

Report on One Stop Shop Operational Manual

May 2019

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Introduction

The Ministry of Economic Development is the entity within the Government of Kosovo responsible for developing energy policy documents. The Energy Strategy of Kosovo 2017-2026 is the main policy document which sets the basis for the development of the energy sector in general. The Energy Strategy sets the policies and measures to achieve objectives of the Republic of Kosovo for secure and sustainable energy supply. Special focus within the Energy Strategy is provided to renewable energy projects.

The law on Energy No. 05/L-081 (herein after referred as: law on Energy) aim, amongst other, is to promote investments in the energy sector. Investments, such as, construction of new energy plants and facilities, and their maintenance and use, are encouraged by the provisions of the law on Energy as long as such investments are in compliance with Kosovo's obligations towards Energy Community and other laws of Kosovo. The law on Energy requires also the establishment of support schemes for encouragement and promotion of energy generation from renewable sources and co-generation, including equipment for the construction of new energy facilities.

Article 17.6 of the law on Energy requires the establishment of the One Stop Shop through special secondary legal act, with the main purpose to facilitate investments in the renewable energy sector in Kosovo. In relation to this, the Government of Kosovo on March 19th 2018 adopted the Regulation No. 05/2018 on One Stop Shop for Renewable Energy Sources (herein after referred as: Regulation on OSS for RES). The Regulation on OSS for RES is adopted based on the requirement of the law on Energy and the aim is to support investments in renewable sources by assisting with coordination, cooperation and information of parties whilst facilitating their investment process in renewables.

As a member of the Energy Community, Kosovo is obliged to meet mandatory RES targets for 2020 defined and approved by EnC Ministerial Council in 2012.

One Stop Shop for RES is based at the Ministry of Economic Development (herein after referred as: MED) as the responsible entity to perform activities required by the Regulation on OSS for RES. Duties and responsibilities of OSS for RES are clearly defined by the Regulation on OSS for RES. Decision on appointing responsible officials within the MED should be taken in order for officials to take over the responsibilities envisaged for this purpose.

One Stop Shop establishment and functionalization is envisaged also in the Energy Strategy of Kosovo 2017-2026, with the main purpose to facilitate development of projects in the field of RES.

The Regulation on OSS for RES foresees the establishment of the Inter-institutional Coordination Commission for easement of institutional coordination for specific applications received. The Commission is also entitled to identify eventual obstacles, barriers and/or challenges that may hinder developments in renewable technology and can suggest necessary legal improvements as it seems appropriate. Such proposals through quarterly reports are to be submitted to the Government for consideration by the Inter-institutional Coordination Commission. The Permanent Secretary of MED adopted the decision (Decision of 21 May 2019) on appointing members of the Inter-institutional Coordination Commission as delegated by entities being part of the Commission.

On the other hand, the law on Strategic Investments (law No.05/L-079) foresees the creation of conditions for implementation of strategic investments in Kosovo, as well as establishes the administrative procedures and criteria for evaluation. The investor which obtains the status of strategic investor, in line with the requirements of the law on Strategic Investments, has the right to require assistance from the Agency for Investment and Enterprise Support. In this context hereby we emphasize that the OSS for RES established by the Government Regulation No.05/2018, which is the subject of this Report, does not and shall not interfere with the projects which apply to obtain the status of strategic investors. Hereby we clarify that the projects which obtains the status of strategic investor is regulated with the procedures as defined by the law on Strategic Investments and the

competent authority to provide assistance to the investor is the Agency for Investment and Enterprise Support and not the OSS for RES.

This Report consists of two parts:

- The Information Handbook for RES, lists the laws and secondary acts which are applicable in Kosovo and are relevant during the development of renewable projects;
- Procedural Manual elaborates the One Stop Shop for RES internal procedure and communication with the relevant institutions. Initially an introduction to the institutional responsibilities of the institutions part of the Inter-institutional Coordination Commission is provided, to be followed with the elaboration of the mandate of the One Stop Shop. The procedure for review of the application received is provided with a template response which shall be issued by the One Stop Shop for RES.

This report is considered living document, which should be amended and updated time by time in order to reflect legislative changes which might happen in the future.

This report is interpretation of legal provisions in force. Nothing in this document provides legal grounds for appeal to the courts against any opinion, recommendation or any other response which is issued by the OSS for RES.

The right to amend this document, in compliance with Article 11 of the Regulation on OSS for RES, remains within MED after written proposal issued by OSS for RES and the Inter-institutional Coordination Commission.

Information Handbook for RES

Investments in renewable energy projects are regulated by different acts. For example: hydro generation project involves application of the law on water, whilst wind or photovoltaic project doesn't. The size of the project is another particularity for such projects, which is interrelated to the institutions which issues the construction permit.

This Information Handbook has reviewed pertinent aspects related to RES investments. Under this section we provide the list of laws, primary and secondary, which are applicable when energy projects are developed following the authorization procedure conducted by the Regulator. In addition main information on the acts to be issued by the relevant entities is provided at the end of each section.

I. Primary Legislation

I.1. **Law on Energy** (No. 05-L-081) sets the general principles and rules that govern activities in the energy sector in the Republic of Kosovo, deliberately to guarantee safe supply, sustainable and high quality energy that creates great conditions for a functional open market that is transparent and competitive and aims to promote efficient use of energy. It was adopted on June 2016 by the Parliament of Kosovo and promulgated by a Decree of the President of the Republic of Kosovo on July 1, 2016.

The main stipulations of the law that are of relevance for renewable energy compromise the following:

- Article 13 sets mandatory requirements to MED/ Government of Kosovo to issue secondary legislation on promotion of the use of renewable energy and to MESP to issue a secondary legislation on the use of RE in buildings. This legal requirement is further decomposed with the Administrative Instruction, issued by MED, on Administrative Instruction on Renewable sources targets, with more details developed below.
- Article 16.2 envisages requires by the Government to harmonize and define the responsibilities of bodies assigned with authorization, administrative procedures, regulations and codes for renewables.
- Article 16.5 necessitates that simplified and less burdensome authorization procedures are established for smaller projects and for decentralized devices for producing energy from renewables.
- According to Article 17.6 the Ministry responsible for the energy sector shall establish a one stop shop through a special bylaw in order to facilitate investment in renewable energies.

Government of Kosovo adopted the Regulation No. 05/2018 on One Stop Shop for Renewable Energy Sources

- Article 28 states that the law on Energy will ensure, for generation, transmission and distribution facilities, the right of access to the property through the right of servitude, and the right use of access to the property rights in accordance with the provisions of the Law on Expropriation of Immovable Property. The Law on Expropriation of Immovable Property (Law No. 03/L-139) is clarified in the under section I.10 below.

I.2. **Law on Energy Regulator** (No. 05-L-084) defines the competences, duties and functions within the Energy Regulatory Office (Regulator), including requirements for issuing licenses for carrying out activities in the energy, certification of activities of transmission operators in the energy sector, procedures for the granting of authorization for the construction of new generation capacities, creation and efficient operation of competitive energy markets, consumer protection as well as tariff regulation and conditions for energy supply. The independence of Regulator is provided by the Constitution of the Republic of Kosovo, whereas independent agencies shall be established by the Parliament and exercise their functions independent of any other body or authority.

- According to this law, the Regulator issues authorizations for the construction and operation of new energy generation capacities. Article 43 of the Law of Energy Regulator sets the principles of the authorization and also requires from the Regulator to establish specific procedures “for the authorization of construction of small decentralized and/or distributed generation”.

Regulator adopted the Rule on Authorization, furthermore, the procedure for the authorization of generation capacities is elaborated at the section 2.8 below.

- Article 44 of the Law of Energy Regulator, sets the procedure for the tendering procedures for construction of new capacity which can be authorized by the Government, if Regulator issues a written determination that the authorization procedure has not resulted successfully in building of generation capacities to ensure security of supply or accomplishment of objectives related to the use of renewable energy sources. In accordance with this Article 44 (paragraph 3) a tendering procedure would then be conducted by the Public Private Partnerships Inter-Ministerial Steering Committee, as per the Law on Public Private Partnership. We regard this stipulation as a safety valve in case the other measures will not lead to the targeted deployment of renewable energy in Kosovo.

1.3. Law on Electricity (No. 05-L-085) establishes the rules and measures for the functioning of the electricity sector, guaranteeing secure, reliable, and regular and quality electricity supply, at affordable prices, taking into consideration environment protection and efficient use of electricity. This law includes common rules for electricity generation, transmission, distribution, supply, trade and organized market, as part of the regional and European electricity markets and establishes pertaining to access of parties in the Market, public service obligations, consumer rights and competition conditions. The law of Electricity also deals with the Certificate of Origin for renewables and Cogeneration. Certified Power Generation originated from renewable energy sources is entitled to priority dispatch under the terms stated in the Grid Code and Market Rules. System Operator is obliged to provide priority to electricity generated from renewable sources and co-generation. Public Electricity Suppliers are obliged to purchase the whole amount of renewable electricity generated at regulated tariffs, determined by Regulator through a methodology that takes into account compensation for the public supplier for the additional cost of purchasing electricity from renewables.

1.4. Law on Construction (No. 04/L-110) determines the main requirements for design, construction, and use of construction materials, professional supervision, as well as procedures for construction permits, use permits and building inspection. This law regulates the design and building conditions regarding the public safety and protection of environment in Kosovo.

- Article 6 states it is under the Government of Kosovo to develop Unified Construction Code of Republic of Kosovo, and which shall be harmonized with EU technical standards, international best practice, and the conditions prevailing in Kosovo. The aim of the Code is to establish the minimum requirements to safeguard the public health and safety and general welfare through the necessary resistance of the structure of means of egress facilities, equilibrium and stability, sanitation, management of construction waste, adequate light and ventilation, energy efficiency and savings measures, and safety to life and property from fire and other hazards. Energy efficiency and savings technical rules of the Code shall refer to Kosovo’s Standards on Energy Efficiency and Savings that are approved by the Kosovo Standardization Agency of the Kosovo Ministry of Trade and Industry.
- Article 4 of regulates the issuance of a construction permit and establishment of its requirements shall be implemented in accordance with the following principles; protecting health and safety, preserving and protecting cultural heritage, protecting and granting

property rights; transparency in administrative procedures, single window principle; and silence is consent.

Construction Terms and Construction Permit for a renewable project are issued by the Ministry of Environment and Spatial Planning for the generation capacities which exceeds 10 MW – category III projects, whilst Municipalities are responsible for issuance of construction permits for generators which have capacity of less than 10 MW – category II and category I projects.

Construction terms are defined by the respective institution depending on the category of the project. Construction terms are specific for each project and define the criteria of construction that the applicant should fulfill in order to be eligible for the construction permit. The applicant once requests for the construction terms should submit necessary written and graphical documents, prepared or assembled which describe the design, location and physical characteristics of the elements of a project. Connection terms is a precondition for obtaining the Construction Permit. Construction Terms depending on the category of the project, are issued within 15, respectively 30 days from the submission of the application to the relevant institution.

The Construction Permit is the final permit to be issued for renewable projects, by the competent entity, after which the construction works shall start. It should be mentioned that the project design for the Construction Permit should be prepared by a project designer licensed in Kosovo. Construction Permit depending on the category of the project, are issued within 30, respectively 45 days from the submission of the application to the relevant institution. The Construction Permit ceases to be valid if the construction does not start within 1 year from the day the Construction Permit is issued.

As per the Construction law the Usage Certification shall be issued before the plant enters into operation. The Usage Certification is issued if the applicant has applied the requirements of the permit.

1.5. Law on Environmental Impact Assessment (No. 03/L-214) purpose is to avert or mitigate adverse impacts of proposed public and private projects and thereby contribute to the safeguarding and improvement of the environment, the protection of human health, and improvement of the quality of life. It determines regulation of procedures for the identification, assessment and reporting of environmental impacts of certain proposed projects. The law of Environmental Impact Assessment determines regulation of procedures for the identification, assessment and reporting of the environmental impacts of certain proposed projects and provides for associated administrative procedures, in order that, during the decision-making process by the Ministry of Environment and Spatial Planning for issuing the Environmental Consent and all relevant information regarding the environment is provided and taken into account.

Environmental Impact Assessment (EIA) shall distinguish, depict and survey in a proper way, in the light of every individual case, the direct and indirect effects of a project on:

- Human beings, flora and fauna;
- Soil, water, air, climate and the landscape;
- Material assets and the cultural heritage;
- The interactions between elements mentioned in sub-paragraphs.

The authority for applying the EIA procedures is the Ministry of Environment.

In Article 10 of the Law of Environmental Impact Assessment is elaborated the procedure by including the following phases:

- Selection
- Scoping
- Review of EIA Report

Based on Article 11 any applicant shall present the application to start the EIA together with follow-up documentation, to the Ministry.

Based on the Law on Environmental Impact Assessment is issued the Environmental Consent. Environmental Consent is issued by the Ministry of Environment and Spatial Planning only to those generators which submit the report on environmental impact assessment study. The timeline for issuance of the Environmental Consent by the Ministry is up to 80 days from the application date. Issuance of Environmental Consent is issued after public consultation with the affected community.

Environmental Consent is issued based on the Environmental Impact Assessment Study

Environmental Consent is taken at the beginning of each application, before the applicant obtains the preliminary authorization, and is required to be submitted when applying for other permits, such as for the Environmental Permit (further elaborated below), Construction Permit, Water Permit, Authorization rights, etc. Environmental Consent is the basis on which the applicant should take measures and actions to mitigate the impact the construction of generator has on environment.

1.6. Law on Environmental Protection (No. 03/L-025) coordinates economic development activities and environmental welfare with basic principles for environmental protection according to the concept of sustainable development. The purpose of this law is to promote the establishment of healthy environment for population of Kosovo by gradually integrating the standards for environment of European Union. This law intends to regulate the integral system of environmental protection, risk reduction for life and human health, according to the concept of sustainable development, with the aims for:

- Rational use of natural resources and limitation of pollution discharge on environment, prevention of damage, rehabilitation and improvement of defective environment;
- Improvement of environmental conditions in correlation with life quality and protection of human health;
- Saving and maintenance of natural resources and sustainable management of such resources;
- Coordination of national activities for fulfilling of request concerning to environmental protection;
- Regional and international coordination in the field of environment;
- Stimulation and public participation on activities related to environmental protection;
- Ensure that development on Kosovo is sustainable in order to protect and save the soil, air, water, living sources in Kosovo in favor of the coming generations.

Based on Article 11, the legal and natural person who utilizes natural resources is obliged to plan and actualize preventive measures for environmental protection during the performance of work or activities and after they have been accomplished, to plan and implement measures by which will avert the environmental pollution. Any person who debase the environment is obliged to perform sanitation in accordance with this law and is obliged consistently to inform Ministry regarding the performed activities.

Environmental Permits are issued by the Ministry of Environment and Spatial Planning for energy projects which exceed the capacity of 100 kW, whilst issuance of Environmental Permit for generation capacities below 100 kW is under the competence of Municipalities.

Environmental Permit has a duration of five years and is issued before the facility enters into operation.

1.7. Law on Spatial Planning (No. 04/L-174) ensures sustainable and balanced development of a spatial throughout Kosovo through the rational use of space by good governance. It provides citizens with sustainable governance, effective use of public funds, space regulation, equal treatment and adequate access to public services.

This Law sets out the basic principles of spatial planning, spatial development methodology and regulations, types, procedures, contents as well as the responsibilities of central and local administrative bodies for the drafting and implementation of spatial planning documents and related activities undertaken in spatial planning and territorial regulation in the Republic of Kosovo.

Spatial planning and regulation shall be done based on the below principles:

- Promotion of common interest of citizens of Kosovo
- Promotion of democratic process of public participation
- Promotion of transparency in the process of planning and decision making
- Promotion of basic, transparent and planned framework of use of development
- Promotion of equal economics, social and environmental opportunities
- Promotion of high quality of life and sustainable systems for development of dwellings;
- Promotion of integrated spatial planning through efficient procedures;
- Promotion of public participation in drafting of spatial planning documents;
- Promotion of balanced and sustainable development based on public and economic of public interests; and
- Promotion of continuous harmonization with best international practices and European principles for spatial planning.
- Sustainable and proportional development of community through efficient use of public funds; and
- International principles of spatial planning, sustainable development, and governance in harmony with EU norms.

For a renewable project to be constructed it is necessary to be envisaged in spatial planning documents. According to the law on Environmental Planning there are several planning documents, which we elaborate below in hierarchy order:

- Spatial Plan of Kosovo – is a multi-sectorial 10 year document which identifies the spatial aspect for developing economic developments.
- Zoning Map – is a multi-sectorial at least 8 year document which through graphics, maps and text defines the type, destination, way of usage of the spatial and measures for the investments.
- Spatial Plans for Special Zones – are prepared for zones identified in the Spatial Plan of Kosovo and in the Zoning Maps which have specific characterizing and require special treatment of such zones.
- Municipal Development Plan – is a Municipal multi-sectorial strategic is 8 year plan which defines long term economic development of activities of a certain municipality.
- Zoning Map of Municipality – is a multi-sectorial 8 year document which in details describes the type, destination, planned usage of the spatial and measures of actions.
- Detailed Regulatory Plans – are developed by Municipalities for the zones defined under the Municipal Development Plans and Municipal Zoning Maps.

The above mentioned plans are necessary for the central and local institutions when issuing Construction and Environmental Permits.

1.8. Law on Waters of Kosovo (No. 04/L-147) purpose is to establish procedures and guiding principles based on use and purpose for the optimal distribution of water resources. It ensures that water resources are protected against pollution, overuse and misuse. The purpose of this law is to ensure the sustainable development and use of water resources needed for public health, environmental protection and social economics.

All issues related to: surface waters, lakes, storage, reservoirs, natural resources, underground waters, wetlands, lands near river shores, issues related to their management, use and water distribution, water protection and protection from harmful actions of water shall be regulated by this law.

Article 72 defines activities for which the water permit is issued. Amongst other the water permit is issued for usage of water with the purpose of use of electricity.

Water Permit is a competence vested to the central level only. The Water Permit is issued to companies that intend to generate electricity from water. Through Water Permit is defined the destination of water usage, the manner and criteria of water usage, and other conditions.

The Water Permit for the energy needs can be given for a period of maximum 40 years, but is reviewed every 5 year by the issuing institution.

1.9. Law on Forestry (No. 2003/3) with its amendments, sets out guidelines for managing its forests in accordance with the guidelines for a global consensus on the management, conservation and sustainable development of all forest types.

Kosovo aims to manage its forests in accordance with the declaration of principles for a global consensus on the management, conservation and sustainable development of all forest types set out in Annex III to the United Nations Conference on Environment and Development Report.

According to Article 11, Owners of private forests shall:

- Manage the land in accordance with this Law and any rules promulgated under this Law;
- Allow the public free access to and movement on the land (including allowing beekeeping, hunting, and the non-commercial gathering of fruits, nuts, mushrooms, herbs, and wild animals) unless such access would interfere with commercial investments or uses of the land; and 10.
- Allow government officials to carry out tasks on the land related to forest management, such as inspection, survey, measurement of trees, and marking of boundaries.
- Article 13 of the Forest Law states that before granting such approval, municipalities or other bodies authorized to approve the conversion of private forests to non-forest uses shall obtain Minister's consent.

The Right to use the land, is the right issued by the Agency of Forestry to the applicant which intends to construct new generation capacities on a public land which is managed by the Agency of Forestry. The right to use the land managed by the Forestry Agency has a duration of 5 years, whilst for longer durations a tendering competition should be occur.

1.10. Law on Expropriation of Immovable Property (No. 03/L-139) sets out the rules and conditions under which the Government or a Municipality may expropriate a Person's ownership or other rights in or to immovable property; the rules and conditions under which the Government may authorize the temporary seizure and use of immovable property; the rules and procedures that shall be used in determining the amount and payment of compensation for such an expropriation or seizure. As amended by the Law No.03/L-205, Law on Expropriation of Immovable Property includes a legal instrument that can support the acquisition of land by developers of renewable projects. The law sets forth that Expropriating Authority can expropriate immovable property or grant servitude right for any legitimate public purpose in connection with activities for generation, supply, transmission or distribute of energy. The object of an expropriation may be private ownership or other private rights in or to immovable property.

In the event that an investor applies for expropriation pursuant to Article 8 of the Law, the investor shall submit documents on the location and number of each and every parcel of immovable property concerned as well as a detailed description of the public purpose for which the expropriation is requested. The private developer must argue that the project can only be realized by expropriation and the choice for the property to be expropriated has not been made in any discriminatory purpose or objective.

Any applicant which intends to construct a power plant but needs rights to use specific immovable property can require such right through application of the law on Expropriation of Immovable Property. For the expropriation to happen the applicant should argue that the implementation of the project is considered a public interest. The competent authority for expropriation is Government of Kosovo.

1.11. **Law on Allocation for Use and Exchange of Municipal Immovable Property** (No. 06/L-092) aims at ensuring the effective use of immovable property of the Municipality. The law further defines the forms and procedures for use and exchange of immovable property of the Municipality.

The immovable property which is under the ownership of the Municipality can be allocated to private entities for a short-term usage for a period of 1-15 year and long-term usage of 15-99 years. The allocation for use of Municipal Immovable Property can be granted upon successful process of open competition based on public auction, expression of interest and negotiations with the Mayor.

In order for the Municipality immovable property to be allocated to the interested party, the purpose of use should be aligned with the spatial planning documents, the Municipality shall have economic benefit and such allocation shall meet the environmental conditions and criteria.

2. Secondary Legislation

2.1. **Use and Support of Energy Generation from Renewable Sources** (No. 02/2013), is adopted by MED as Administrative Instruction. The purpose of this Administrative Instruction is to identify types of renewable energy sources to be used for the purposes of generating electricity and thermal energy, groups, conditions of use, technical standards, support schemes, statistical transfers, joint projects and other relevant issues for the use of renewable energy sources.

2.2. **Renewable Sources Targets** (No. 05/2017), is adopted by MED as Administrative Instruction. The objective of this Administrative Instruction is to adopt long-term and annual targets for renewable energy sources. This administrative instruction complies in part with the provisions of European Parliament and Council Directive 2009/28/EC of 23 April 2009 on promoting the use of energy from renewable sources.

The target to be achieved by Kosovo is 793.18 MW RES by year 2020.

Level of capacity for RES to be admitted to Support Scheme are as below:

Primary RES MW	2016	2017	2018	2019	2020
Photovoltaic	6	7	8	9	30
Wind	1.35	61.35	114.85	129	150
Hydro Power	40.41	56.81	181.29	187	240
Biomass	6	7	10	12	20

2.3. **Resolution of Complaints and Disputes in the Energy Sector**, is a Rule adopted in March 2017 by the Regulator. This Rule sets out the conditions and procedures for submitting, reviewing and resolving customer complaints against licensees in the energy sector, between energy licensees and connecting third parties to the transmission system distribution of electricity, thermal energy and natural gas as well as cross-border transmission, electricity and gas flows.

2.4. Transmission Grid Connection: Principles on determination of transmission and market use of system tariffs and connection taxes, is a regulatory act adopted by the Regulator in January 2017. The purpose of this act is to compile “Methodology on Determination of Transmission System Operator Tariffs, System Operator Tariffs, Market Operator Tariffs, and Taxes for Connection to Transmission System. The methodologies mentioned above shall be in compliance with General Conditions of Energy Supply and Rule by Transmission System Operator and Market Operator Maximum Allowed Revenues, approved by Regulator. Article 11 sets the principles for setting the price for the connection of new generation capacities to the transmission network, whilst Article 12 and 13 establish the methodology for deciding on taxes for connection of new generation capacities.

The transmission connection fee depends on the offer which is provided by the transmission system operator.

2.5. Distribution Grid Connection: Principles of determination of distribution use of system tariffs and connection taxes, is a regulatory act adopted by the Regulator in January 2017. The purpose of these rules is for distribution system operator to compose methodologies for determining the use of system tariffs for distribution and for determining taxes for connection to the system for distribution. The above methodologies shall be in accordance with the General Conditions of Energy Supply and the Distribution System Operator Determinations Maximum Allowed Revenue, approved by Regulator. Article 14 sets the procedure of application when the distribution system operator receives an application for connection to the distribution network and the offer which is issued by the distribution system operator.

The distribution connection fee depends on the offer which is provided by the distribution system operator.

2.6. Rule on Support Scheme, is adopted by Regulator on April 2017. The Rule on the Support Scheme sets the procedure of application of renewable generators to apply for the support scheme, under the conditions as set by the Regulator which informs the developer at the time of application whether there is still sufficient capacity uncovered in the target to allow for accommodating the new capacity. The admission gets effective only when the project starts commercial operation.

- Article 11 defines the rights and obligations of renewable energy source generators admitted to the support scheme.
- Article 17 sets the procedure of drafting the power purchase agreements and principles to be based whilst preparing the agreement. More details on power purchase agreements are provided below.

2.7. Feed-in Tariffs

Feed-in Tariffs are adopted by the Board of Energy Regulatory Office on 19 May 2016, through a Decision (V_810_2016).

The Feed-in Tariffs shall apply to all installed generating capacities with new equipment, whilst solar panels/photovoltaic the equipment must also be recycled.

Level of Feed-in Tariffs set for Renewable Energy Sources are as presented below;

Primary RES	(€/MWH)
Photovoltaic	136.4
Wind	85.00
Hydro Power	67.47
Biomass	71.30

Feed-In Tariffs set for Renewable Energy Sources are pertinent only for the level of targets set in Table I and any modification of the RES targets level may modify the Feed-in Tariff, upon the decision of ERO board.

2.8. Rule on Authorization Procedure for Construction of New Generation Capacities from Renewable Energy Sources, is adopted by Regulator on April 2017. The purpose of this Rule is to establish the authorization procedure for building new generating capacity from Renewable Energy Sources. The Rule sets out the criteria and procedure for issuing permits from RES to build new generation capacity. The Rule also launches simplified procedures and criteria for granting the right to construct for the self-consumption generators. This Rule does not include the Authorization Procedure for construction of generators with fossils, new system for transport and distribution of gas, including interconnectors, direct electricity lines and pipeline for transport of natural gas. Also, this Rule does not cover the tendering procedure.

The legal requirements according to the Rule on Authorization are divided in general requirements, technical and organizational requirements, financial requirements and requirements of final authorization.

Final Authorization is the document which allows the applicant to start the construction of the renewable energy source generator.

The Final Authorization has defined terms for the construction to happen, which are issued as part of the Decision of the Regulator Board. If the applicant does not construct the plant based on the terms defined, the Authorization can be withdraw by the Regulator. The time for starting the construction and completing the project are defined by the Regulator's Decision, which is not the same for all projects.

2.9. Rule on Licensing Energy Activities in Kosovo, adopted by Regulator on March 2017, establishes the procedure for licensing energy enterprises in Kosovo to perform energy activities. Article 3 defines the type of the licenses the Regulator issues and clarifies which energy activities does not need license. The rule further sets the procedure on issuance of the licenses, the application procedure, the terms and conditions of licenses as well as the monitoring of the activities of the energy companies.

Regulator may perform inspecting visits to the facilities of the generators and to documents of the company performing generation of electricity.

The License for Generation of electricity is issued for the generator which has a capacity of more than 5 MW installed. The license has a duration of maximum 40 years, depending on the lifespan of the assets used for performing generation. Regulator performs monitoring based on the data submitted by the licensee and based on the information received by the Market Operator.

2.10. Power Purchase Agreement, is the commercial contract according to which the generator sells the electricity generated from RES generator. Under the Rule on Support Scheme is required by Regulator to adopt a template of the Power Purchase Agreement. The Market Operator is the entity to enter into such agreements with the generators of renewable energy sources.

Power Purchase Agreements have a duration of 10 years for hydro and biomass and, 12 years for wind and photovoltaic technology. The Power Purchase Agreement contemplates necessary provisions which regulate the effectiveness of the agreement, the invoicing and payments relations, the balancing responsibilities, and other necessary provisions for RES generators.

Table on the authorization process during the construction of RES generator in Kosovo

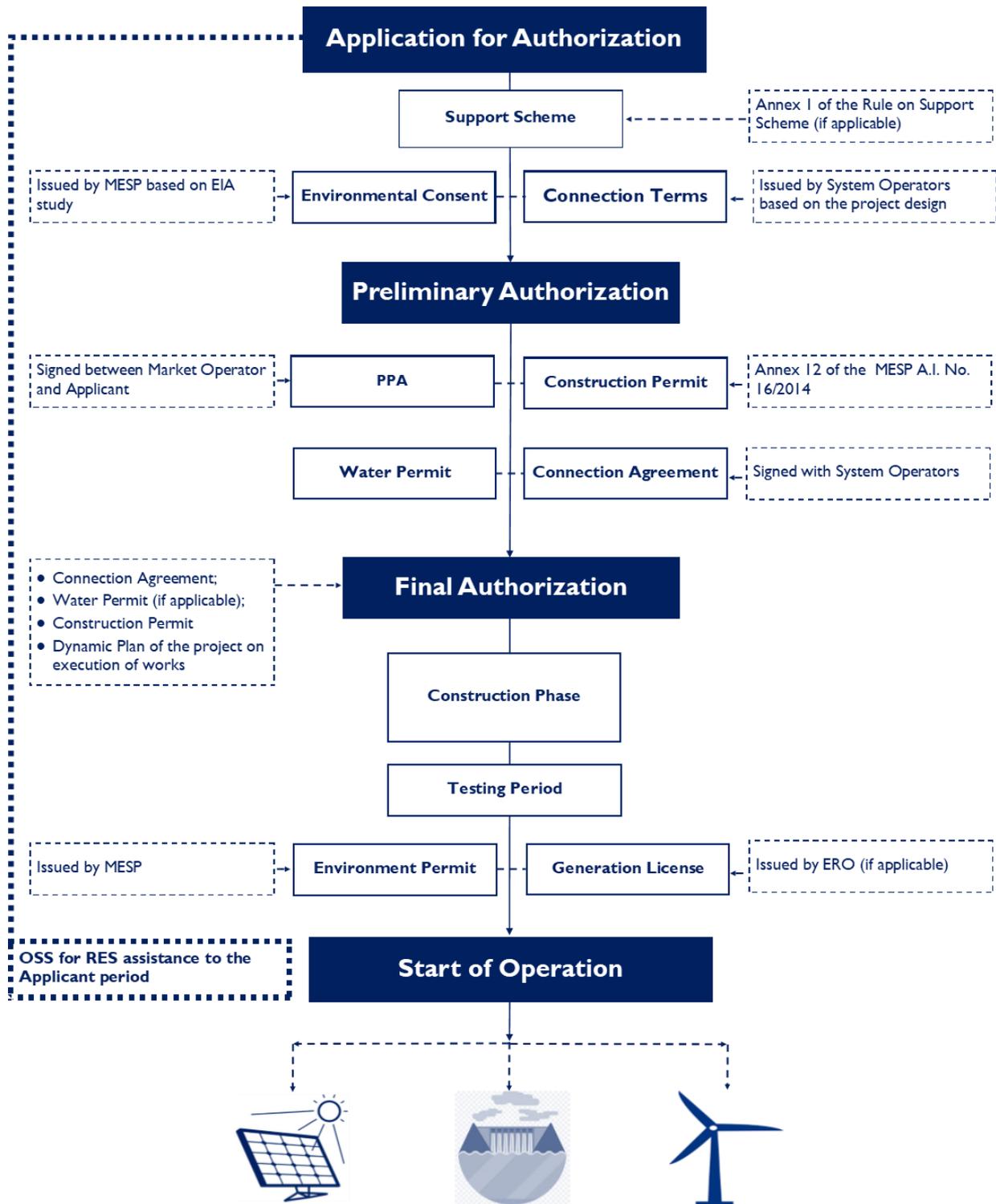
Permits/Approvals/Consents	Required documents	Responsible entity
Preliminary Authorization – Energy Regulatory Office		
	Certificate of Registration as a business company.	Applicant as received from Kosovo Business Registration Agency
	Evidence on establishment of the enterprise (Status of the enterprise)	The Status of the company as registered at the Kosovo Business Registration Agency
	Evidence from competent court proving that the applicant is not involved in a liquidation/ bankruptcy procedure; that his/her business is not administered by the court and his/her commercial activities are not suspended;	Competent Court certificate
	Evidence from competent authority proving that the applicant meets legal obligations on tax payments in the country where the same is registered as a legal person;	tax authorities
	In case of Partnership: Evidence in certain areas related to implementation of the contract/s	Applicant
	Reference on the business experience of the applicant or partners in the field of RES or similar	Applicant
	Support letter from the bank or any lender	Applicant
	Audited Financial Report of the last three (3) years, certified by competent institution or certified Financial Auditors.	Applicant
	Technical Feasibility Study based on real data and measurements carried out in project implementation area, including: general description of the project, climate and meteorological conditions for the project area according to the type of generator, technical description of selection of each element of the generator based on the above data: calculations on which the selections are based, the study, calculations and selection of equipment for connection to energy network, a study and analysis of geological-engineering conditions of the area where the project shall be implemented as well as Organizational Structure of the	Applicant

Permits/Approvals/Consents	Required documents	Responsible entity
	Applicant and CVs of the staff. The Feasibility Study shall, among other, include the Business Plan (Total cost of investments and financing manner, Economical-Financial Evaluation of the Project).	
	Final Implementation Project	Applicant
	Technical information on connection issued by DSO or TSO	System Operator
	Evidence on the right to use the land and property state of the land that shall be used for construction of the generator	Applicant (If public immovable property the Decision on granted consent by municipal body, possession list, plan copies, agreements/contracts on use of private/public land etc.)
	Environmental Consent	Issued to the Applicant by MESP
	Evidence on type, safety, quality of solar/photovoltaic panels and certificate on recycling (TUV Certificate)	Applicant
	Request for Admission to the Support Scheme for Renewable Energy Sources.	Applicant
Final Authorization – Energy Regulatory Office		
	Agreement for Connection to the network, depending on the voltage level.	System Operator
	Water Consent or Water Permit by MESP, in the event of hydro power plants	MESP
	Construction Permit	MESP or Municipality
	Dynamic Plan of the project on execution of works	Applicant
Environmental Consent – Ministry of Environment and Spatial Planning		
	Environmental Impact Assessment	Applicant prepares and submits the report to MESP
	Proof of publication of information	Applicant
	Report on EIA, in six copies	Applicant
	Municipal Assembly opinion	Applicant as issued by the Assembly
	Business Registration Certificate	Applicant, as issued by KBRA
	Possession letter	Applicant
	A copy of the Plan with coordinates	Applicant
	Situation Plan	Applicant

Permits/Approvals/Consents	Required documents	Responsible entity
	The right to use the parcels	Applicant
	Payment of the fee for the review of the EIA report	Applicant
	Evidence on the project investment amount	Applicant
	Completed questionnaire	Applicant
Environmental Permit – Ministry of Environment and Spatial Planning		
	Application form for Environmental Permit	Applicant
	Completed application in five copies	Applicant
	Certificate of Business Registration	Applicant
	A copy of Decision of Environmental Consent	Applicant, as issued by MESP
	Occupancy Certificate	Applicant
	Payment of the Fee for the review of the Environmental Permit	Applicant
Construction Permit – Ministry of Environmental and Spatial Planning or Municipality		
	Application for construction permit	Applicant
	A copy of the plan and the certificate of ownership	Applicant
	Legal act establishing the terms of construction	Applicant
	Construction documents in 3 copies and electronic form	Applicant
	Environmental Impact Assessment Decision (if applicable)	Applicant, as issued by MESP
Water Permit – Ministry of Environmental and Spatial Planning		
	Application for Water Permit	Applicant
	Certified copy of the tax certificate	Applicant, as issued by tax authorities
	Copy of the decision of the construction permit	Applicant, as issued by MESP or Municipality
	Copy of the decision of the water consent	Applicant
	The state of the project implemented	Applicant
	General act of maintenance, use and monitoring of the water facility and action in case of failures and breakdowns	Applicant
	Elaborate reviews of the qualitative and quantitative characteristics of the effluent with the monitoring program of the water status and the results of the monitoring	Applicant

Permits/Approvals/Consents	Required documents	Responsible entity
Network Connection - Distribution System Operator		
	Application for connection conditions	Applicant
	Draft Energetic Consent	Distribution System Operator
	Application for Final Energetic Consent	Applicant
	Issuance of the Energetic Consent	Distribution System Operator
	Technical acceptance and approval of the generator	Distribution System Operator
	Agreement for Connection to the distribution network	Applicant / Distribution System Operator
Network Connection - Transmission System Operator		
	Application for connection	Applicant
	Study Design for connection	Transmission System Operator
	Offer for connection	Transmission System Operator
	Agreement for Connection	Applicant / Transmission System Operator
Generation License (above 5 MW) – Energy Regulatory Office		
	A copy of Business Registration Certificate	Applicant
	The Statute of the Business Registration Certificate	Applicant
	Business plan, related to energy activities to be covered by the license which covers at least next 3 years	Applicant
	Audited annual financial statements for the last 3 years	Applicant
	Evidence from financial institution confirming availability of funds for the energy activity	Applicant, as issued by financial institutions
	Certificate from Tax Authorities	Applicant, as issued by tax authorities
	Certificate not being under the procedure of insolvency or liquidation	Applicant, as issued by the competent court
	Applicant experience	Applicant
	CVs of senior management and qualifications	Applicant
	Organizational structure	Applicant
	Payment of the application fee	Applicant
	Evidence of publication of the notice in daily newspapers	Applicant
	Signed Declaration, certifying that the:	Applicant

Permits/Approvals/Consents	Required documents	Responsible entity
	<ul style="list-style-type: none"> - Managers have not been convicted or indicted from criminal offences; - No withdrawal of license for the activity applying within last 5 years; - The applicant acts in compliance with environmental legislation; - Applicant will apply all legislation of the energy sector including, Regulatory rules, technical and commercial codes; - Has not committed any offence in Kosovo or abroad in terms of safety and security at work. 	



Procedural Manual

3. One Stop Shop for RES

Article 11 (Guidelines of Implementation) of the Regulation of OSS for RES requires from MED to issue the Procedural Manual. The Procedural Manual is adopted by MED in cooperation with other authorities.

One Stop Shop for RES is based at the Ministry of Economic Development (herein after referred as: MED) as the responsible entity to perform activities required by the Regulation on OSS for RES. Duties and responsibilities of OSS for RES are clearly defined by the Regulation on OSS for RES. Decision on appointing responsible officials within the MED should be taken in order for officials to take over the responsibilities envisaged for this purpose.

The Inter-institutional Coordination Commission established through adoption of the Regulation on OSS for RES and enforced by appointing of representatives by relevant institutions or system operators, has the mandate to ease the institutional coordination for specific applications received, but also is entitled to identify eventual obstacles, barriers and/or challenges that may hinder developments in renewable technology and can suggest necessary legal improvements as it seems appropriate. Such proposals through e quarterly reports by the Inter-institutional Coordination Commission should be submitted to the Government of the Republic of Kosovo for consideration. The Permanent Secretary of MED adopted the decision (Decision of 21 May 2019) on appointing members of the Inter-institutional Coordination Commission as delegated by entities being part of the Commission.

OSS for RES established by the Government Regulation No.05/2018, which is the subject of this Operational Manual, does not and shall not interfere with the projects which apply to obtain the status of strategic investors according to the law on Strategic Investments. Hereby we clarify that the projects which obtain the status of strategic investor are regulated with the procedures as defined by the law on Strategic Investments and the competent authority to provide assistance to the investor is the Agency for Investment and Enterprise Support and not the OSS for RES.

3.1. Institutional responsibilities of OSS Inter-institutional Coordination Commission

The Inter-Institutional Coordination Commission according to the Rule on OSS shall have meetings as needed with the purpose of coordinating issues of concerns raised to the OSS by the applicants of Renewable Energy Source (herein after referred as: RES sector) as well as to discuss and coordinate activities on supporting RES applicants.

Each institution and system operator's, part of the Inter-Institutional Coordination Commission, delegates members to represent the institution in front of Commission. Each member appointed represents its delegating institution and is expected that discussions held from the Inter-Institutional Coordination Commission are shared within their institutions. Each representative of the Inter-Institutional Coordination Commission is responsible based on the mandate provided by law and should be active and cooperate with other representatives and the head of the Inter-Institutional Coordination Commission during the assistance requested by the Applicant.

The Inter-Institutional Coordination Commission is headed by the representative of MED. In order for a meeting of the Inter-Institutional Coordination Commission to be held, 2/3 of representatives need to be present. As per the above 7 representatives are necessary to be present in order for the meeting to be held.

Main competencies and authorizations, as provided by relevant laws of the institutions being part of the Inter-Institutional Coordination Commission are elaborated below:

- MED, through Energy Department, is in charge for the policy-making for the energy sector. From the policy perspective MED adopted several acts which structure the main basis for support of renewable technology in general. As per the above MED is responsible for setting the state RES targets to be achieved, which is done through the Administrative Instruction No. 05/2017 on Renewable Energy Source Targets and MED also adopted the Administrative Instruction No. 06/2017 on Utilization and Support of Energy Generation from Renewable Sources.
- The Energy Regulatory Office (herein after referred as: Regulator) is in charge for issuing authorization to construct new generation capacities, as well as the generation license if required by law. Regulator also defines supports schemes and sets the feed-in tariff for renewable technology and also is the competent authority for issuing certificates of origin and monitoring energy companies and system operators. Regulator adopted the Rule on Authorization Procedure for Construction of New Generation Capacities from Renewable Energy Sources on April 2017 (herein after referred as: Rule on Authorization) which regulates the procedures for authorization of new generation capacities and the issuance of the right to construct new generation capacities. Regulator adopted also the Rule on Support Scheme on April 2017 which regulates the mechanism for supporting the electricity generated from renewable energy sources through different schemes. Regulator is also responsible for drafting the Power Purchase Agreements which should be signed between the Market Operator and the Generator generating electricity based on RES technology.
- Ministry of Environmental and Spatial Planning (herein after referred as: MESP) is responsible for issuance of consents and permits related to environment, construction and water. MESP reviews the Environmental Impact Assessment study which is prepared by applicants interested to invest in the renewable technology and based on this review issues the environmental consent. MESP is also responsible to issue water use permit necessary for hydro technology and for construction permit for exceeding 10 MW of the installed capacity. MESP also sets the procedure through secondary legislation and instructs Municipalities to issue Municipal Environmental Permits.
- Municipalities are responsible for adopting municipality development plans which amongst other, envisage the areas where the construction of power plants should happen. Municipalities have competence for issuance of construction permits for generation capacities of less than 10 MW as well as environmental permits for which the environmental impact assessment study is not needed.
- System operators, Kosovo Transmission and Market Operator (KOSTT) and Kosovo Electricity Distribution and Supply (KEDS), are responsible for providing access and connecting RES power plants to their respective grids. System operators issue connection terms, as well as comprehensive and detailed estimate of the costs associated with the connection of new generation capacities.
- Ministry of Forestry and Rural Development (herein after referred as: MFRD) within its structure has the Agency of Forestry which is responsible for the management and issuance of the right to use the forest land.
- Ministry of Finance is responsible for the fiscal policy and under its umbrella are customs and tax authorities. Few parts of RES technology are exempted from custom duty such as: photovoltaic panels.

- Ministry of Trade and Industry is mandated to support small and medium enterprises of Kosovo, register new companies in Kosovo, as well as through the Agency for Promotion of Investments provides guidelines for investors.
- Ministry of Local Government Administration has the mandate to regulate through secondary legislation to issue right for use the local public land. Based on the law on use of Municipal Immovable property the Ministry prepares and Government adopts the secondary legislation which regulates the procedure for the right to use the Municipal land. Ministry of Local Government Administration also monitors the implementation of legislation by the Municipalities.
- Association of Municipalities of Kosovo as non-governmental organization is represented by Municipalities and amongst others has the mandate to address concerns of Municipalities for more efficient local governance in order for better services to citizens.

3.2. Mandate of the OSS for RES

OSS for RES and its competencies are clearly regulated by the Regulation No. 05/2018 on One Stop Shop for Renewable Energy Sources. The main duty of the OSS for RES is to coordinate, cooperate and inform the interested party (the applicant) during the investment process in the renewable energy sector in Kosovo and who has expresses any concern in written form.

OSS for RES, due to its role related to coordination, cooperation and information is quite limited. In other words, due to failure of other responsible institutions to act timely OSS for RES cannot be held accountable. The OSS for RES is accountable for not acting in compliance with its mandate or if not acting within 15 days as envisaged by the Rule on OSS for RES.

Competencies of the OSS for RES, as described at Article 5 of the Regulation on OSS for RES, include the following:

- I. follow developments regarding investments in renewable energy source projects;
- II. cooperation with all institutions responsible for implementing legal procedures and issuing relevant permits for projects in the field of renewable energy sources;
- III. regular and continuous communication with the Regulator responsible for developing the authorization procedure for renewable energy projects;
- IV. regular communication with project investors in the field of renewable energy in order to facilitate the implementation of legal and procedural steps in the investment process;
- V. develop transparent communication with all parties interested in investing in renewable energy in order to provide the necessary information on legal and administrative procedures;
- VI. provide necessary information to interested parties, respectively to applicants for projects in renewable energy, regarding the application method, application requirements and the deadline of procedures;
- VII. harmonization and coordination of information on the requests and number of applications for obtaining permits from institutions responsible to issue such permits, in order to facilitate the procedure for the parties;
- VIII. coordination with institutions responsible for projects in renewable energy, in order to harmonize and facilitate administrative procedures for issuing relevant permits, when they are identified as obstacles by the investor or by the party that has received the authorization;
- IX. hold consultative meetings with representatives of responsible institutions for the development of projects in renewable energy, in cases where delays are observed in the investment process in this area, or in cases where the applicant or the investor submit their argued remarks;

- X. outreach and communication with authorities of the responsible institution in order to ascertain the current status of the application for the respective permit when such a thing is required by the party that has applied;
- XI. continuously follow the progress of the application for the respective permits, in accordance with the provisions of applicable laws;
- XII. address recommendations of the parties involved in the process, in order to avoid legal or procedural obstacles, in view of facilitating the investment process in the renewable energy sector, including recommendations for legal amendments, as necessary;
- XIII. prepare an information handbook on the process of issuing permits from the institutions involved in the process, with a view to coordinate the deadlines in accordance with the legislation in force.

3.3. Elaboration of written requests received by OSS

The OSS for RES operates under the organizational structure of the Ministry responsible for the energy sector - MED. The form of functionalization of the OSS is under the competency of MED. MED is expected to issue a decision on appoint the competent personnel which shall represent OSS for RES.

The OSS for RES competence starts with the application date and ends when the response is issued to the applicant. In compliance with Article 6 of the Government Regulation No. 05/2018 on One Stop Shop for Renewable Energy Sources, the response to the issue raised shall be reviewed within 15 business days from the date of receipt of the request.

Below we elaborate the procedure to be followed by the OSS for RES and a brief description of the work flow. A work flow diagram is provided at the end of this section.

3.3.1. Application

The Applicant of the RES project (herein after: the Applicant) submits an application to the OSS in writing¹.

The application should provide clear and concise information describing the matter which is hindering the occurrence of the investment or any other matter which requires institutional attention. The application should describe the legal basis of matter, the existing obstacles, the responsible institution, the relevant evidence for the matter and other information necessary which would make easier the understanding of the issue of concern².

3.3.2. OSS review

OSS reviews the application within 15 business days from the receipt of the application.

Within 2 business days the OSS for RES does the first reading of the application. OSS might ask via email, latest at day 3, any question or require any other document to the applicant if the application does not contain all the necessary information. The applicant should respond within 2 business days.

OSS communicates with the relevant party which is subject of the application to take the necessary information related to that specific matter.

Communication should be intensive and a response from the relevant party should not be delayed.

3.3.3. Relevant party

The relevant party responds within 5 business days, but not later than day 10 from the application.

The relevant party is the entity to which the Applicant raises the concern.

¹ OSS for RES actions in underline

² OSS for RES internal action in *italic*

3.3.4. OSS response

OSS prepares the draft response for the applicant. Such draft response should be shared with the relevant institution.

The relevant institution might provide comments on the draft response, within 1 business day.

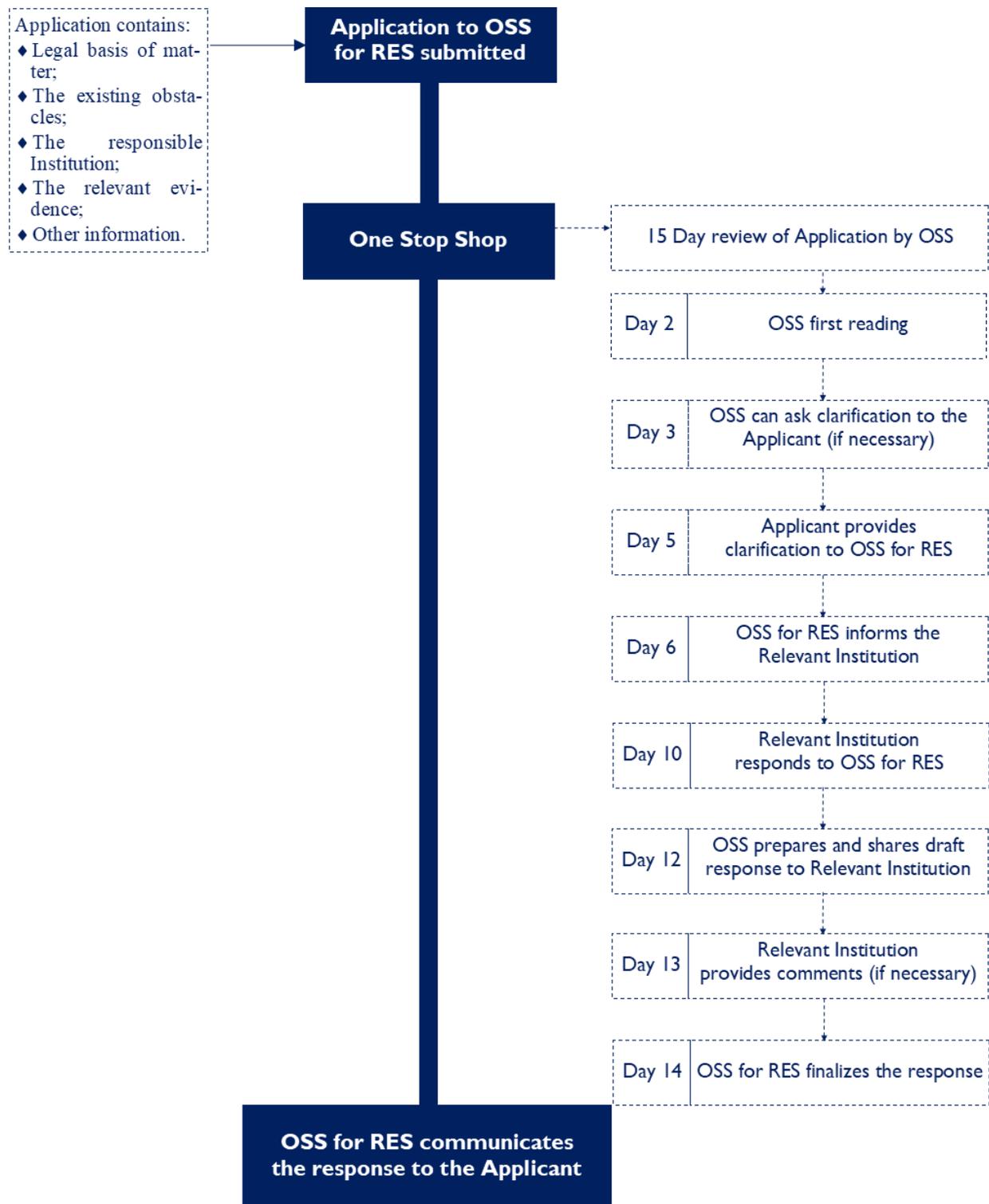
OSS sends response to the applicant latest at day 15. The response to the application can be sent earlier than the regular deadline if ready.

3.3.5. Information to be published

OSS publishes the information shared with the Applicant to the public, via webpage.

The publication on the webpage shall not contain the name of the applicant and the project details. The relevant information is published for the needs of institutions and investing stakeholders.

Flow Chart on OSS for RES internal procedure



To: *Name of Applicant*
From: *Name of the OSS for RES representative*
Date: *The date of issuance of the response by OSS for RES*
Subject: *Response to the request submitted to the OSS for RES [month] [day] 2019 from ...*

The OSS for RES is established by the Government Regulation No. 05/2018 on One Stop Shop for Renewable Energy Sources with the mandate to coordinate, cooperate and inform parties in facilitating the investment process in the renewable energy sector in Kosovo.

The OSS for RES:

- on [month] [day] 2019 received the request from the Applicant [*name*], in compliance with Article 6 of the Government Regulation No. 05/2018 on One Stop Shop for Renewable Energy Sources, to assist on the issue related to the project [*project details*];
- reviewed the Application and on [date] contacted for review of the Application the relevant institution, namely the [*name of the relevant institution*];
- received the response from the [*name of the relevant institution*] on [date] in relation to the concern raised by the Applicant.

The response for the concern of the Applicant related to the project [*description of the project based on the data received*] as received by the [*name of the relevant institution*] on [date] is attached to this letter.

No liability: Due to the coordination, cooperative and informative mandate of the OSS for RES, the OSS for RES takes to legal responsibility to the response issued by the relevant institution [*name of the relevant institution*], hereby the response provided herein does not constitute grounds for administrative or judicial actions towards OSS for RES, Inter-Ministerial Commission nor MED.