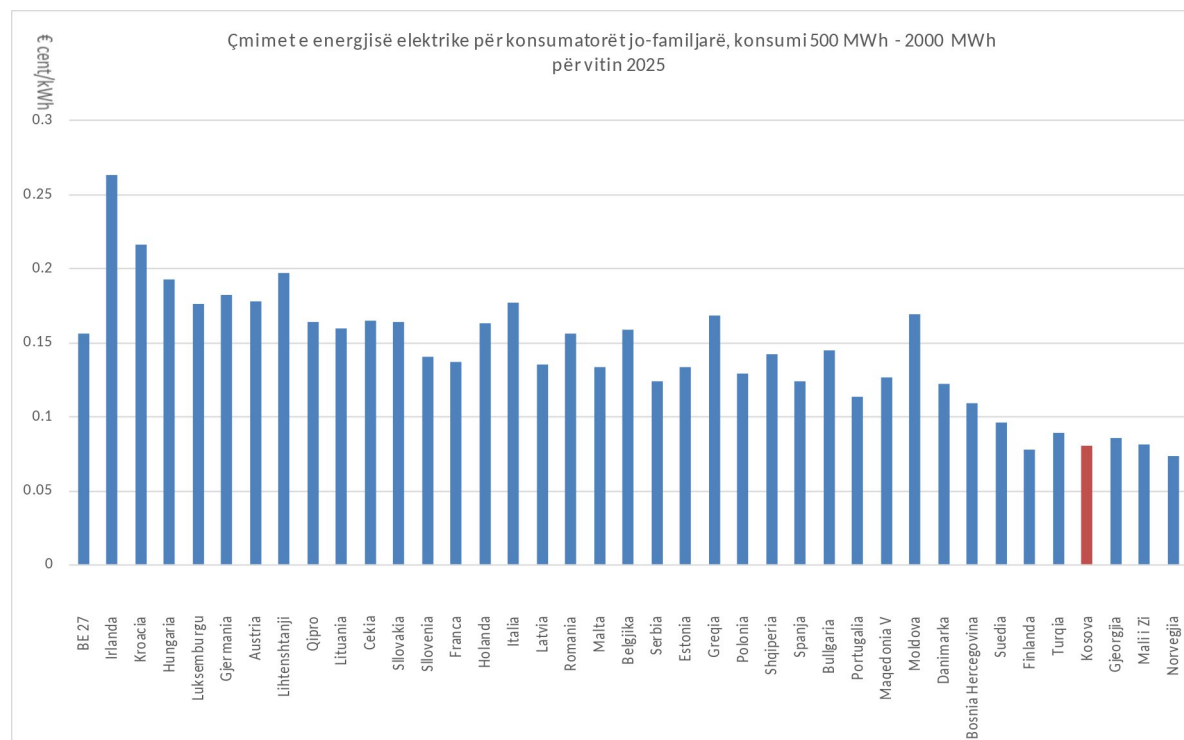


Fig. 6. 21 Average prices for non-household customers for the first 6 months of 2025 (excluding VAT)

The data presented in the figures above for 2025 show that Kosovo continues to have a relatively favorable position in terms of energy prices for household and non-household customers.

6.7 Import and export of electricity

In general, the majority of the total demand for electricity in the Kosovo power system is covered by domestic generation dominated by thermal power plants, while the remaining part is provided by imports carried out through cross-border lines.

The share of imports in total energy demand was 28.29%, marking an increase of about 7.39 percentage points compared to the previous year, which was about 20.9%.

Through the interconnection lines from the regional system to the Kosovo electricity system, 4,177GWh have entered, while 2,656 GWh have exited, where -1,612 GWh represents the difference between entry and exit, which is divided into net import and deviations to the regional system.

The table below presents the electricity flows in the interconnection lines with neighboring countries.

Tab . 6. 25 Electricity flows in interconnection lines for 2025

Flow on interconnection lines MWh	400 kV		220 kV		110 kV		Total	
	Receiving	Sending	Receiving	Sending	Receiving	Sending	Receiving	Sending
Albania	389 397	527 424	760 247	42 039			1 149 644	569 463
Macedonia	1 070 985	634 394					1 070 985	634 394
Montenegro	844 185	660 277			25 188	104 179	869 373	764 456
Serbia	954 437	377 884	116 721	218 189	16 325	846	1 087 483	596 919
Total	3 259 004	2 199 979	876 968	260 228	41 513	105 025	4 177 485	2 565 232
Balance	-1 059 025		-616 740		63 512		-1 612 253	

The import realized for 2025 was 1,964,475 MWh, which filled energy shortages, especially during peak times in the winter season when demand was unaffordable for domestic production.

This amount includes imported electricity for regulated and unregulated customers, for losses in the transmission network and losses in the distribution network, which is provided through commercial contracts, through ALPEX as well as through the energy-for-energy exchange between KEK and KESH.

The import of electricity for 2025, including the exchange with KESH, was 1,964,475 MWh and is 580,164 MWh higher than in 2024, or 42 %, which was 1,384,511 MWh. While the import under contracts was 1,959,892 MWh or 586,728 MWh higher than in 2024, when it was 1,373,264 MWh.

The average price of electricity imports under commercial contracts during 2025 was €121.56/MWh, and compared to last year, which was € 122.76/MWh, this year the average import price is lower by 1.20 €/MWh.

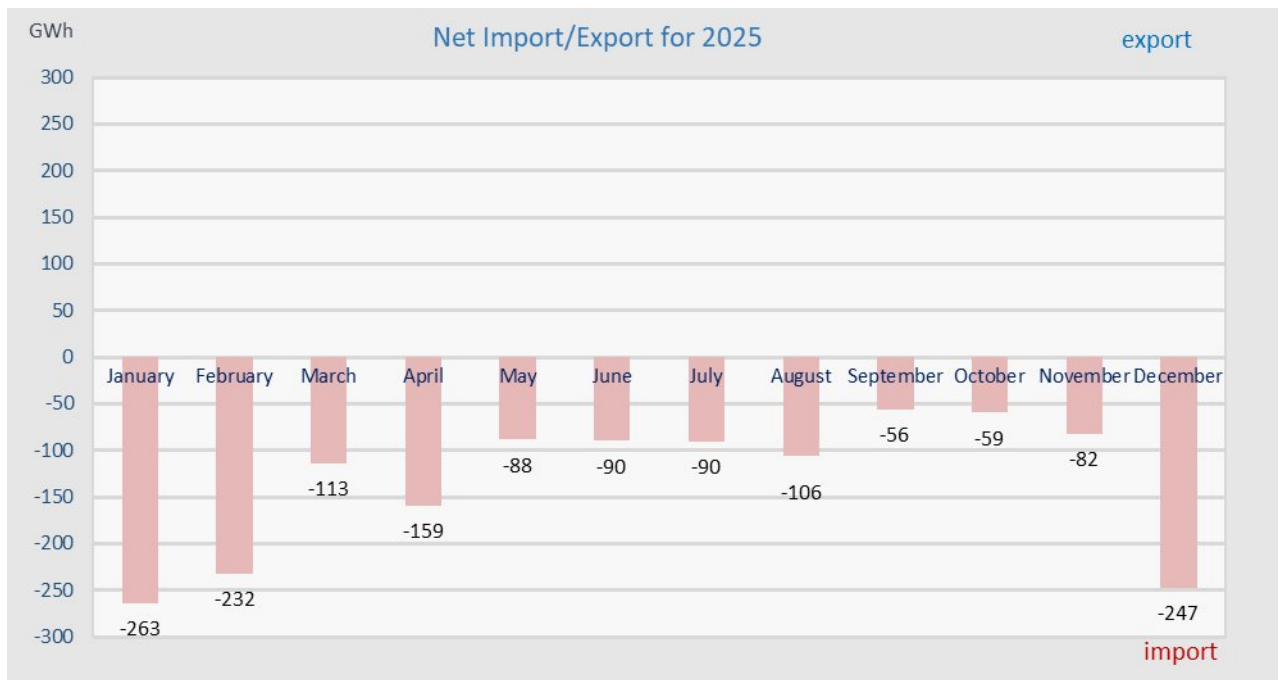
Data on imports and exports of electricity are presented in the following table.

Tab. 6. 26 Import and export of electricity for 2025

Import/Export MWh	Import with contracts	Import as an exchange	Total import	Export with contracts	Export as an exchange	Total export	Net Imp/Exp
January	271 472	0	271 472	8 074	0	8 074	-263 398
February	235 975	0	235 975	3 894	0	3 894	-232 082
March	136 747	0	136 747	23 333	0	23 333	-113 414
April	174 452	1 050	175 502	16 313	0	16 313	-159 189
May	112 720	0	112 720	23 204	1 155	24 359	-88 360
June	113 935	0	113 935	21 897	2 395	24 292	-89 644
July	128 689	0	128 689	38 221	0	38 221	-90 468
August	149 388	0	149 388	40 934	2 182	43 116	-106 272
September	97 537	600	98 137	39 792	2 364	42 156	-55 981
October	124 533	2 573	127 106	67 203	660	67 863	-59 243
November	147 768	0	147 768	65 066	417	65 483	-82 285
December	266 674	560	267 234	19 438	334	19 772	-247 462
Total	1 959 892	4 783	1 964 675	367 369	9 507	376 876	-1 587 799

The average price of electricity exports under commercial contracts during 2025 was €105.31/MWh. In addition to exports under contracts, a certain amount of electricity was also exported as an exchange (energy for energy) between KEK and KESH, the total electricity export for 2025 was 376,876 MWh, of which 367,369 MWh was export under contracts.

As can be seen from the data presented above, in 2025 Kosovo was a net importer of electricity, amounting to 1,587,799 MWh, presented by months in the figure below.


Fig . 6. 22 Import and export of electricity in 2025

Electricity surpluses occur mainly at night (during low tariff times), when surpluses also occur in regional systems, which causes export prices to be significantly lower than import prices.

The price for electricity imports and exports has increased and decreased over the years, and the figure below shows import and export prices from 2015 to 2025.

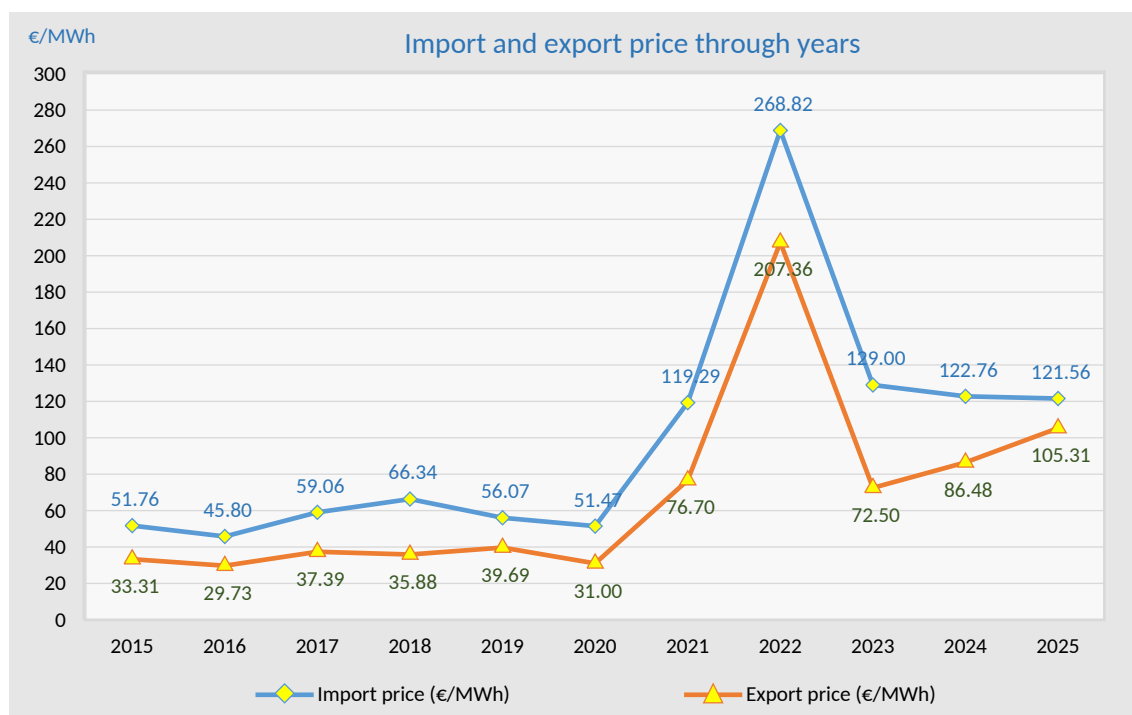


Fig. 6. 23 Average import and export price over the years

6.8 Electricity supply and service quality standards

The standards for the quality of electricity supply and service are regulated in the Rule on Electricity Service Quality Standards, which the ERO Board approved on 05.06.2019. The purpose of the Rule is to determine the indicators of the quality of electricity service for customers, regarding the services provided, the uninterrupted supply of electricity and the quality of voltage.

The electricity supply services that are included in the rule are:

- quality of service;
- uninterrupted supply; and
- voltage quality.

The Rule on Electricity Service Quality Standards presents individual and general indicators of electricity service quality, indicators of uninterrupted supply, as well as voltage quality indicators.

It should be noted that the standards for the quality of electricity supply and service are an important element of the regulation of the energy sector. These standards are set so that the quality of electricity supply and service, as well as the quality of voltage to customers, is continuously improved by the energy enterprise.

During this reporting year, the quality standards of electricity supply and service were monitored according to the following areas:

- Continuity of supply;
- Voltage quality; and
- Commercial quality.

6.8.1 Continuity of supply

Continuity of supply is related to the availability of the energy system, namely it represents the number and duration of outages for each customer within a year.

Power outages are recorded by the Transmission System Operator (TSO) and the Distribution System Operator (DSO). Based on the Rule on Electricity Service Quality Standards, power outages are classified as short and long outages. Any power outage lasting up to 3 minutes is classified as a short outage, and any outage longer than 3 minutes is classified as a long outage. It is worth noting that according to the said Rule and international standards, only long outages are recorded and reported by the system operators. Long outages are classified as planned and unplanned.

Continuity of supply is measured by indices:

- SAIDI - System Average Interruption Duration Index;
- SAIFI - System Average Interruption Frequency Index;
- ENS - Energy not Supplied; and
- AIT - Average Interruption Time.

During 2025, the continuity of electricity supply was monitored by the Regulator for both system operators: the Transmission System Operator (TSO) and the Distribution System Operator (DSO).

6.8.1.1 Measurement indices reported by the TSO

According to the Rule on Electricity Service Quality Standards, the general supply indicators that the Transmission System Operator must record and report are:

- Average Interruption Time - AIT;
- Energy Not Supplied - ENS

The average interruption time (AIT) in the transmission network represents the cumulative duration of power supply interruptions per customer.

Energy not supplied (ENS) is the energy that would have been supplied by the system if there had been no interruption in the power supply.

The general measurement indices reported by the TSO for electricity supply and service quality standards for 2025 are presented below.

- AIT - for planned outages was 18 minutes or 0.30 hours;
- AIT - for unplanned interruptions was 45 minutes or 0.75 hours;
- ENS - for planned interruptions in the transmission system was 0.32 GWh; and
- ENS - for unplanned interruptions in the transmission system was 0.81 GWh.

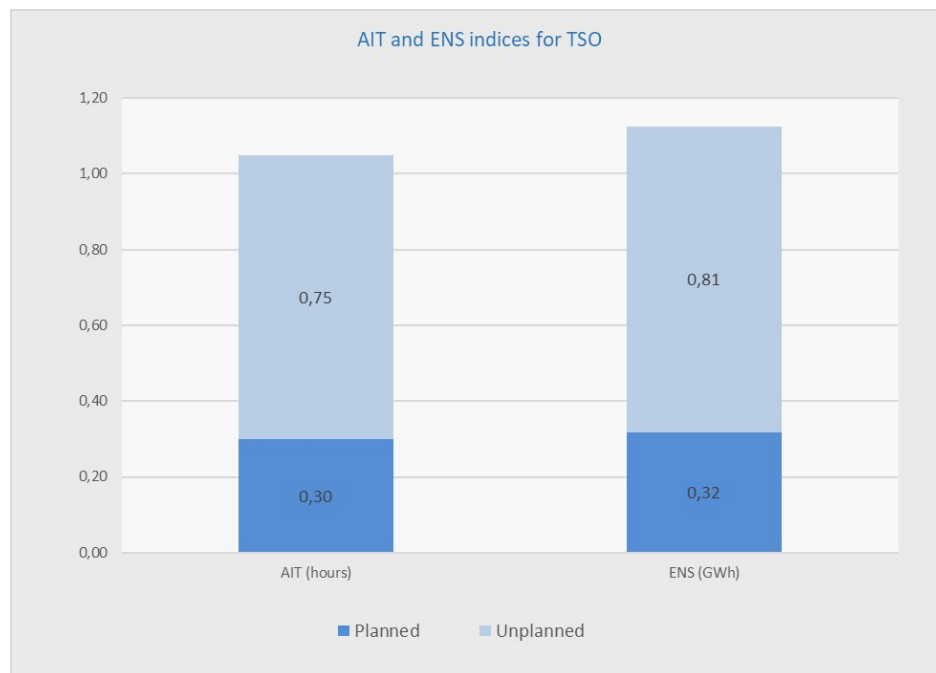


Fig . 6. 24 AIT and ENS measurement indicators for KOSTT for 2025

The figures below show the measurement indices reported by the TSO for the quality of electricity supply and service standards during the years 2021 - 2025 for the AIT index, while for the ENS index they are presented for the years 2015 - 2025.

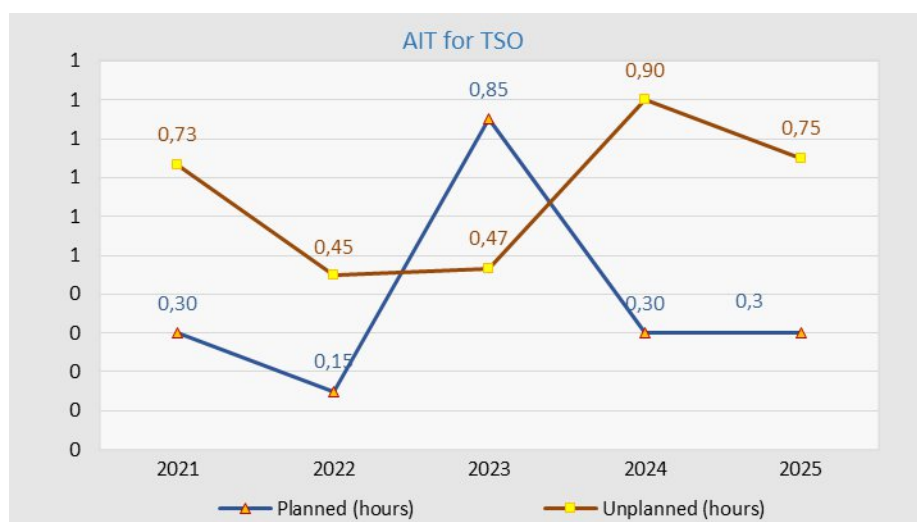


Fig . 6. 25 AIT measurement index for TSO for the period 2021 - 2025

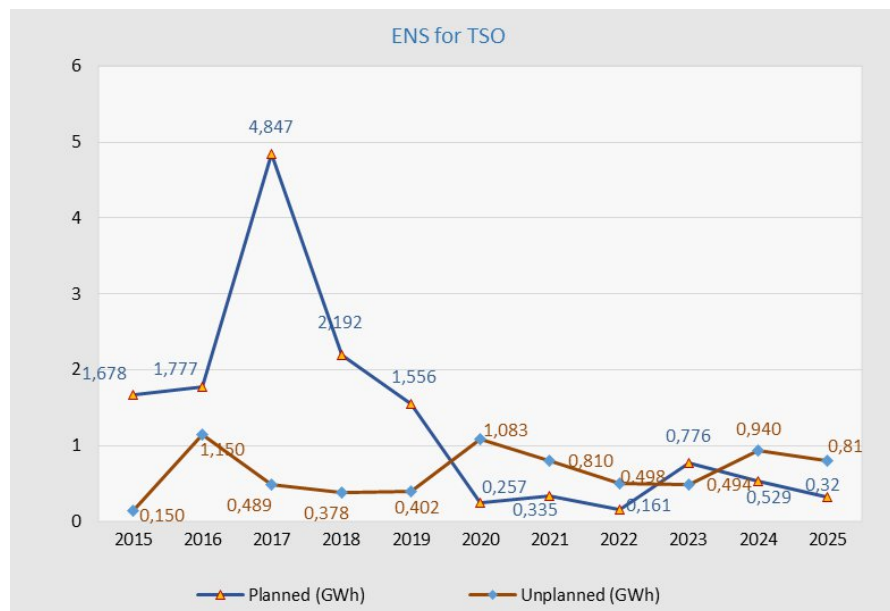


Fig . 6. 26 ENS measurement index for TSO for the period 2015 - 2025

From the above data, it is observed that from the measurement indices reported by AIT and ENS in 2025 there is generally an improvement in supply compared to 2024.

According to the data reported for the AIT measurement index during 2025, it is noted that in total there is a decrease or improvement in this index of 12.5% compared to 2024, respectively, there is a decrease in unplanned outages of 16.67%, while planned outages remain unchanged.

During 2025, the energy not supplied (ENS) generally improved compared to 2024, and according to the reported data, it is noted that during 2025, there was a total decrease in energy not supplied of 23.08% compared to 2024, respectively, there was a decrease in planned outages of 39.51% and unplanned outages of 13.83%.

6.8.1.2 Measurement indices reported by the DSO

The measurement indices reported by the DSO on the quality standards of electricity supply and service for 2025 are presented below.

- SAIDI - for planned interruptions in the distribution system was 24.28 hours;
- SAIDI - for unplanned interruptions in the distribution system was 36.53 hours;
- SAIFI - for planned interruptions in the distribution system was 6.08;
- SAIFI - for unplanned interruptions in the distribution system was 39.45;
- ENS - for planned interruptions in the distribution system was 18.78 GWh; and
- ENS - for planned interruptions in the distribution system was 31.95 GWh.

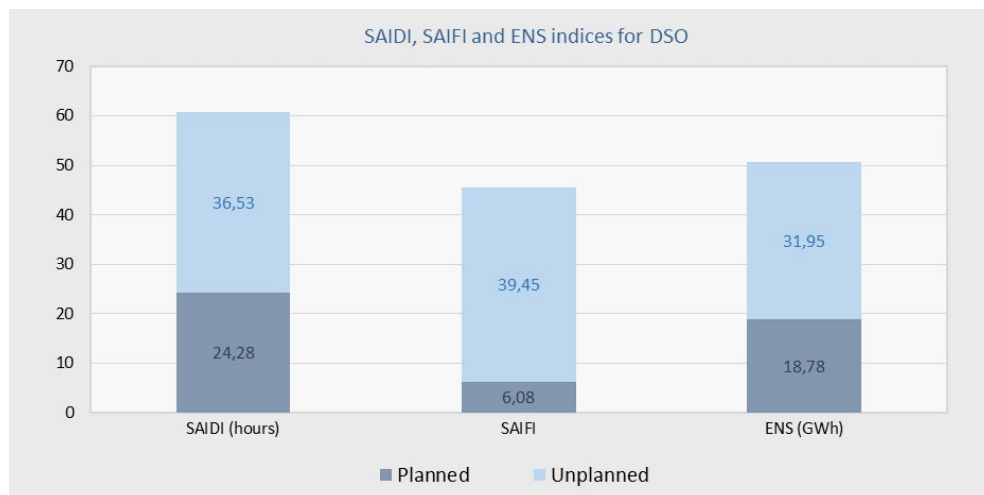


Fig. 6. 27 SAIDI, SAIFI and ENS measurement indices for DSO for the year 2025

The following figures show the measurement indices reported by the DSO for the quality standards of electricity supply and service during the years 2015 - 2025 for the SAIDI and SAIFI indices, while for the ENS index they are presented for the years 2015 - 2025.

The following figures show the measurement indices reported by the DSO for the quality of electricity supply and service standards during the years 2011 - 2025 for the SAIDI and SAIFI indices, while for the ENS index they are presented for the years 2015 - 2025.

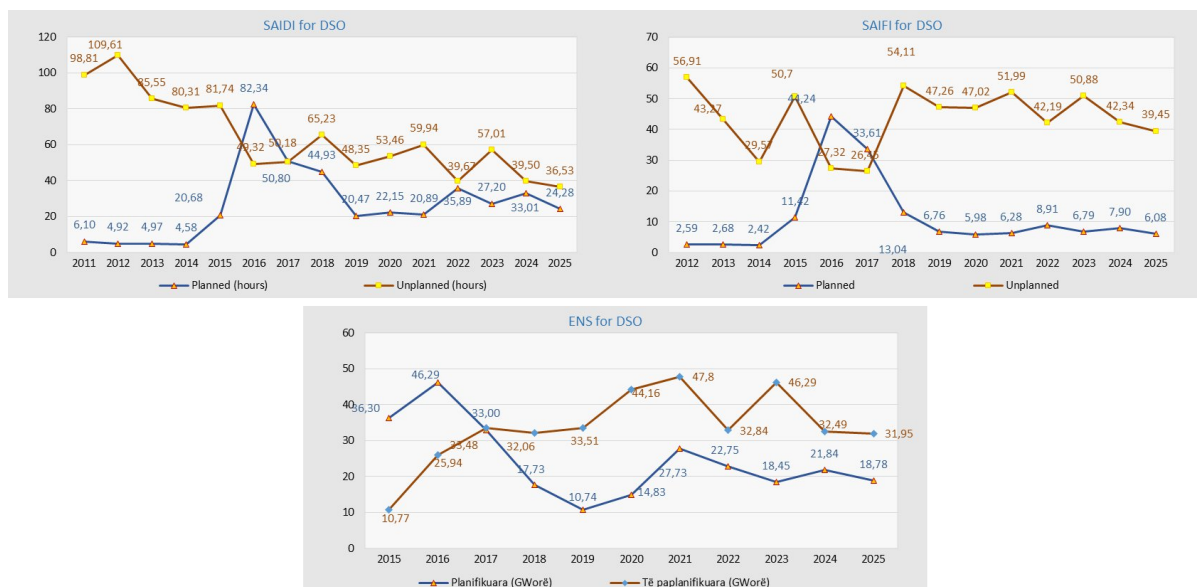


Fig. 6. 28 SAIDI, SAIFI and ENS indicators for DSO for the period 2011-2025 and 2015 - 2025

From the above data, it is noted that in some of the SAIDI, SAIFI and ENS measurement indices in 2025 there was generally an improvement compared to 2024.

According to the data reported for the SAIDI measurement index during 2025, it is noted that there has been an improvement in this index compared to 2024, which means that in 2025 there is a total decrease in interruptions of 16.14% compared to 2024. During the detailed analysis of the SAIDI

index, it is noted that in 2025 there is a decrease in planned outages of 26.45% compared to 2024, as well as a decrease in unplanned outages of 7.52% compared to 2024.

From the analysis of the SAIFI index, it is noted that during 2025 there is an improvement in this index compared to 2024, which means that in 2025 there is a total decrease in interruptions of 9.38% compared to 2024. It is worth noting that during the more detailed analysis of the SAIFI index, it is noted that in 2025 there is a decrease in the frequency of planned interruptions per customer of 29.93% compared to 2024, as well as a decrease in the frequency of unplanned interruptions per customer of 7.33% compared to 2024.

During 2025, energy not supplied (ENS) has marked an overall improvement compared to 2024. According to the analyzed data, a decrease of 6.63% in the total level of ENS compared to the previous year is observed, reflecting an increase in the stability of the electricity supply. A more detailed analysis of the ENS index shows that this improvement is the result of a reduction in both planned and unplanned interruptions. Specifically, energy not supplied as a result of planned interruptions has decreased by 14.01%, while that from unplanned interruptions has decreased by 1.66% compared to 2024. These results testify to improved operational management, more efficient planning of network works and faster response to defects, directly contributing to increasing the quality of service for customers.

6.8.2 Voltage quality

Voltage quality is related to the technical aspect of the electricity system and is compared to the nominal voltage, which during this period was mainly monitored through the registration of customer complaints regarding voltage quality.

During 2025, the number of complaints submitted by customers to the DSO regarding voltage quality was 544 complaints, of which 307 complaints or 56.43% were resolved, while 237 complaints or 43.57% are in the review process.

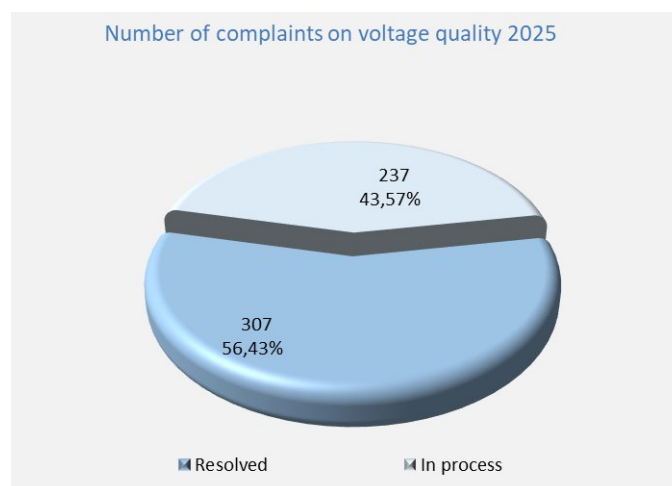


Fig . 6. 29 Customer complaints about voltage quality in 2025

Below is a figure with data on the status of resolved customer complaints regarding voltage quality in the DSO for 2025.

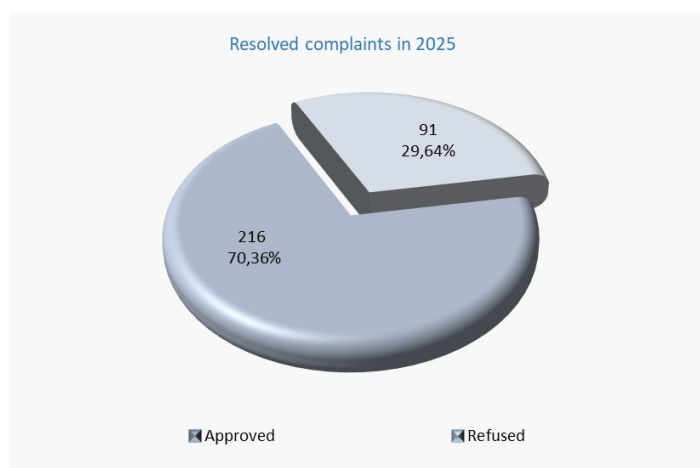


Fig. 6. 30 Status of resolved customer complaints for 2025

So, from the above figure, it is noted that out of 307 resolved customer complaints regarding voltage quality, the DSO approved 216 complaints in favor of the customers or 70.36%, while it rejected 91, or expressed as a percentage 29.64%, since they did not result in any issues.

The figure below shows customer complaints regarding voltage quality over the years.

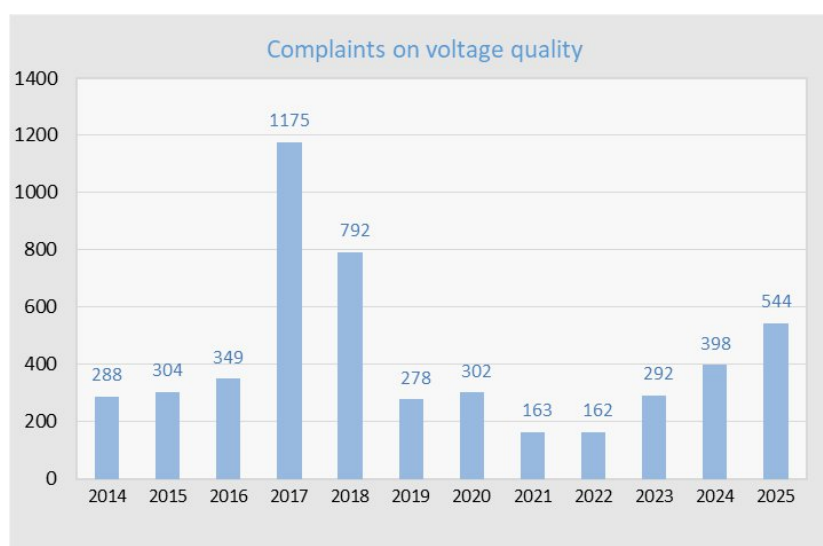


Fig. 6. 31 Complaints on voltage quality by years

The data shows that in 2017 there was a significant increase in the number of complaints compared to previous years, reflecting a period of greater concerns in terms of supply quality.

Meanwhile, starting from 2019, a downward trend in complaints is evident, which indicates a gradual improvement in voltage quality parameters and increased stability in the network. However, in 2025, compared to 2024, an increase in voltage quality complaints is again observed, signaling the need for further analysis and additional measures to address the factors that have influenced this change.

Voltage quality standards are defined in the Rule on General Conditions of Energy Supply, the Distribution Code and the Distribution Metering Code.

6.8.3 Commercial quality

Commercial quality determines the efficiency and accuracy of resolving customer complaints and requests. Commercial quality regulation takes into account the mutual relationship between customers and suppliers.

For the purpose of analyzing commercial quality, the data received from the licensee is presented in two categories that directly affect customer issues. These categories are:

- New connections;
- Electro-energy consents; and
- Customer complaints.

6.8.3.1 New connections

Commercial quality standards, among other things, also include new connections, which evidence how quickly the energy company takes measures to implement new connections.

During 2025, a total of 29,655 regular requests for new connections were registered for tariff groups 4, 5, 6, 7 and 8, while 25,128 or 84.73% of requests for new connections were approved, including requests carried over from the previous year, while the remaining part is in the process of registration. It should be noted that there were 10,441 requests for new connections carried over from the previous year.

From KEDS data, it can be seen that out of the total number of requests for new connections, the largest number of requests came from household customers (tariff groups 5 and 6) 26,139 or 88.14%, followed by requests for new connections in the commercial tariff group 0.4 kV Category II - tariff group 4 which were 3,355 or 11.31%, while requests for tariff group 8 - Public lighting were 161 or 0.54%.

Of the total number of registrations of applicants as customers of the Universal Service Supplier in the "CCP" billing program, household customers are 25,949 or 86.44%, followed by tariff group 4 (0.4 kV Category II - commercial) with 3,815 registrations or 12.71%, as well as tariff group 8 (public lighting) with 255 registrations or 0.85%.

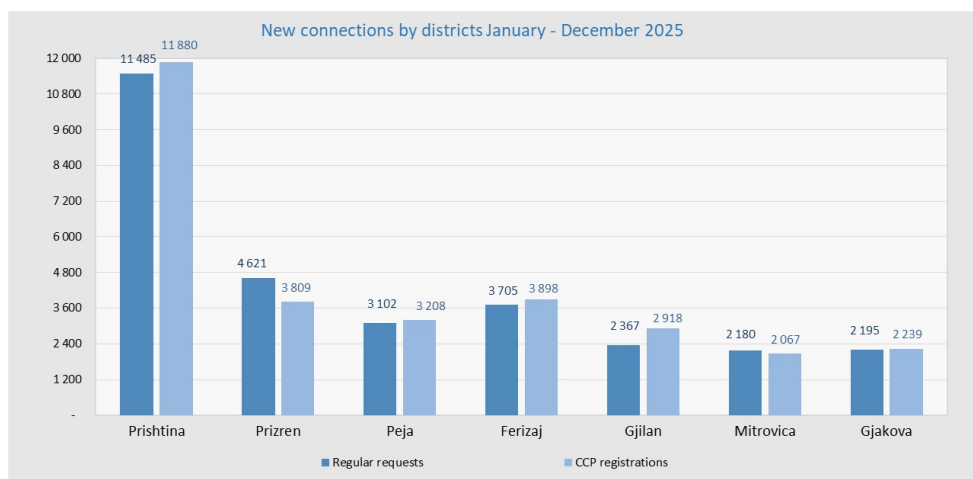


Fig. 6. 32 New connections by districts for the year 2025

From the above diagram, it can be seen that for the year 2025, out of the total number of requests for new connections, the most requests were in the Prishtina district with 11,485 or 38.73%, followed by the Prizren district with 4,621 or 15.58%, while the least requests for new connections were registered in the Mitrovica district with 2,180 or 7.35%. It should also be noted that in terms of registrations of requests in the billing program, out of the total number, the highest number of registrations was in the Prishtina district with 11,880 or 39.57%, followed by the Ferizaj district with 3,898 or 12.99%, while the lowest number of registrations was recorded in the Mitrovica district with 2,067 or 6.89%.

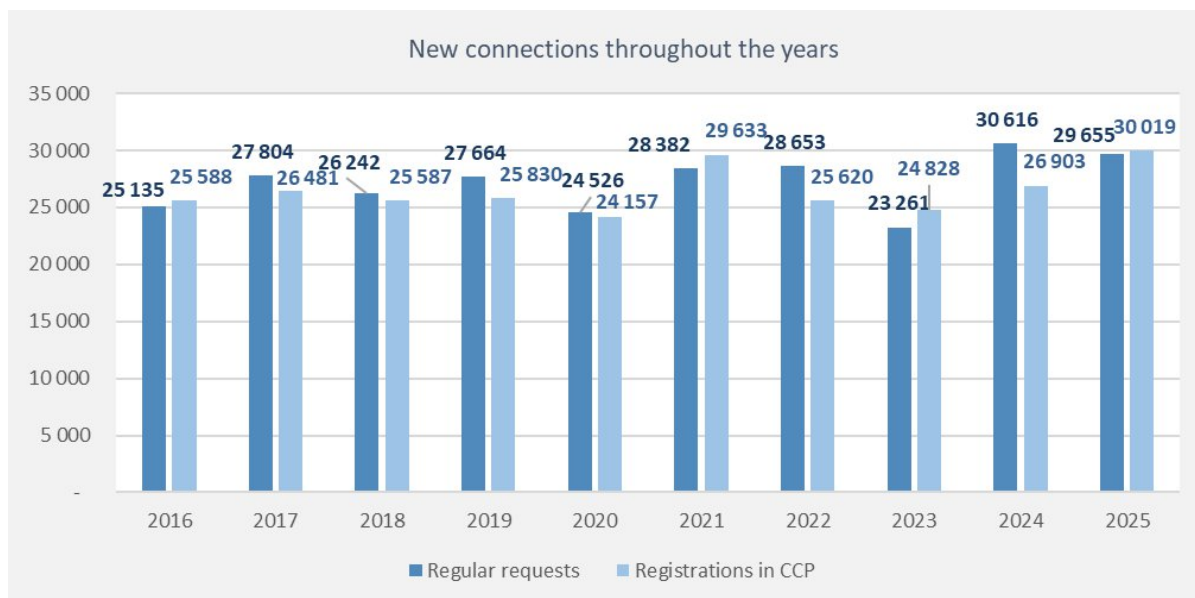


Fig. 6. 33 New connections by years

From the diagram above, it can be seen that during 2025 there were 3.14% fewer requests for new connections than in 2024, and 11.58% more customer registrations than in 2024.

6.8.3.2 Electro-energy Consents

From the data presented, it can be seen that during 2025, there were 2,537 requests for Electro-energy Consents submitted to KEDS, while 32 consents were carried over from 2024.

Tab . 6. 27 Electricity Consents for the year 2025

Districts	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Prishtina	45	40	48	59	45	61	58	53	67	60	64	63	663
Mitrovica	14	20	39	16	17	11	13	18	20	24	15	14	221
Peja	12	23	30	29	13	17	41	24	22	38	21	25	295
Gjakova	19	22	21	30	33	19	28	32	33	45	30	40	352
Prizren	18	23	23	12	19	33	20	18	20	22	16	35	259
Ferizaj	45	38	37	45	39	44	50	49	53	53	37	38	528
Gjilan	21	9	18	21	14	16	18	20	18	23	25	16	219
Total	174	175	216	212	180	201	228	214	233	265	208	231	2 537

From the table above, it can be seen that of the total number of requests for Electro-energy Consents for 2025, the most requests were registered in the Pristina district, 663 or expressed as a percentage

of 26.13%, followed by the Ferizaj district, 528 or 20.81%, while the least requests were in the Gjilan district, 219 or 8.63%.

Tab. 6. 28 Electr--energy Consents by Districts for the Year 2025

Districts	Requests for EEC 2025	Reviewed - EEC	Reviewed - Information	Reviewed - Response	Forwarded to other departments	In process
Prishtina	663	490	77	33	15	54
Mitrovica	221	170	24	10	8	12
Peja	295	200	53	20	6	22
Gjakova	352	246	66	17	6	19
Prizren	259	203	38	10	2	12
Ferizaj	528	368	108	25	15	13
Gjilan	219	171	26	12	8	10
Total	2 537	1 848	392	127	60	142

From the table above, it can be seen that out of 2,537 requests from applicants for Electro-energy Consent for 2025 and 32 carried over from 2024, Electro-energy Consents have been reviewed and issued for 1,848 requests, 392 requests have been reviewed and the parties have been provided with Information regarding their request for Electro-energy Consent, 127 requests have been reviewed and the parties have been given a response, while according to KEDS data, 60 other requests have also been reviewed, but according to the Electro-energy Consent Department within KEDS, it has been determined that these requests should not be issued with an Electro-energy Consent, but that these requests have been delegated to other departments and the remaining 142 requests are in the process of being reviewed and the same will be reviewed during 2025.

Below is a diagram of requests for Electro-energy Consents for the period 2014 - 2025, and it is clearly seen from the diagram that each year there has been an increase in requests for Electro-energy Consents from applicants for connection, but in 2025 compared to 2024 we have a decrease of 282 applications or expressed as a percentage of 13.93%.

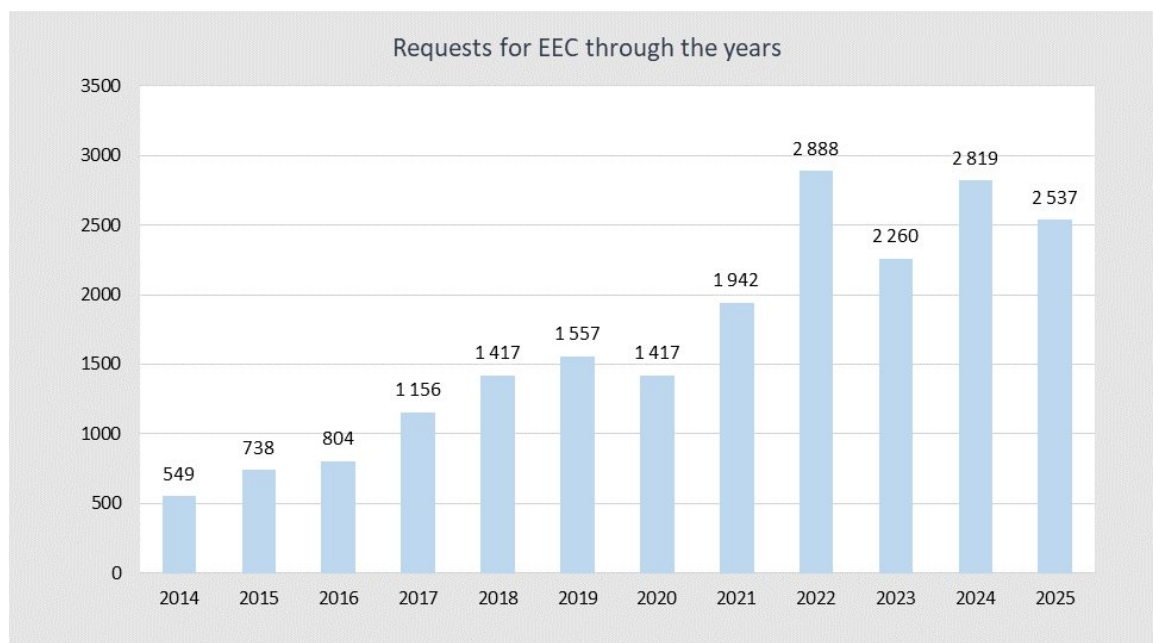


Fig. 6. 34 Requests for electro-energy consents for the period 2014 - 2025

6.8.3.3 Customer complaints to the Universal Service Supplier - KESCO

According to KESCO's reported data during 2025, the total number of customer complaints registered in the KESCO Customer Department is 14,610, while 5,079 complaints were carried over from the previous year, while 12,529 were resolved/completed.

Below is a graph of registered and resolved customer complaints for 2025 by districts.

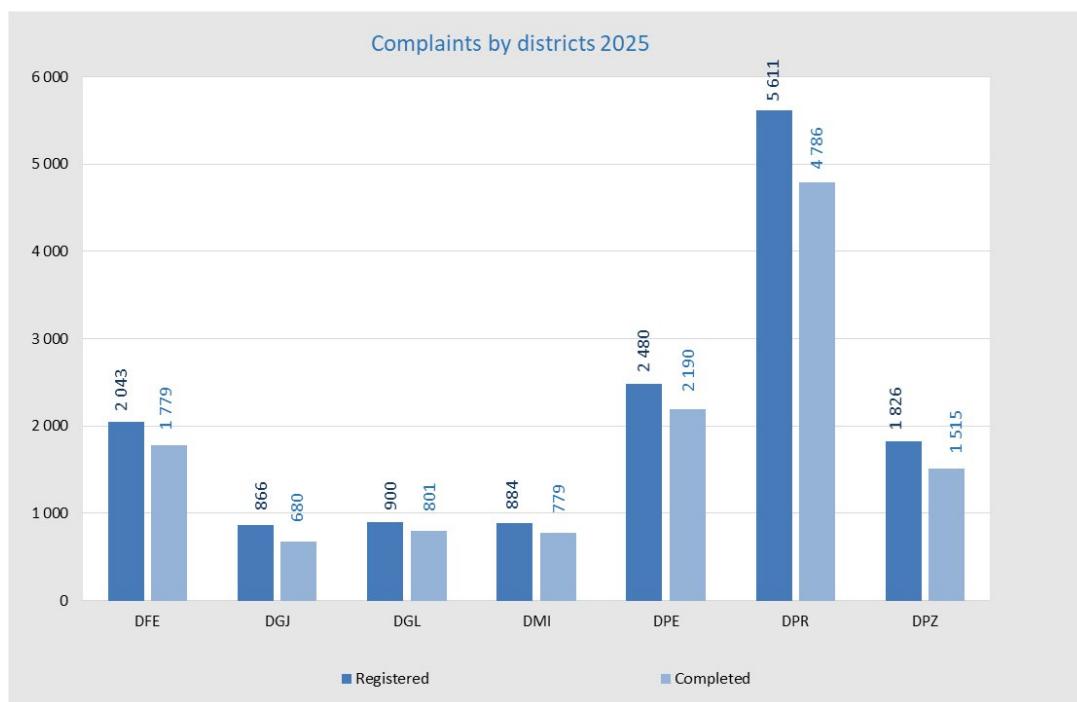


Fig . 6. 35 Complaints and number of customers by districts, 2025

From the above figure it can be seen that the highest number of customer complaints registered at KESCO during 2025 is in the Prishtina district with 5,611 complaints, followed by the Peja district with

2,480 complaints, while the lowest number of complaints registered is in the Gjakova district with 866 complaints. It should be noted that the highest number of complaints in the Prishtina district is mainly because the Prishtina District also has the largest number of customers in Kosovo. Also from the above figure it can be seen that the highest number of customer complaints resolved by the Customer Departments in KESCO compared to the number of complaints filed at the district level is in the Mitrovica district with 89%, followed by the Peja district at 88.31%, while the lowest is in the Gjakova district at 78.52%.

Below is a report of customer complaints submitted at KESCO with the number of active customers and billing for this period by months.

Tab. 6. 29 Report of complaints and number of customers by month for the year 2025

Month	Complaint	Number of invoices	Customer/complaint ratio
January	1 748	730 957	0,24%
February	1 284	733 109	0,18%
March	1 066	734 898	0,15%
April	944	737 253	0,13%
May	816	739 010	0,11%
June	849	733 458	0,12%
July	1 139	732 868	0,16%
August	1 010	734 711	0,14%
September	1 033	736 941	0,14%
October	1 173	738 900	0,16%
November	1 221	737 838	0,17%
December	2 327	739 450	0,31%
Total	14 610	8 829 393	0,17%

From the table above, it is noted that the number of complaints registered during 2025 is 14,610, which compared to the total number of active customers represents 1.98% of the total number of customers who have filed complaints, or 0.17% of the total number of annual invoices issued by the Universal Service Supplier.

The figure below shows the number of complaints registered and completed by nature of the complaints for the year 2025.

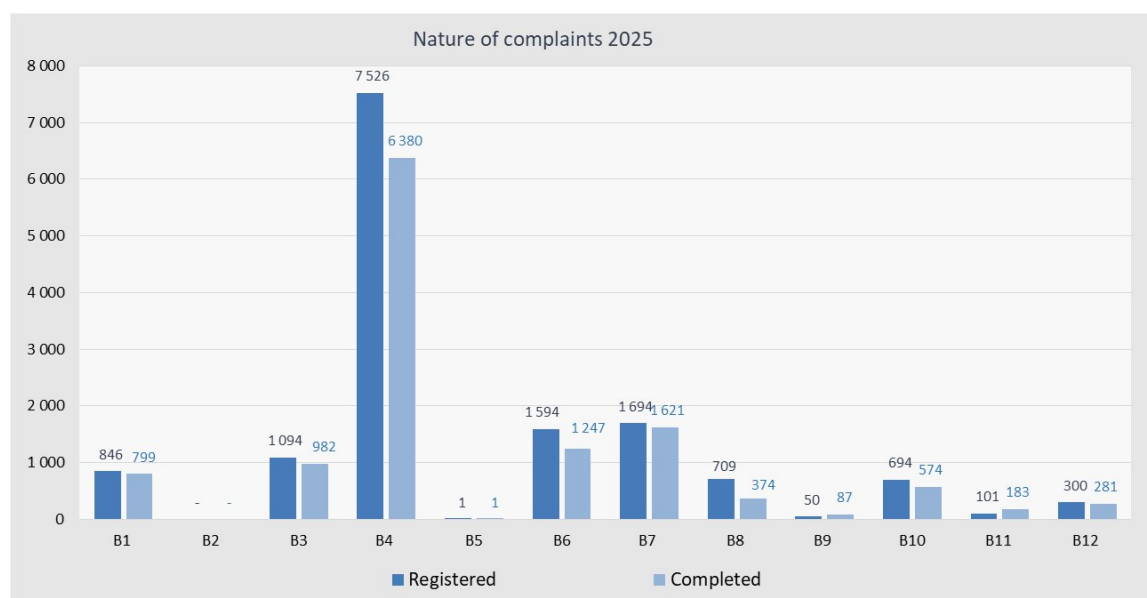


Fig . 6. 36 Customer complaints by nature for the year 2025

Below are descriptions of the nature of customer complaints submitted to the Supplier - KESCO:

B1 - Unregistered payment - this type of complaint is if the customer notices that the payment made by him/her has not been registered in his/her account (his/her number), then the customer must appear at KESCO and file a complaint for an unregistered payment, attaching his/her payment receipt and other evidence.

B2 - Initial balance error - This type of complaint is when the customer has noticed that an error was made during the transfer of the initial data, and as such requests that the initial balance be corrected.

B3 - Non-receipt of invoices - This nature of complaints is related to the fact that electricity bills do not arrive regularly or do not arrive at all, and on this basis the customer should file a complaint with KESCO so that this does not happen in the future.

B4 - Overlimit - This nature of complaints relates to the customer's complaint that they have been billed over the limit due to reading or billing errors.

B5 - Change of lump sum - This nature of complaints is related to cases where the customer was once billed flat rate/without metering, and now has an electric meter installed, and the customer wants to be billed according to the measurement recorded on the meter.

B6 - Incorrect reading - This type of complaint is related to the fact that the customer's electricity consumption (kWh) read does not match the electricity consumption billed, then the customer must file a complaint of this nature.

B7 - Irregular reading - This nature of complaints has to do with the fact that the electric meter that records the energy consumed is not being read regularly, month after month, and consequently we have the accumulation of electricity consumption on only one bill.

B8 - Inaccurate meter - This nature of complaints is related to the fact that if the customer suspects that the meter is measuring incorrectly, then he or she should report to KESCO and file a complaint for inaccurate measurement of the metering point.

B9 - Request for debt repayment - This nature of complaints is related to the fact that if a customer has privatized an enterprise and in the transactions of the privatized enterprise there is a debt that

belongs to the old enterprise, then this debt must be requested to be repaid and the name changed, then in these cases the customer must bring all the documents of the privatization process and the data of the enterprise, in order to proceed with the complaint.

According to a court decision, KESCO JSC. is obliged to settle a debt in customer transactions, then the customer must appear at KESCO with all relevant documentation.

In cases where the customer has property that has been occupied by different persons and that there is a debt collected from other persons, then the customer must appear at KESCO and bring with them the documents issued by the Kosovo Property Agency, which prove that the property has been occupied and based on the documents provided, the customer requests that the disputed debt be settled, but that of course the undisputed debt must be paid.

B10 - Disconnection without notice - This nature of complaints is related to whether the customer believes that they have been disconnected from the electricity network without notice.

B11 - Other - This nature of complaints is related to the fact that if none of the above points suit the customer, then the customer must write down his complaint in words.

B12 - Unauthorized use of electricity (Recovery of losses) - This nature of customer complaints concerns complaints related to unauthorized use of electricity, such as uncontracted use of electricity, and theft of electricity.

From the data reported by KESCO for 2025, it is noted that of the total number of customer complaints, the most complaints were related to over-limit bills due to reading or billing errors of 7,526 or expressed as a percentage of 51.52%, complaints related to non-regular readings of monthly expenses of 1,694 or expressed as a percentage of 11.60%, followed by complaints related to incorrect readings of 1,594 or expressed as a percentage of 10.91%, while the least complaints were related to requests for debt repayment with only 50 complaints or 0.34%.

Based on the data reported by KESCO on customer complaints, it is observed that there is an increase in the number of complaints in 2025, and this increase is generally related to over-limit bills due to reading or billing errors as well as errors in reading at the metering point (incorrect reading and irregular reading) and due to irregular readings of monthly expenses. In general, it should be noted that the number of customer complaints regarding errors in reading the metering point is decreasing and this is owing to the method of reading the metering point using a hand-held device (Hand Held Unit), which has significantly improved the reading of the metering points and has reduced the possibility of errors during the reading of the metering point, since reading and billing are done at the same time and due to remote readings for customers who have smart meters installed.

Below is a figure with the data on complaints resolved by KESCO for 2025, or more precisely the status of resolved complaints.

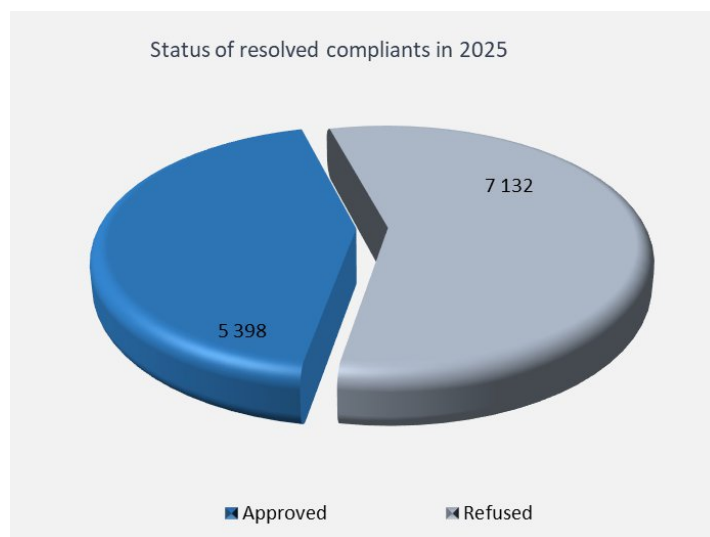


Fig. 6. 37 Status of resolved customer complaints for the year 2025

From the above figure, it is noted that out of 12,530 resolved customer complaints, KESCO approved 5,398 complaints in favor of the customers or 43.08%, while it rejected 7,132, or expressed as a percentage 56.92%.

Below is a diagram with the ratio of complaints filed and resolved with the Universal Service Supplier KESCO according to the years 2014-2025.



Fig. 6. 38 Customer complaints in KESCO by years

6.9 Reporting of the Electricity Supplier "Elektrosever Company" LLC

The electricity supplier "Elektrosever Company" LLC, as a licensed supplier for the supply of electricity in the four municipalities of the northern part of Kosovo, began operations in February 2024.

According to the data submitted for the period January-December 2025, it is confirmed that this supplier has 24,429 active customers who are billed on a regular monthly basis. Also, according to

the data submitted, it is confirmed that 1,086 customers are temporarily deactivated and 28 are permanently deactivated.

Of the total number of customers reported, 21,718 are household customers, including billing for shared expenses, and 2,711 are non-household customers, including public lighting. Of this number of customers, only 12,976 have signed an electricity supply contract.

The graph below shows the number of customers and invoices issued by this supplier for the period January-December 2025 for the four municipalities.



Fig. 6. 39 Number of customers billed during 2025

According to the data reported on complaints received from customers of "Elektrosever Company" LLC for 2025, it is noted that the total number of customer complaints registered in the Customer Department is 16,879, and that all 16,879 complaints have been resolved or completed.

Below is a chart of customer complaints registered and resolved by nature of complaint for 2025.

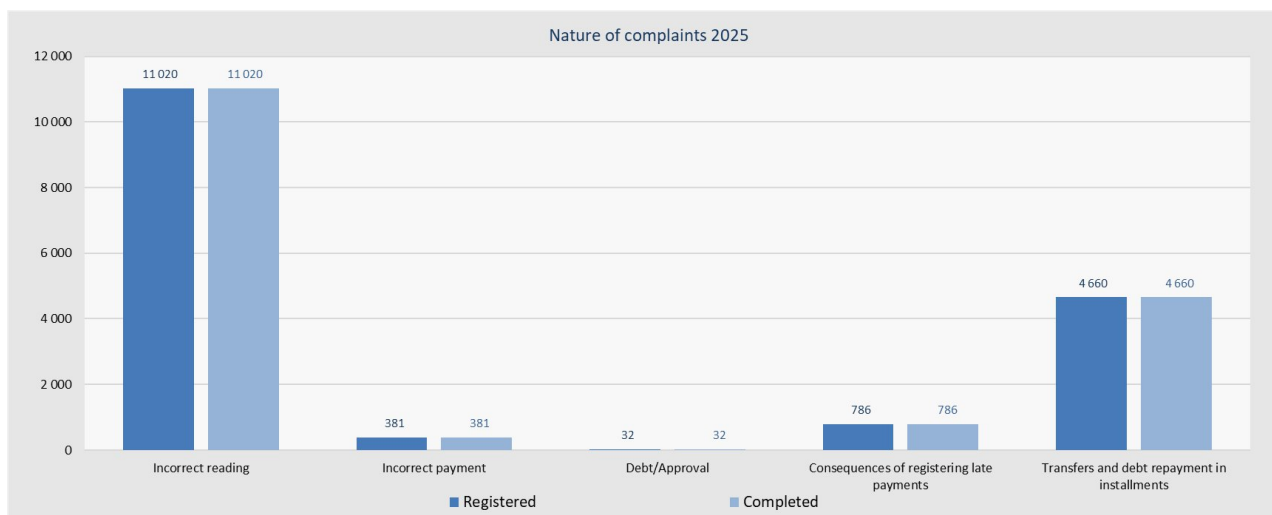


Fig. 6. 40 Customer complaints by nature for 2025

From the reported data, it is noted that from the total number of customer complaints, the most complaints were related to invoices due to inaccurate readings or billing of 11,020 or expressed as a percentage of 65.29%, complaints related to the transfer and repayment of debt through instalments of 4,660 or expressed as a percentage of 27.61%, complaints related to delays in the registration of payments of 786 or expressed as a percentage of 4.66%, complaints related to incorrect payments, or inaccurate registration of payments of 381 or expressed as a percentage of 2.26% and complaints related to debts of 32 or expressed as a percentage of 0.19%. According to the reported data, it is confirmed that all complaints submitted by customers have been reviewed and resolved.

The figure below also shows the calls received by the supplier's call center from customers.

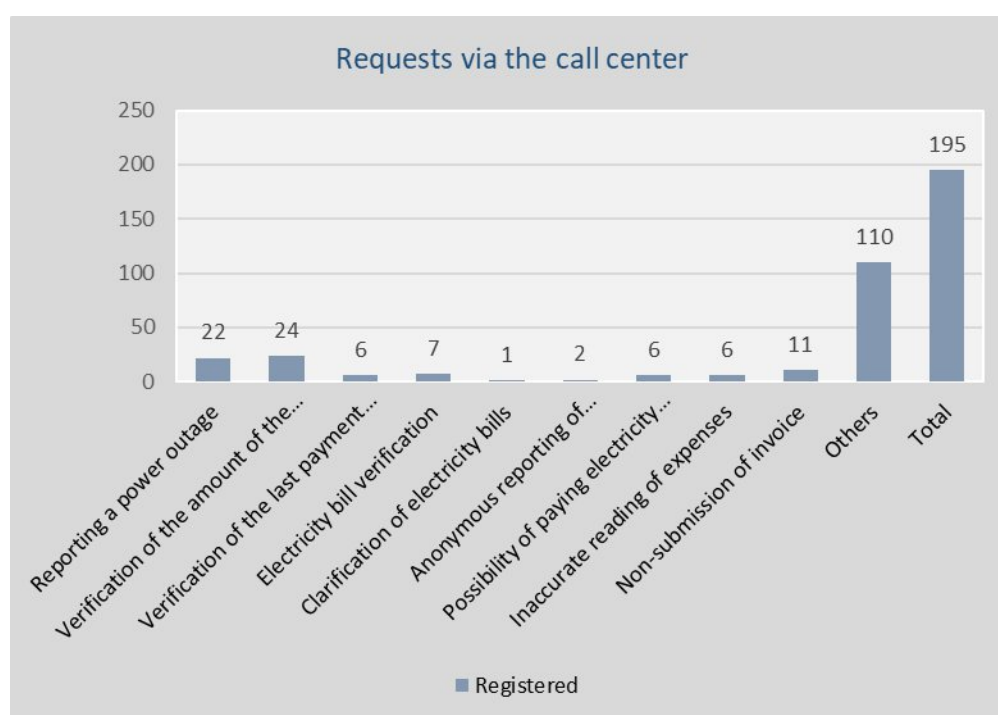


Fig. 6. 41 Customer requests via the call center

The graph shows the requests through the call center. A total of 195 requests were registered. The majority are related to the verification of the bill value (24 cases), electricity outages (22 cases), followed by complaints about non-receipt of bills (11 cases), while the least number of requests are for clarification of electricity bills.

1.3.1 Reporting of the Electricity Supplier “KESCO” JSC

The electricity supplier “KESCO” JSC, as a licensed supplier for the supply of electricity, has started operating earlier, but has increased the activity of supplying electricity to unregulated customers from the period of June 2025, respectively after the opening of the electricity market. This supplier has reported on the number of registered and billed customers as well as the number of complaints received and resolved for this period of time.

According to the data submitted for the period June-December 2025, it is confirmed that this supplier has 434 active customers with whom contracts have been signed for the supply of 4,337 metering points (digits).

During the reporting period, the electricity supplier has received and handled a considerable number of requests and complaints from customers, which are mainly related to issues of electricity supply and contractual services.

In total, 4 complaints have been registered in different categories. Of this number, 2 cases have been concluded, while 2 cases are in the process of being reviewed.

The following figure also shows the calls received by the supplier's call center from customers.

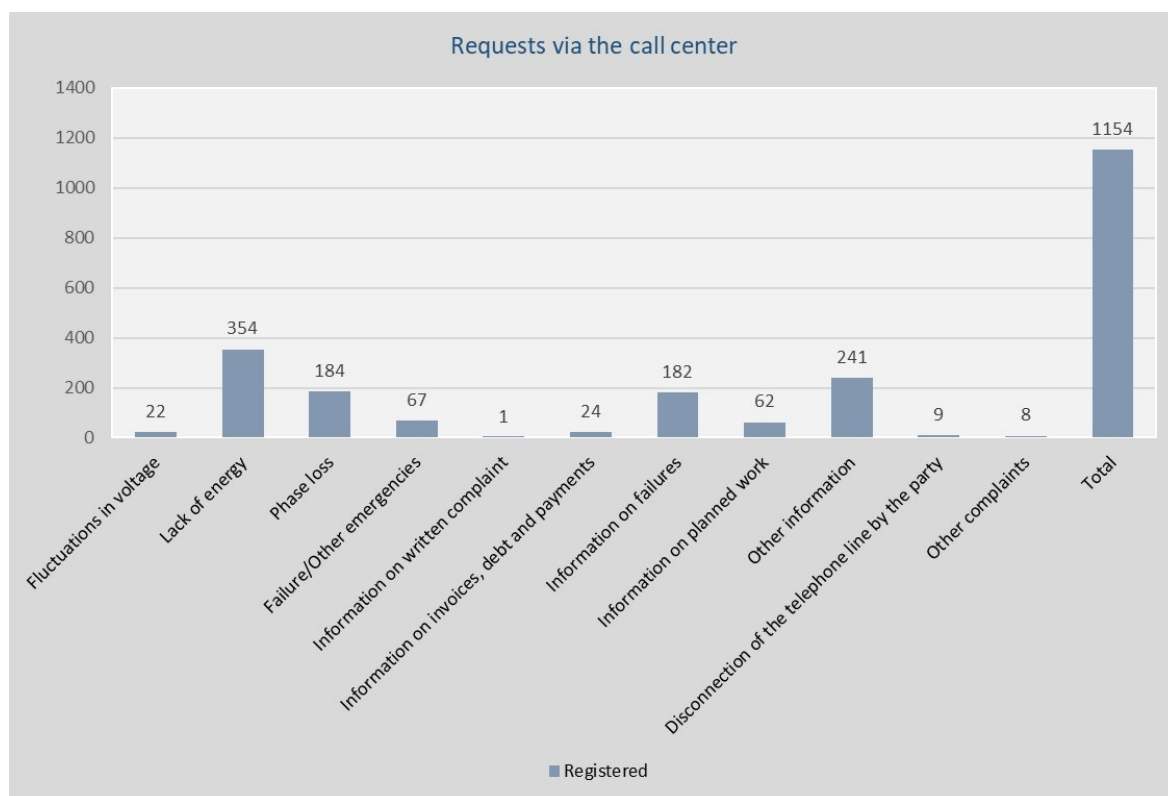


Fig. 6. 40 Customer requests via the call center

The figure shows the requests through the call center, with a total of 1,154 cases registered. The largest number of requests is related to information on electricity outages (354 cases), followed by requests for other information (241 cases) and phase failure (184 cases). A significant number of requests are also related to Information on failures (182 cases). Fewer requests are registered for Information on written complaint (1 case), other complaints (8 cases) and interruption of the telephone line by the party (9 cases). In general, most calls are related to energy supply problems and requests for information.

6.10 Reporting of the Electricity Supplier "Kosovo Energy Corporation" JSC

The electricity supplier "Kosovo Energy Corporation" - KEK as a licensed supplier for the supply of electricity, has started operating earlier but has increased the activity of supplying electricity from

the period of June 2025, respectively after the opening of the electricity market. KEK has reported on the number of registered and billed customers as well as the number of complaints received and resolved for this period of time.

According to the data submitted for the period June-December 2025, it is confirmed that this supplier has 158 customers with whom it has signed contracts for the supply of 3,967 metering points (digits), while as KEK SoLR (Supplier of Last Resort) it has reported that it has supplied more than 8,000 metering points.

During the reporting period, the Electricity Supplier has received and handled a significant number of requests and complaints from customers, which are mainly related to issues of electricity supply and contractual services.

In total, 614 requests and complaints in different categories have been registered. Of this number, 389 cases have been completed, while 201 cases are in the process of being reviewed, or expressed in percentage terms, 63% of complaints and requests have been completed as a result of handling by the supplier.

Below is a figure with data on complaints and requests submitted and resolved by the supplier KEK for 2025, as well as those that are still in process.

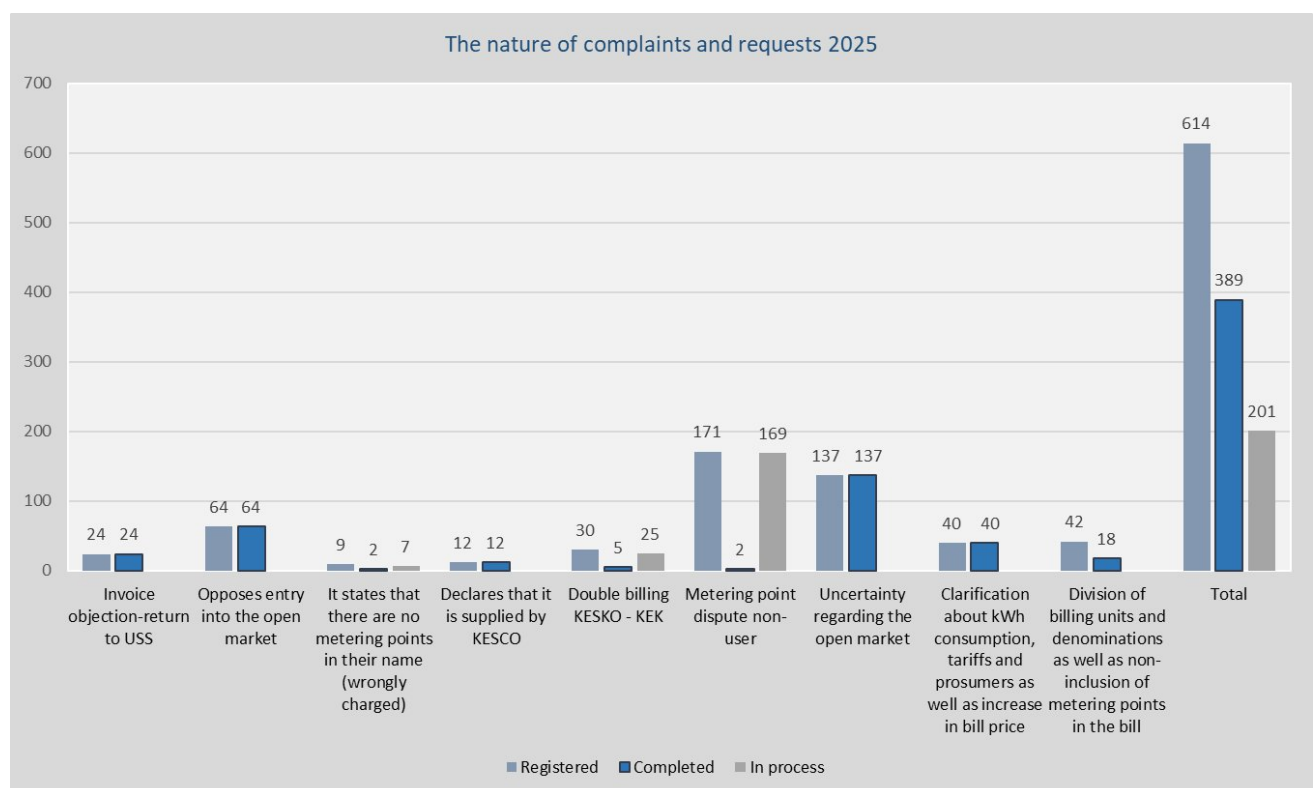


Fig. 6. 43 Customer complaints by nature for 2025

The analysis of the structure of complaints shows that a significant part of them is related to procedural and informational issues, which have been fully addressed by the supplier. Specifically, categories such as invoice requests, invoice objections due to requests for return at regulated prices, objections to market entry, declarations for supply by KESCO, uncertainties related to the open

market, as well as requests for clarification about consumption, tariffs and prosumers-producers themselves, have been completed at a rate of 100%.

However, the report highlights a high number of cases in process in some specific categories. The most prominent problem is the dispute over the metering point - non-user, where out of 171 registered cases, 169 are still in process. A high workload is also observed in cases of double billing KESCO-KEK and in cases where customers declare that they do not have a metering point in their name.

The figure below also shows the calls received by the supplier's call center from customers.

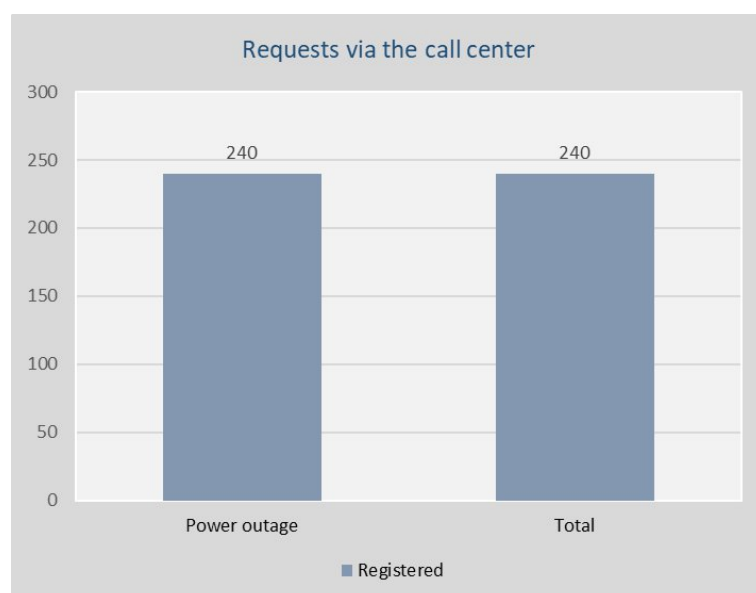


Fig. 6. 44 Customer requests via the call center

The graph shows the requests registered through the call center, with a total of 240 cases. Of these, 240 requests are related to information about power outages.

6.11 Reporting of the Electricity Supplier "VoltKos" LLC

The electricity supplier "VoltKos" LLC, as a licensed supplier for the supply of electricity, began operations in June 2025 and reported on the number of registered and billed customers as well as the number of complaints received and resolved for this period of time.

According to the data submitted for the period June-December 2025, it is confirmed that this supplier has 72 customers with whom it has signed contracts for the supply of 608 metering points (digits).

During the reporting period, the Electricity Supplier has received and handled a significant number of requests and complaints from customers, which are mainly related to issues of electricity supply and contractual services.

In total, 34 requests and complaints were registered in different categories. These requests and complaints mainly related to electricity outages, supply-phase problems, transformer problems, exceeding the contracted power, delays in replacing meters-extension of procedures for increasing

power, fuse damage, as well as visits by DSO employees as a result of disconnection requests due to previous debts to previous suppliers.

Below is a figure with data on complaints and requests submitted and resolved by the supplier VoltKos, as well as those in process for 2025.

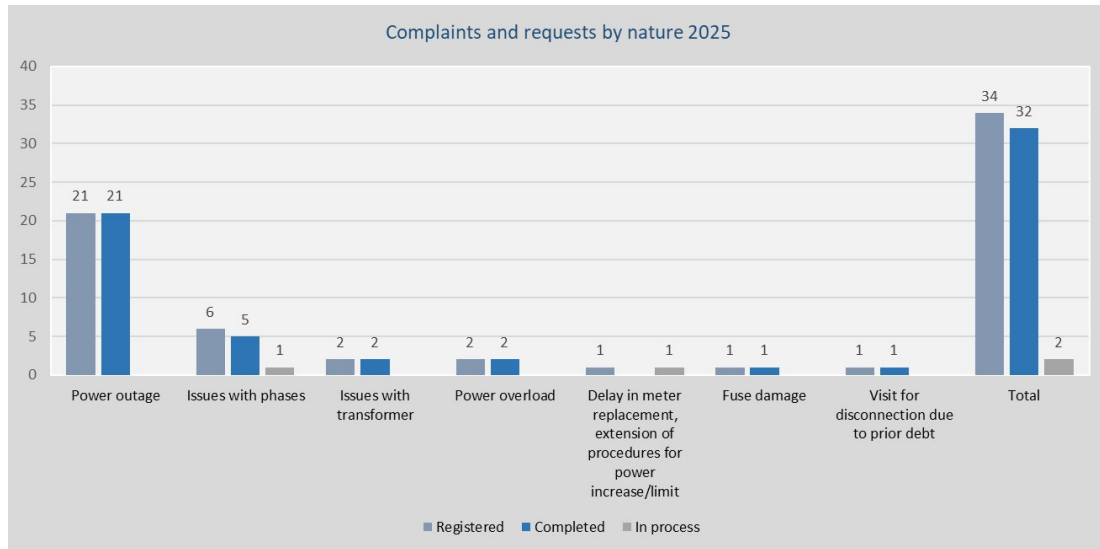


Fig. 6. 45 Customer complaints by nature for 2025

Apart from two requests/complaints, all requests and complaints received during this period were handled and closed within the legally established deadlines, which is reflected by the matching of the number of cases received with those resolved for each category.

The following figure also shows the calls received by the supplier's call center from customers.

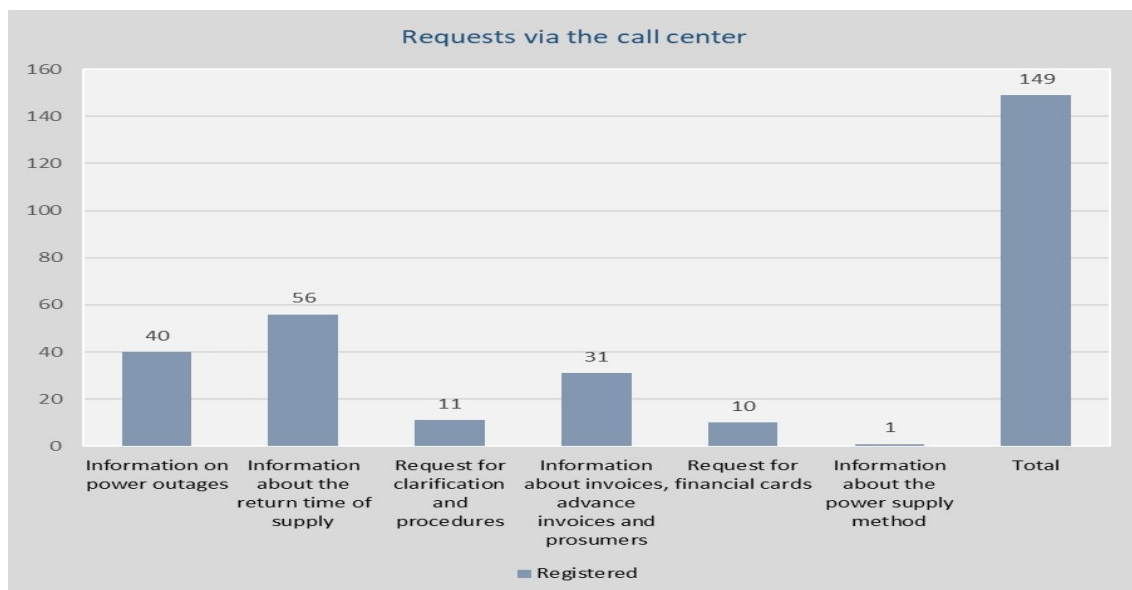


Fig. 6. 46 Customer requests via the call center

The graph shows the requests through the call center, with a total of 149 cases registered. The largest number of requests related to information on the time of supply restoration (56 cases), followed by information on electricity outages (40 cases) and information about invoices, the value of the guarantee deposit and self-producers (31 cases). Fewer requests were registered for clarification of procedures (11), requests for financial taxes (10) and information about the method of electricity supply (1 case).

6.12 Reporting of the Electricity Supplier "Enerco" LLC

The electricity supplier "Enerco" LLC, as a licensed supplier for the supply of electricity, began operations in June 2025 and reported on the number of registered and billed customers as well as the number of complaints received and resolved for this period of time.

According to the data submitted for the period June-December 2025, it is confirmed that this supplier has 60 customers with whom it has signed contracts for the supply of 388 metering points (digits).

During the reporting period, the Electricity Supplier has received and handled a significant number of requests and complaints from customers, which are mainly related to billing issues, meters, portfolio of figures and contractual services.

In total, 74 requests and complaints were registered in various categories, including: clarification of invoices, billing from previous suppliers, meter readings and changes, addition or exclusion of figures from the portfolio, as well as clarifications regarding double billing by KESCO. Requests related to capacity increase, meter reactivation, contract termination and confirmation of supplier switching were also handled.

Below is a figure with data on complaints and requests submitted and resolved by the supplier Enerco for the year 2025.

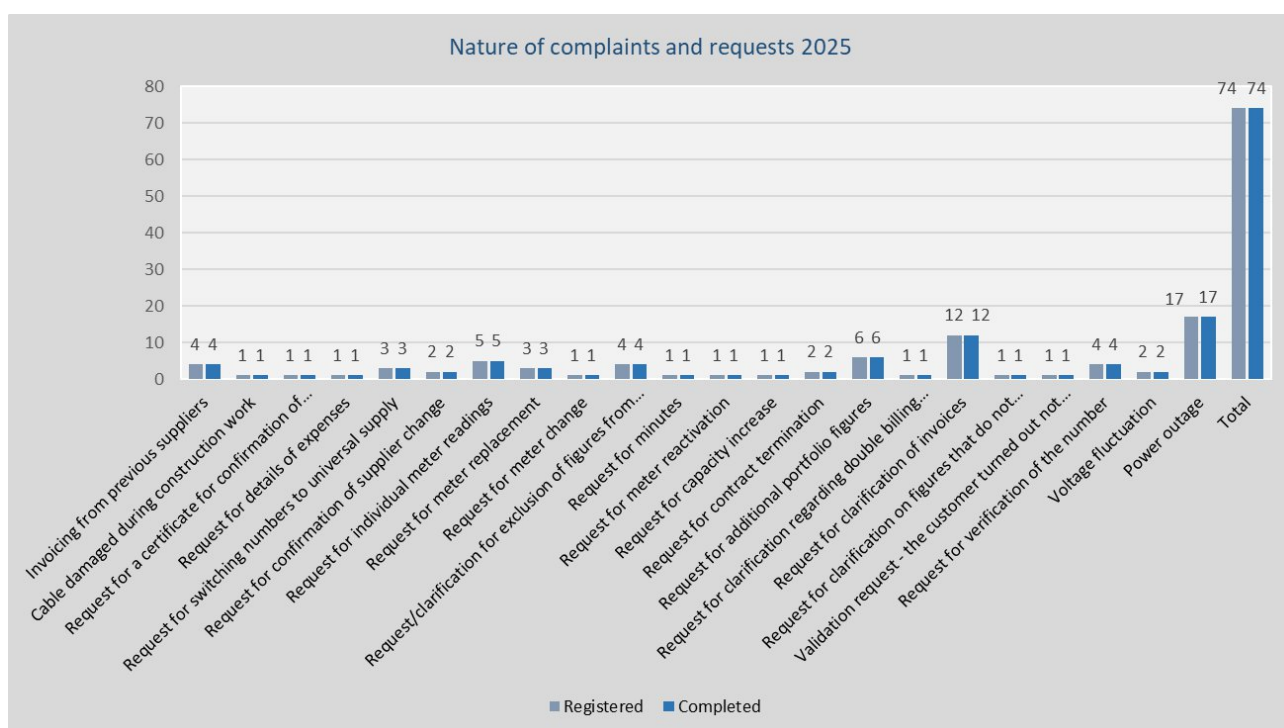


Fig. 6. 47 Customer complaints by nature for 2025

All requests and complaints received during this period have been handled and closed within the legally established deadlines, which is reflected by the matching of the number of cases received with those resolved for each category. Their handling has been done in accordance with the legislation in force and the supplier's internal procedures, in order to guarantee transparency, correctness of billing and protection of customer rights.

The following figure also shows the calls received by the supplier's call center from customers.

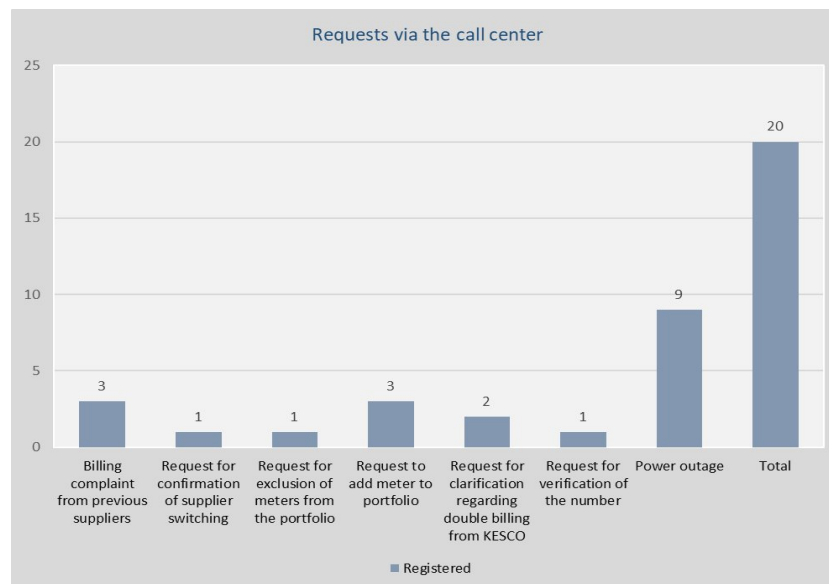


Fig. 6. 48 Customer requests via the call center

The graph shows the requests via the call center. A total of 20 requests were registered. The majority are related to electricity outages (9 cases), followed by complaints about billing from previous suppliers (3 cases) and requests for adding units to the portfolio (3 cases). There are 2 requests for clarification of double billing from KESCO, while 1 case was registered for confirmation of the change of supplier, exclusion of units from the portfolio and verification of the figure.

6.13 Reporting of the Electricity Supplier “EDS International KS”

The electricity supplier "EDS International KS" LLC, as a licensed supplier for the supply of electricity, has started operating earlier but has increased its electricity supply activity from the period of June 2025, respectively after the opening of the electricity market. This supplier has reported on the number of customers registered and billed as well as the number of complaints received and resolved for this time period.

According to the data submitted for the period June-December 2025, it is confirmed that this supplier has 19 customers with whom it has signed contracts for the supply of 191 metering points (digits).

During the reporting period, the Electricity Supplier has received and handled a small number of requests and complaints from customers, which are mainly related to electricity supply issues.

In total, 2 requests and complaints were registered in different categories. These requests and complaints mainly related to electricity outages and clarification regarding electricity billing at a metering point.

Below is a figure with data on complaints and requests submitted and resolved by the supplier EDS International KS for the year 2025.

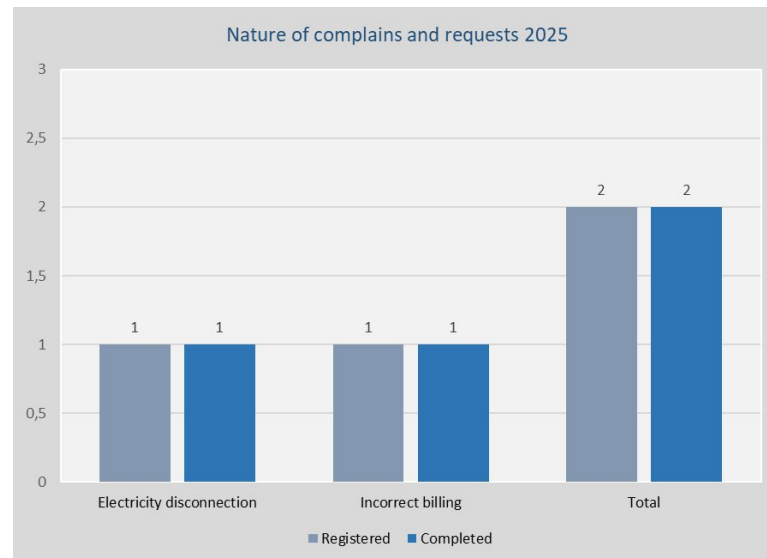


Fig. 6. 49 Customer complaints by nature for 2025

All requests and complaints received during this period have been handled and closed within the legally established deadlines, which is reflected by the matching of the number of cases received with those resolved for each category.

The figure below also shows the calls received by the supplier's call center from customers.

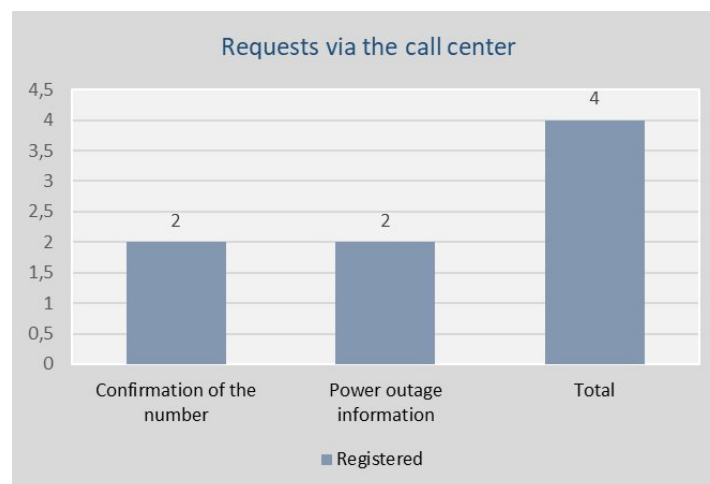


Fig. 6. 50 Customer requests through the call center

The graph shows the requests registered through the call center, with a total of 4 cases. Of these, 2 requests are related to the confirmation of the number, while 2 requests are for information about power outages.

6.14 Reporting of the Electricity Supplier "Future Energy Trading and Exchange Dynamics" LLC

The electricity supplier "FUTURE ENERGY TRADING AND EXCHANGE DYNAMICS" LLC, as a licensed supplier for the supply of electricity, has started operating earlier. This supplier has reported on the number of registered and billed customers as well as the number of complaints received and resolved for this period of time.

According to the data sent for the period June-December 2025, it is confirmed that this supplier has only 2 customers with whom it has signed contracts for the supply of 2 metering points (digits).

It also reported that during this period there were no complaints or requests reported by customers.

6.15 Data reported by DH Termokos

From the data reported by the District Heating Company DH Termokos JSC, it is noted that, throughout 2025, customers have submitted various complaints and requests regarding the services offered by the company, such as: verification of heating quality, verification of the heating area, requests for changing the name of the number, requests for various interventions, complaints regarding billing without metering, applications for new connections, disconnections and reconnection to the distribution system, etc.

Below is a diagram with the ratio of submitted complaints/requests resolved by the District Heating Termokos JSC during 2025.

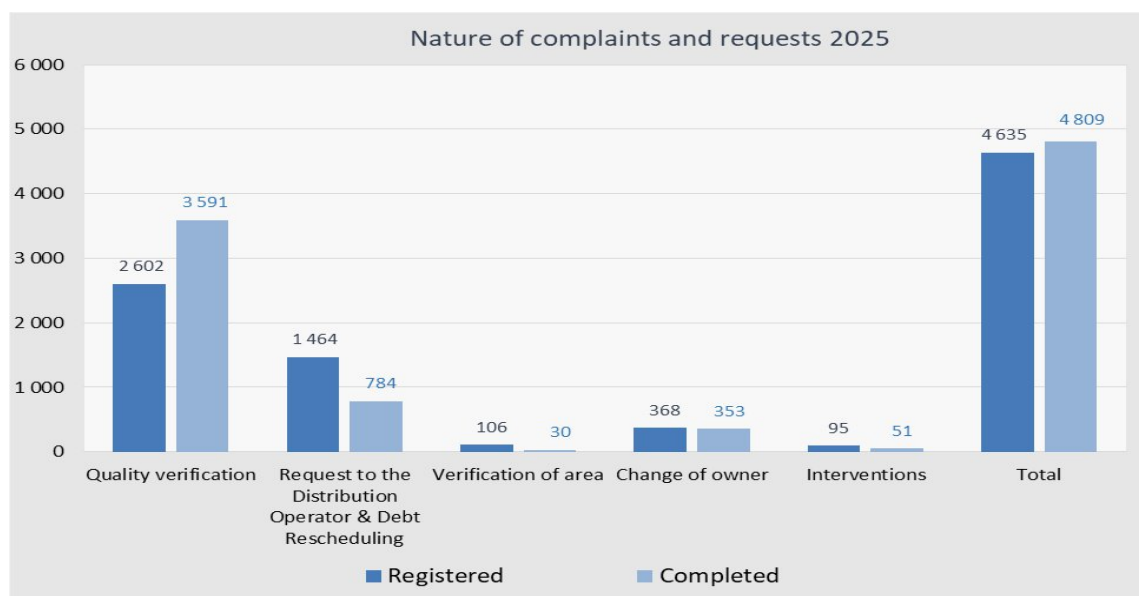


Fig. 6. 51 Customer complaints and requests by nature for 2025

So, as can be seen, DH Termokos has received a total of 4,635 requests and complaints from customers during 2025 and that, in total, 4,809 of them have been reviewed, including requests carried over from 2024 and customers have received responses to their complaints/requests. It should be noted that, the total unreviewed requests and complaints are 815, but that, as such, they will be treated by the company and customers will receive responses.

Furthermore, during this reporting year, DH Termokos reported that it had concluded 941 contracts for heat supply with household customers (domestic), while 147 contracts for heat supply were concluded with non-household customers (businesses).

6.16 Data reported by DH Gjakova

According to data reported by DH Gjakova, a total of 3 new connections for household (domestic) and non-household (business) customers were provided. Furthermore, there are 180 thermal energy supply contracts concluded between the enterprise and customers for this reporting year. DH Gjakova has also applied 134 disconnections and reconnections of customers. Furthermore, the total number of complaints received from customers is 19 complaints, which are related to the billing method, namely the transition from billing by measurement to billing by heating area.

Below is a diagram with the ratio of complaints/requests submitted and resolved to the Gjakova city district heating company during 2025.

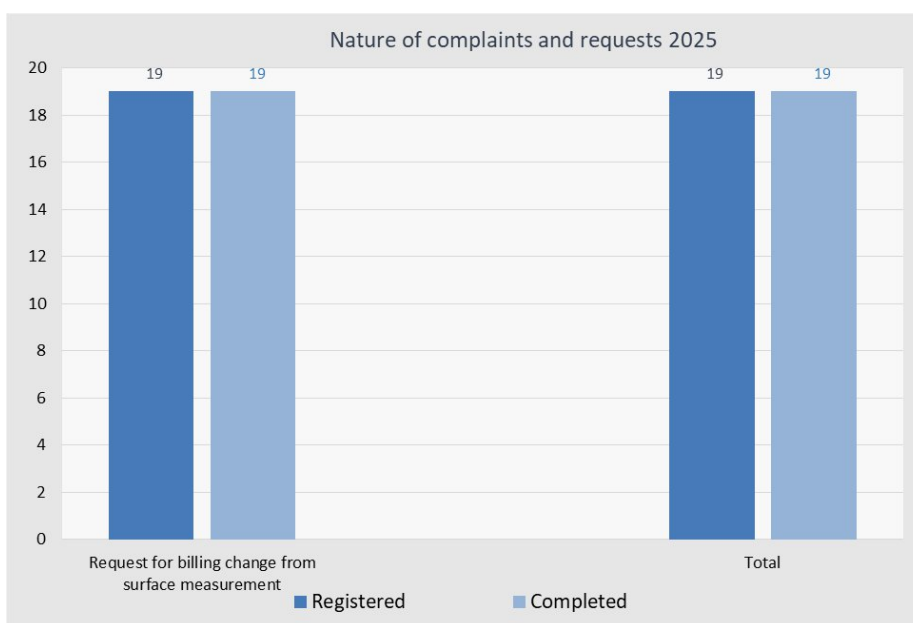


Fig. 6. 43 Customer complaints and requests by nature for 2025

Of the complaints received, a total of thirty-five responses were issued, including a joint response to a collective complaint from sixty residents.

7 THERMAL ENERGY SECTOR

The thermal energy sector in Kosovo consists of four systems: DH Termokos - Prishtina, DH Gjakova - Gjakovë, DH Termomit - Mitrovica, and in Zvečan. This sector has a very limited scope at the local level, meeting approximately 3 - 5% of the total heating demand in Kosovo.

7.1 Technical characteristics of thermal energy systems

The thermal energy sector in Kosovo consists of four district heating systems, with an estimated installed production capacity of around 289 MW_{th}. The Termomit heating plant in Mitrovica and the Zvečan heating system, due to known circumstances, do not meet the requirements for licensing, regulation and monitoring by ERO, which makes it impossible to provide up-to-date and reliable data. For this reason, only detailed data for the Termokos and DH Gjakova are presented below.

7.1.1 Thermal energy production plants

The thermal energy production plants of the DH Termokos consist of the main heating plant with a total installed capacity of 120 MW_{th}, as well as the auxiliary heating plant at the University Clinical Center of Kosovo with a capacity of 14 MW_{th}. With the commissioning of the thermal energy extraction station from units B1 and B2 of the Kosovo B Thermal Power Plant, this capacity has been increased by the installed co-generation capacity of 140 MW_{th}. The fuel oil boilers in the DH Termokos heating plant have not been decommissioned, because they are planned to serve as reserve capacity to be activated in case of eventual breakdowns in the units of TPP Kosova B. However, these thermal energy production plants are currently not functional because the fuel preparation station - fuel oil has been dismantled due to the construction of the administrative building, and also, the technical expertise undertaken in 2024 has concluded that the boilers have suffered irreparable structural mechanical, electrical and construction damage, and consequently their safe and efficient operation is impossible.

The new biomass heating plant in the city of Gjakova is equipped with two thermal energy production units with an installed capacity of 2×5.5 MW_{th}, respectively 11 MW_{th}, as well as a co-generation unit with a thermal energy production capacity of 4 MW_{th} and electricity of 1.12 MW_{el}. In total, the new biomass heating plant has a total installed thermal capacity of 15 MW_{th}.

7.1.2 Thermal Energy Distribution Systems

Thermal energy distribution systems in Kosovo consist of the primary distribution network, which extends to supply points at substations, as well as the secondary network, which extends from substations to end users.

The primary distribution network of the DH Termokos has a route length of 58.5 km, respectively a pipeline length of about 117 km. An integral part of this system are the pumping station and heat exchangers, located in the Sunny Hill (Bregu i Diellit), as well as about 900 active substations, which constitute the dividing points between the primary and secondary networks. In addition to the existing distribution network, the thermal energy transportation network from TPP Kosova B to the DH Termokos also operates, with a length of about 10.5 km.

The primary distribution network of DH Gjakova extends over a route length of about 23.5 km, respectively with a pipeline length of about 47 km. An integral part of this network are also about 257 active substations, which serve as dividing points between the primary and secondary networks.

A summary of the technical characteristics of the district heating systems of DH Termokos and DH Gjakova is presented in the table below.

Tab. 7. 1 Technical data of district heating systems

Company (City)	Installed capacity [MW _{TH}]	Operational capacity [MW _{TH}]	Thermal energy network	
			Length of network (track) [km]	No. of substations
TERMOKOS (Prishtina)	2 x 58 = 116	2 x 49.3 = 98.6	Dis. network	
	2 x 7 = 14	2 x 6.3 = 12.6	58.5	920
	1 x 4 = 4	3.6	Trans. network	(active-900)
	[Cogeneration] 2 x 70 = 140	2 x 68.7 = 137.4	10.5	
Sub-total	274.0	252.2	69.0	920
DH GJAKOVA (Gjakova)	2 x 5.5 = 11	2 x 5.5 = 11	Dis. network	390
	[cogeneration*] 1 x 4 = 4	[cogeneration*] 1 x 4 = 4	23.5	(active-257)
Sub-total	15.0	15.0	23.5	390
Total	289.0	267.2	92.5	1,310 (Active - 1,157)

* The 2 thermal energy production boilers at the Termokos District Heating Plant are not functional

** The cogeneration unit of DH Gjakova has a thermal capacity of 4MW_{TH} and an electrical capacity of 1.12 MW_{EL}.

7.2 Key developments in the thermal energy sector

Referring to the development of the thermal energy sector in Kosovo in general, it is noted that in recent years this sector has begun to be addressed in a more strategic and coordinated manner at the national level. With the completion of the drafting of the Feasibility Study for the development of new thermal energy systems (district heating) in several cities of Kosovo, an important step in this direction has been marked. The study was developed within the framework of the WBIF platform, with the European Investment Bank as the lead financial institution, and analyzed the technical, economic and financial aspects of the creation and functioning of district heating systems at the municipal level.

The study included an analysis of the potential for the development of thermal energy systems in eight cities of Kosovo, namely Peja, Prizren, Gjiilan, Ferizaj, Mitrovica, Drenas, Obiliq and Zvečan, taking into account the current and future demand for heat, the urban structure, potential energy sources, as well as the long-term costs and benefits of such investments. The results of this study provide an important analytical basis for decision-making regarding the expansion of the thermal energy sector in Kosovo and for the orientation of public and private investments in this area.

Further development of the thermal energy sector in Kosovo is expected to be based on the findings and recommendations of this study, focusing on solutions that contribute to increasing energy

security and diversifying energy supply sources. In particular, the expansion of district heating systems is expected to have a direct impact on reducing the use of electricity for heating in the residential and public sectors, easing the load on the electricity system, especially during peak winter periods.

At the same time, the development of this sector is expected to have a positive impact on environmental protection, through the reduction of pollutant emissions and the improvement of overall energy efficiency. The integration of renewable energy sources, the use of more efficient technologies and the implementation of modern standards for the management of thermal energy systems will contribute to the achievement of national objectives for energy efficiency and a sustainable energy transition in Kosovo.

7.2.1 Developments in DH Termokos

Overall, in 2025, the operation of the DH “Termokos” system has been carried out in technically stable conditions and without interruptions in supply. The entire supply of thermal energy has been realized through co-generation from TPP Kosova B, while the heavy fuel oil plants have not been activated at all. This constitutes an important operational development, as it proves the functionality and reliability of the co-generation system as a primary source of heating for Prishtina.

The total thermal energy production from co-generation equipment at TPP Kosova B has reached over 362 GWh, while the net energy received by Termokos after transport losses has been around 355 GWh. The actual supply to customers has been around 326 GWh, which represents a season with high operating volume and stable load on the network.

One of the most positive developments of this season is related to the management of technical losses. Losses in the KEK-Termokos transmission network have been constant at around 2% throughout the season, without monthly deviations, reflecting hydraulic stability and good operation of the transmission infrastructure. The same can be observed for the distribution network, where there has been mainly stable operation with a level of technical losses of 6.53%, which in practical terms, shows that the distribution network is in good technical condition, and the investments in recent years in rehabilitation and expansion have had a direct effect.



The most significant and at the same time most challenging development in 2025 has been the implementation of the "Prishtina Heat Save" project and its impact on the billing system, which involved over 18,500.

During this year, Termokos has reported metering data at the apartment level for around 12,500 customers, through allocators and thermal energy meters. This represents a major structural step towards billing based on real consumption, in line

with energy efficiency policies. However, the implementation has been partial and technically not fully consolidated. Some of the buildings included in the project have not managed to fully transition to consumption-based billing due to:

- unfinished installations,
- problems in reading data and calculating individual consumption according to the methodology,
- and the need for additional technical intervention.

As a result, two types of billing continued to be implemented: billing according to heating area and billing according to metered consumption, which has created operational complexity and dissatisfaction among some customers.

During this year, 854 new connections were made, with over 72,600 m² of new heating area, mainly in the residential sector. A total of 1,037 new supply contracts were signed, which shows the continuity of the service expansion and sustainable interest in district heating, while from a financial perspective it has brought an increase in revenues from the sale of thermal energy (heating).

However, despite the increase in billing, collection has remained problematic. The decline in the collection rate, compared to previous years/seasons, represents one of the main risks to the company's liquidity and requires serious addressing in the coming seasons, especially in the context of the large capital investments that are underway.

A total of 465 disconnections were carried out, mainly at the request of customers, while 753 reconnections were carried out, with a significantly larger area than the disconnected one, reflecting the restoration of confidence in the service. Regarding complaints, over 3,300 complaints and requests were handled, mainly for quality and area verification, with the vast majority being resolved within the season.

The 2024/2025 season has been mainly active in terms of investments and development projects.

“Prishtina Heat Save” Project

The project for the installation of thermal energy meters “Prishtina Heat Save” was financed by the US Government through MCC with a \$10.9 million grant, by the Municipality of Prishtina with 2 million euros and by NP “Termokos” JSC.. with 1 million euros as co-financiers. The contract for the implementation of the project was signed in April 2022 between Millennium Foundation Kosovo (MFK) and the contractor “ENERCO LLC” - Prishtina, while the implementation began on 27.07.2022. After November 2022, based on the Tripartite Agreement between MCC, the Municipality of Prishtina and DH “Termokos” JSC., the project has passed into the responsibility of Termokos, with the remaining MCC funds managed by the Project Implementation Unit, integrated into the structure of Termokos until the completion of the project; the value of the first phase was 12,910,384.18 euros and was completed in January 2025.

The second phase of the project for 2025 is intended to be financed by DH Termokos with 1 million euros and was expected to include around 2,500 new customers, while opportunities are being considered to secure additional donors in order to expand the project to all areas covered by the district heating network, to enable billing according to real consumption. The project includes the maintenance and installation of metering and regulation equipment in facilities where installations were not completed in the first phase, as well as the continuation of installations in new facilities within the budget limits, while during the period February 2025 - April 2025, field works were carried out covering a total of 1,572 residential units, with the installation of 1,535 heat allocators and 268

thermal energy meters in the Sunny Hill (Bregu i Diellit), Dardania, Kalabria, Mati 1, Qendra (Center) and Ulpiana neighborhoods.

"Solar 4 Kosovo II" project

The "Solar 4 Kosovo II" project is the largest project in the Balkans and the second in Europe, after Denmark, in the field of thermal energy production from solar energy. The project includes the construction of a solar thermal plant and its integration into the existing district heating system, including the expansion of the network up to 50 MW.

The total cost of the project is expected to be around 80.7 million Euros. Financing will be provided by the German Government through the German Development Bank (KfW) with 53.1 million Euros (21.5 million Euros grant and 31.6 million Euros loan), by the EBRD with 23.2 million Euros loan, and by DH "Termokos" JSC. with 4.4 million Euros as co-financier.

As part of the project developments, the feasibility study and the Environmental and Social Impact Assessment (ESIA) have been completed, the location in the Hade e Re area (25 ha) has been defined and approved, and a contract has been signed with the consulting and supervision company for the project.

During the 2025 reporting period, the following main activities have been completed and are in progress: securing electro-energy consents from KEDS and conditions for connection to the water supply network, approval of the PPR ('Planning Project Report') and in principle of the new Master Plan for the network expansion, approval by KfW of the Terms of Reference and the launch of the pre-qualification process, preparation of the optimized design of the solar thermal plant, announcement of the tender for Lot 1 in January 2025, as well as the development of expropriation procedures and relevant permits. The process of evaluating pre-qualification applications for the "Solar 4 Kosovo II" tender is currently underway.

The project for the construction of infrastructure to double the production capacities and the cogeneration transmission network to 240 MW_{TH} (2025-2029)

The project for the expansion of generating capacities to 240-280 MW_{TH} is in the preparatory phase, with advanced studies, technical designs and discussions for financing with the EIB, the European Union and the Government of the Republic of Kosovo. The project is part of the Master Plan for the expansion of the network and foresees the doubling of generating capacities from 140 to 280 MW_{TH}, with the source being the "Kosova B" Thermal Power Plant.

The total value of the project is expected to be 63.4 million euros, with planned financing from: EIB (31.7 million euros loan), European Commission - IPA (17.6 million euros grant), Government of the Republic of Kosovo (9.0 million euros) and DH "Termokos" JSC (5.1 million euros co-financing).

Of the additional capacity of 140 MW_{TH}, 40 MW_{TH} will be dedicated to the Municipality of Obiliq, while 100 MW_{TH} will remain for DH "Termokos" JSC..

Key developments to date include: signing the agreement with the EIB in June 2022 for financing preliminary studies (1.5 million euros), engaging the "Tetra Tech" consortium as a consulting company, approving the Decarbonization Plan in January 2024, presenting the route of the "Kosova B" - Termokos power plant network, defining the location for HRS-2, and presenting the basic hydraulic calculation of the transmission network, including the connection to the Municipality of Obiliq and the solar plant.

Overall, it can be concluded that the district heating system in Pristina operates in a technically stable manner and is entering an important transformation phase through significant capital investments. However, challenges related to the full operationalization of consumption metering, improved collection, financial discipline and realistic cost planning remain critical for ensuring financial sustainability and for realizing the full potential of these investments in the coming years.

7.2.2 Developments in DH Gjakova



In 2025, DH Gjakova has generally managed to stabilize the supply of heat to customers by achieving a sustainable operation of thermal energy production from biomass in the distribution network.

Regarding the measurement of heat supply/consumption, it should be noted that within the framework of the SECO project, thermal energy meters have been installed in most substations and this fact has had a positive impact on the measurement of

consumption/supply; however, the measurement at the substations is not complete because for about 50 substations, the measurement of consumption has not been recorded given that they are either not equipped with meters or the meters have not functioned for technical reasons, which has made it impossible to fully calculate the quantitative losses of thermal energy. However, it can be concluded that the operation of the system is technically stable, with the main challenge being the completion and full functionality of the measurement system.

It is important to note that in October 2025, the co-generation unit was activated for the first time after installation, enabling simultaneous production of thermal and electricity.

During this year, there has been no development regarding investment development projects, which are considered necessary especially for network expansion and the increase in heating customers.

7.3 Performance of thermal power plants

During the 2024/2025 heating season, DH Termokos has ensured a stable and continuous supply of thermal energy throughout the 24 hours, confirming the operational stability of the system. This has been achieved owing to the reliable operation of the cogeneration plants at TPP Kosova B, as well as the improvements achieved through investments in the rehabilitation of the distribution network and thermal substations.

In DH Gjakova, during the 2024/2025 heating season, units for the production of thermal energy only were put into operation. The supply season started on time, on 15 October 2024, eliminating the delays noted in the previous season, and the supply has developed stably throughout the heating period. This result was enabled by the timely and sufficient provision of fuel, namely biomass.

7.3.1 Production, supply and losses in the system

DH Termokos

- Thermal energy production

During the 2024/2025 season, DH Termokos has based its thermal energy production exclusively on co-generation plants at TPP Kosova B. Similar to the previous season, thermal energy production from the DH Termokos heating plant was not realized, while the entire supply was provided through the co-generation system.

The amount of thermal energy extracted from cogeneration in the 2024/2025 season was **362,547 MWH_{TH}**, which is 32,930 MWH_{TH} and 10% compared to the previous season (329,617 MWH_{TH}). While the amount of thermal energy received at the heat exchange station in the Termokos district heating plant was **355,297 MWH_{TH}**, which also marks a change of 32,272 MWH_{TH} or 10% compared to the previous season (323,025 MWH_{TH}).

The summarized data on thermal energy production from cogeneration for the 2024/2025 season are presented in the following table:

Tab. 7. 2 Thermal energy production from cogeneration

Thermal Energy from Cogeneration – DH Termokos, Season 2024/2025			
Month	Unit	Extracted thermal energy (metered in TPP Kosova B)/Gross production	Received thermal energy (metered in DH Termokos)/Net production
October 24	MWh _{TH}	24 259	23 774
November 24	MWh _{TH}	59 257	58 072
December 24	MWh _{TH}	70 453	69 044
January 25	MWh _{TH}	72 911	71 453
February 25	MWh _{TH}	64 016	62 736
March 25	MWh _{TH}	50 972	49 953
April 25	MWh _{TH}	20 679	20 265
Total	MWh_{TH}	362 547	355 297

- Thermal energy supply

During the 2024/2025 season, DH Termokos has continued to ensure a stable and quality supply of thermal energy, relying mainly on continuous improvement of production, network maintenance and completed rehabilitations.

The supply of thermal energy (district heating) to customers during this season was **331,824 MWh_{TH}**, which marks a change of 46,096 MWh_{TH} and 16% compared to the 2023/2024 season (285,728 MWh_{TH}). This level of supply is considered satisfactory and compatible with the planned objectives for a sufficient and sustainable supply.

- Losses in the system

The thermal energy system of the DH Termokos has its own characteristics regarding system losses, due to the integration of thermal energy from co-generation. Network losses consist of two components: losses in the transport network TPP Kosova B - DH Termokos and losses in the primary distribution network.

Losses in the thermal energy transport network TPP Kosova B - DH Termokos, with a length of 10.5 km, have been determined through measurements carried out at the extraction station at TPP Kosova B and the receiving station at DH Termokos. During the 2024/2025 season, quantitative losses in this network were **7,250 MWh_{TH}** or **2%** calculated on the total gross production.

The following table presents further details on losses in the thermal energy transmission network for this season.

Tab. 7. 3 Thermal energy and losses in the transmission network TPP Kosova B - DH Termokos - season 2024/2025

Losses in thermal energy transport network - season 2024-2025	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Total
Extracted thermal energy - metered in TPP Kosova B [MWh]	24 259	59 257	70 453	72 911	64 016	50 972	20 679	362 547
Received thermal energy - metered in DH Termokos [MWh]	23 774	58 072	69 044	71 453	62 736	49 953	20 265	355 297
Amount of energy losses [MWh]	485	1 185	1 409	1 458	1 280	1 019	414	7 250
Share of losses [%]	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%

Losses in the primary thermal energy distribution network are usually determined based on measurements of thermal energy entering the distribution network and the amount of thermal energy supplied to the customer substations. However, due to the lack of complete metering of the supply at the substation level, the calculation of the supply has been carried out through approximations, based mainly on parameters such as specific heating capacity demand (W/m^2) and full load hours, i.e. specific consumption (kWh/m^2).

The estimated consumption value for the 2024/2025 season is **331,824 MWh_{TH}**. By subtracting this value from the amount of thermal energy introduced into the distribution network **354,998 MWh_{TH}**, it results that the quantitative losses in the primary distribution network for this season are **23,174 MWh_{TH}**, which in percentage represents 6.53%.

This result is mainly related to the impact of distribution network rehabilitation projects, including the replacement of depreciated pipeline segments, as well as improvements made to thermal substations.

The following table presents summarized data on the production, supply and total losses of thermal energy, both in the transportation network and in the distribution network:

Tab . 7. 4 Energy performance of the DH Termokos - season 2024/2025

DH Termokos - Heating season 2024/2025		
Description	Unit	Value
Gross production in heating plants	[MWh _{th}]	0
Gross production in cogeneration plants	[MWh _{th}]	362 547
Quantitative losses in the transport network (TPP Kosova B - DH Termokos)	[MWh _{th}]	7 250
Share of losses in the transport network	[%]	2,00
Own consumption	[MWh _{th}]	299
Net thermal energy production	[MWh _{th}]	354 998
Quantitative losses in the distribution network	[MWh _{th}]	23 174
Share of losses in the distribution network	[%]	6,53
Supply of thermal energy to customers	[MWh _{th}]	331 824

DH Gjakova

- Thermal energy production

In the 2024/2025 season, DH Gjakova has continued the commercial operation of the new biomass heating plant. Despite improvements in the organization of supply, the production of thermal energy has been conditioned by the availability of fuel. The gross production of thermal energy in this season has been 20,244 MWh_{TH}, which represents a change of 2,548 MWh_{TH} and 14% compared to the previous season of 17,696 MWh_{TH}, while the net production of thermal energy has reached 20,184 MWh_{TH}.

To achieve this production level during the 2024/2025 season, 10,800 tons of biomass fuel were spent.

- Heating supply

During the 2024/2025 season, DH Gjakova has achieved a regular and stable supply of thermal energy to customers. The supply has been carried out without interruption and has continued until the official end of the heating season, in accordance with the planned schedule.

The supply of thermal energy to customers during this season was 19,866 MWh_{TH}, which represents a change of 4,726 MWh_{TH} (about 30%) compared to the previous season of 15,140 MWh_{TH}.

- Losses in the system

Regarding losses in thermal energy production, it should first be noted that the measuring devices in the new heating plant are installed. However, it is necessary to ensure the accurate reading of these devices, as well as the correct processing and reporting of thermal energy production data. According to the company's reports, the efficiency of the boilers for thermal energy production is estimated at around 85%, which means losses during the process of converting fuel energy into thermal energy, estimated at 3,513 MWh_{TH}.

Losses in the primary distribution network are defined as the difference between the amount of thermal energy introduced into the distribution network and the amount of thermal energy supplied/consumed. In the absence of direct measurement of supply at the substation level, the calculation of consumption has been carried out through approximations, based mainly on parameters such as specific heating capacity demand (W/m²) and full load hours, respectively specific consumption (kWh/m²).

The following table presents summarized data on the production, supply and losses of thermal energy in the distribution network:

Tab . 7. 5 SEQ Tab. * ARABIC \s 1 Energy performance of DH Gjakova - season 2024/2025

DH Gjakova - Heating season 2024-2025		
Description	Unit	Value
Amount of fuel - biomass	[ton]	10 800
Calorific value	[MWh _{th} /ton]	2,6
Energy input from fuel - biomass	[MWh _{th}]	28 018
Boiler efficiency	[%]	84%
Gross thermal energy production	[MWh _{th}]	23 439
Personal consumption	[MWh _{th}]	60
Net thermal energy production / Energy fed into the distribution network	[MWh _{th}]	23 379
Quantitative losses in the distribution network	[MWh _{th}]	3 513
Percentage losses	%	15%
Supply of thermal energy to customers	[MWh _{th}]	19 866

The following table presents data on production, supply and system losses summarized for the entire thermal energy sector.

Tab. 7. 6 Energy performance of the thermal energy sector - season 2024/2025

Thermal Energy Sector - Season 2024/2025				
Description	Unit	DH Termokos	DH Gjakova	Total
Gross thermal energy production	[MWh _{th}]	362 547	23 439	385 986
Quantitative losses in the transportation network	[MWh _{th}]	7 250	-	7 250
Share of losses in the transport network	[%]	2,00	0,00	2,00
Own consumption	[MWh _{th}]	299	60	359
Net thermal energy production	[MWh _{th}]	354 998	23 379	378 377
Quantitative losses in the distribution network	[MWh _{th}]	23 174	3 513	26 687
Share of losses in the distribution network	[%]	6,53	15,03	7,05
Supply of thermal energy to customers	[MWh _{th}]	331 824	19 866	351 690

7.4 Billing, collection and heating area

7.4.1 Invoicing and collection

Regarding billing for supplied heating, it should be mentioned that, in addition to billing based on heating area, in the 2024/2025 season the implementation of billing based on consumption measurement has begun. Specifically, in DH Termokos, the number of customers billed with metering was approximately 50% of the total number of customers, while in DH Gjakova, unlike last season, this season the number of customers billed with metering was around 60%.

During the 2024/2025 season, Termokos District Heating Company recorded an increase in billing compared to the previous season, mainly as a result of the increase in the number of customers and the increase in the heating area, as well as the continuous improvement of supply. The total billing realized in this season was **10,395,032 €**, which represents a change of € 641,486 and about 7% compared to the 2023/2024 season (€ 9,753,546). Of the total billing realized during the 2024/2025 season, the value billed without metering was € 4,968,833 (48%) and the value billed with metering was € 5,426,199 (52%). The ratio between billing with metering and without metering, as well as the respective values, are presented in the diagram below.

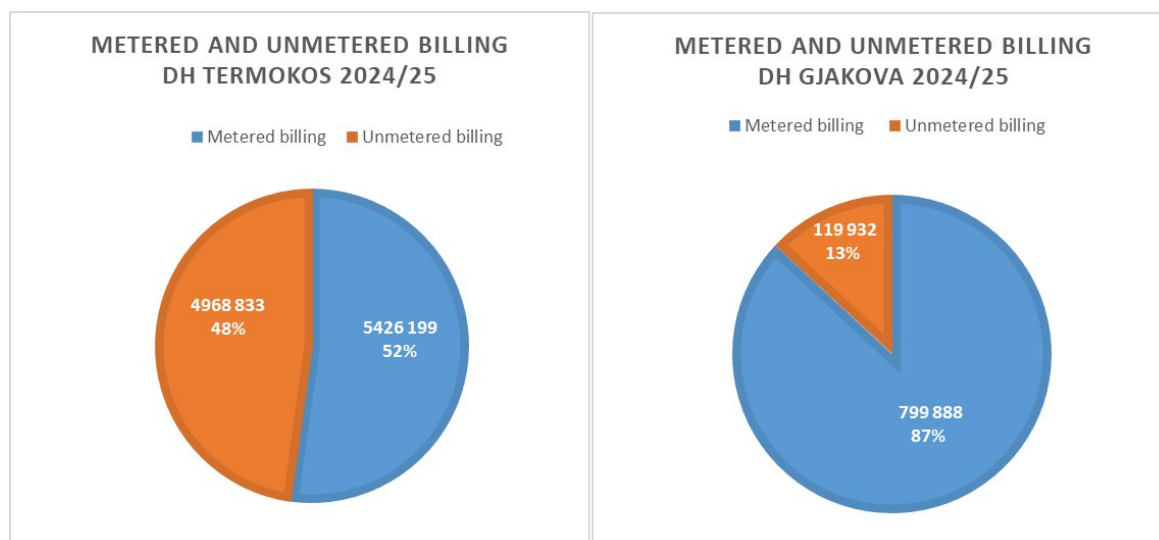


Fig. 7. 3 Share of metered and unmetered billing values in total billing

In the 2024/2025 season, DH Termokos collected the amount of **€6,631,648**, which represents an overall collection rate of **63.80%**. It should be noted that the collection level is lower compared to the previous season 2023/2024, where the collection rate was 68.89%. It should be noted that in this season, the collection of payments from the household customer group is lower (55.61%) compared to the previous season (58.85%); while the collection of payments from commercial and institutional customers was 76.17%.

At DH Gjakova, during the 2024/2025 season, billing was **€919,819**, while cash collection reached **€663,252**, which represents a collection rate of 72.11%.

Details regarding billing and collection are shown in the table and graph below.

Tab. 7. 7 Billing and collection - season 2024/2025

Heating season 2024/2025	Heating area [m ²]	Share of participation	Billing [€]	Collection [€]	Collection rate [%]
NQ "Termokos" Prishtina					
Household	1 427 341	65,28%	6 255 502	3 478 627	55,61%
Commercial & Institutional	759 113	34,72%	4 139 530	3 153 021	76,17%
Total	2 186 454	100,00%	10 395 032	6 631 648	63,80%
NQ "Gjakova" Gjakovë					
Household	48 521	32,15%	-	-	-
Commercial & Institutional	102 402	67,85%	-	-	-
Total	150 923	100,00%	919 811	663 252	72,11%

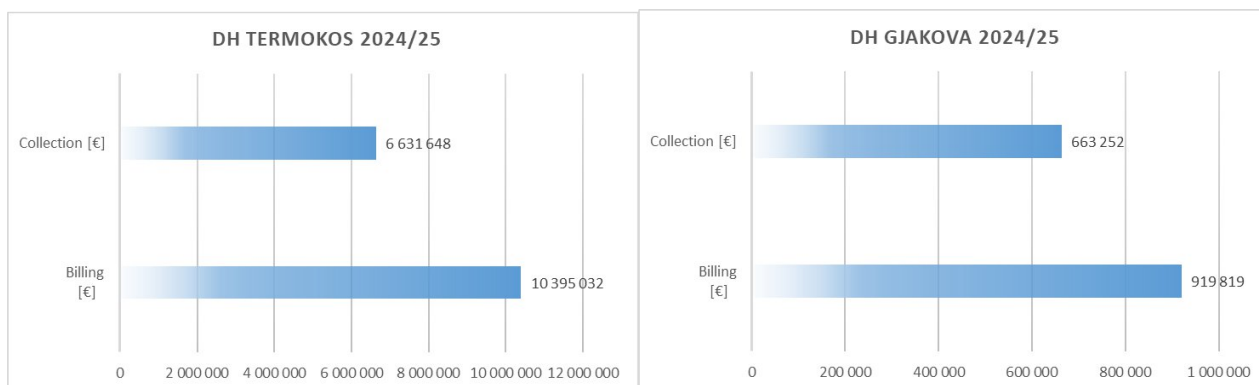


Fig. 7. 2 Billing and collection of DH Termokos - season 2024/2025

7.4.2 Heating area

In the 2024/2025 season, DH Termokos had a total customer heating area of **2,186,454 m²**, which is divided into household and commercial and institutional customer groups according to the proportion of 65%:35%.

While the total heating area of DH Gjakova is **150,923 m²**, divided in the proportion of about 80% household customers and about 20% commercial and institutional customers.

The graphs below show the heating areas of DH Termokos and DH Gjakova, divided by customer groups.

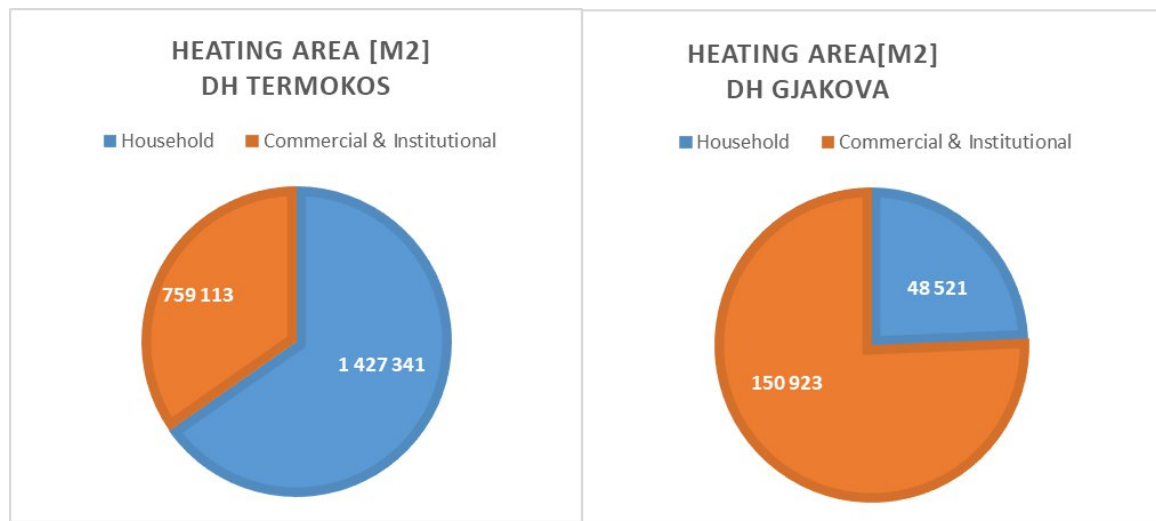


Fig. 7. 3 Heating area by customer groups in the 2024/2025 season

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