



Pristina, 31 October 2023
ERO Code: V_1781_2023

The Board of Energy Regulatory Office,

Based on:

- Provisions of Article 9, paragraph 1, sub-paragraph 1.7, Article 25, Article 26, paragraph 1, sub-paragraph 1.2, of the Law on Energy Regulator (Law No. 05/L-084);
- Provisions of Article 23, paragraph 6 of the Law on Electricity (Law no. 05/L-085);
- Request, prot. no. 1203, of the Transmission System and Market Operator (KOSTT JSC), dated on 26.06.2023 on the review and approval of the Kosovo Electricity Market Model;

in the session held on 31 October 2023 issued the following:

DECISION

- I. APPROVAL** –of the proposal on approving the document Kosovo Electricity Market Model.
- II.** The Transmission System and Market Operator KOSTT JSC is **OBLIGED** to implement the Market Model, according to the enacting clause under point I. of this Decision.
- III.** KOSTT JSC is **OBLIGED** to carry out the duties of the Renewable Energy Operator (REO), a function which is being carried out by MO until the definition by the primary legislation.
- IV.** Other issues which are handled according to the Market Model, in relation to the Energy Saving Operator, Energy Saving Systems or Energy Saving Unit and other issues related to their rights and obligations determined in the Market Model, will not be implemented, until they are approved with the Law on Energy and Law on Electricity, by the Assembly of the Republic of Kosovo and the same will be determined according to the approved laws.

Reasoning

- The Energy Regulatory Office (ERO) on 26.06.2023, received from KOSTT JSC. the request prot. no. 1203 for review and approval of the document Kosovo Electricity Market Design.
- The Market Design is a revision and update of the previous document "Kosovo Electricity Market



Design" which was approved and published in March 2013, and sets policy objectives for at least the next five years, including also the integration of the energy exchange as well as the energy storage system.

- The Kosovo Electricity Market Design is based on markets organized in different timeframes such as future markets, day-ahead markets, intraday markets and balancing markets, including new trading platforms such as ALPEX which enable the determination of prices which are transparent and reflective to the market, the promotion of renewable sources in the market, the removal of cross-subsidization between retail groups, as well as the increase of trade and the improvement of competition.
 - During the process of drawing up and developing the Electricity Market Model by KOSTT, the relevant stakeholders of the energy sector were involved, including the consultancy from USAID.
 - ERO, on 18.08.2023, in accordance with legal requirements, has published the document for public consultation where all parties have had the opportunity to comment.
 - ERO, on 12.09.2023, following the receipt of the comments from the parties, evaluated and analysed them very carefully, and held a meeting with representatives of KOSTT JSC. where the comments received from the parties were presented and addressed.
 - ERO, following the conclusion of the publication consultation as well as the inclusion of comments, conducted the appropriate and necessary additions to the document and prepared the final document for review and approval.
 - ERO Board, following the evaluation and analysis of the abovementioned proposals, concluded that the submitted amendments were correct and evaluated that they are essential to the safe functioning of the electricity market and Albanian Power Exchange ALPEX, therefore decided as in the enacting clause to this decision.
- V.** Upon the entry into force of the Kosovo Electricity Market Model, according to this decision, the preliminary document "Kosovo Electricity Market Design", approved by ERO in 2013, is repealed.
- VI.** The decision is issued and published in official languages of the Republic of Kosovo.
- VII.** The decision enters into force on the date of approval by the Board of the Energy Regulatory Office and will be published on the official website of ERO.

Legal advice: The party dissatisfied with this decision may initiate an administrative dispute at the competent court within thirty (30) days from the date of receipt of the decision or the date of its publication on ERO's website, whichever occurs last.



ERO Board:

Ymer Fejzullahu, Chairman

Lutfije Dervishi, Member

Gani Buçaj, Member

Arta Qorolli, Member

Adnan Preniqi, Member

This decision is sent to:

- KOSTT JSC
- ALPEX – Branch in Kosovo, and
- Archive of Energy Regulatory Office