



Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada - Government

Ministria e Ekonomisë - Ministarstvo Ekonomije - Ministry of Economy

KOSOVO SOLAR FORUM

Promoting Investment in
Renewable Energy

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USAID
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Introduction

Building on the success of the inaugural Kosovo Solar Forum organized in July 2021, the Ministry of Economy with support from the United States Agency for International Development (USAID) is organizing the **Kosovo Solar Forum – Promoting Investment in Renewable Energy**. The Forum highlights the favorable business environment and investment opportunities in the growing prosumer and self-consumption markets for small-scale solar power as well as upcoming large-scale solar projects in Kosovo.

2022 is a significant year for Kosovo's renewable energy source (RES) transition as it redefines its energy future. The Kosovo Solar Forum gathers all of the leading local and international energy sector players, investors, commercial banks, RES developers and businesses, government officials, and policymakers under one roof to discuss policy updates and promote investment in small- and large-scale RES initiatives.

The Forum maintains the climate-change momentum across the energy sector, reaffirming the Government of Kosovo's commitment to ensure progress towards meeting national RES investment and decarbonization targets. It is also an occasion to share regional perspectives on RES development across the Western Balkans.

It will also feature a solar trade fair where the country's leading solar companies, commercial banks, international development agencies, and other RES players can display and market their services, and products. The fair provides participants a tangible opportunity to explore the wide range of expertise, knowledge, and opportunities available in Kosovo to develop concrete renewable energy projects.

Kosovo's Commitment to Decarbonization

As a Contracting Party to the Energy Community, the Republic of Kosovo is aligning its legislation with the European Union (EU) provisions on climate, energy, and environment.

The Government of Kosovo endorsed the Sofia Declaration on the Green Agenda for the Western Balkans in 2020 – committing to achieve net-zero emissions by 2050 and move a step closer toward the establishment of a green and healthy environment for its citizens.

ONGOING DEVELOPMENTS IN THE KOSOVO ENERGY SECTOR

Energy Strategy 2022-2031

The Government of Kosovo's Energy Strategy outlines an ambitious vision for a just energy transition for the country over the next 10 years.

Through this strategy, the Government is leading the way toward modern, reliable, and affordable electricity service for all citizens, and energy policies that promote a meaningful climate change agenda and protect livelihoods as part of the evolution to a sustainable energy future.

This strategy is unprecedented: it contemplates no new lignite capacities in Kosovo, plans to introduce carbon pricing to be included in the overall costs of running existing lignite plants, and foresees an ambitious deployment of renewable energy sources, specifically wind and solar.

ENERGY STRATEGY

- Increase renewable-based electricity generation capacity, reaching a minimum of 35% of national electricity consumption and 1,400 megawatts of wind and solar capacity
- Reduce greenhouse gas emissions by at least 32%
- Decommission one lignite unit in Kosovo A by 2026 and transition others to reserve mode after 2028
- Invest in significant energy efficiency improvements to reduce consumption and ease the burden of supply

First Renewable Solar PV Auction in 2022

Kosovo's first-ever competitive auction for solar photovoltaic (PV) power generation is planned for 2022. The Ministry of Economy envisages awarding contracts for the design and development of up to 100 megawatts (MW) of solar PV via an open and transparent auction process, allowing bidders to propose construction on public and/or private land.

Bidders that offer the lowest price, and that fulfil the requirements of the tender, will be awarded with a power purchase agreement with a guaranteed electricity purchase price.

The first Solar Auction should attract experienced private local and foreign investors and renewable energy developers and open the door to the tendering of new domestic energy capacities through competitive processes. Ultimately, Kosovo will diversify its energy mix and have more affordable prices.

Moving forward, auctions represent an important mechanism to achieve Kosovo's renewable energy targets. The first auction will pave the way for tendering the implementation of larger competitive schemes in Kosovo planned for 2023.

Renewable Energy Sources Law

Recognizing the need to boost investment and development of renewable energy source (RES) transactions through policy and legislative support, the Ministry of Economy and its partners are in the process of drafting a new Law on Renewable Energy Sources as an essential tool to drive necessary investments and facilitate the just energy transition in Kosovo. The draft Law is designed to provide the necessary project development and financing structure to help build a pipeline of bankable RES projects.

The draft RES Law will consolidate the existing energy legislation and tackle the most pressing project development issues, removing cumbersome and redundant bureaucratic measures that hinder private and public investors. The work in drafting the RES Law is being conducted in a close coordination with the Energy Community Secretariat and the Working Group established by the Ministry of Economy.

The new Law seeks to provide clear processes and measures to provide investors with more confidence to invest into RES self-generation. It will address important issues to help unlock energy sector investments, business expansion and create local employment in Kosovo. It will enable Kosovar companies to join the larger regional RES market and business sector that is evolving as a critical part of Europe's energy future.



Solar PV Prosumers

As one of the main drivers of the transition to renewable energy, prosumers will play an important role in the new energy framework of Kosovo. Prosumers will typically consume most of the electricity generated from their own solar PV systems and inject the surplus portion into the grid for credit.

The prosumer model offers a cost-effective way for consumers to participate in the evolving electricity market, covering their self-consumption and contributing to increases in the share of renewable energy in final electricity consumption and reducing losses in the distribution grid. Prosumers will help keep their own costs and system costs low, while contributing to Kosovo's energy security and climate resilience.

Rule on Prosumers

To support the prosumer market in Kosovo, there is a growing need for regulatory measures that will help accommodate current and future demand and will establish a sound basis to fully support customers as renewable self-consumers. These regulatory measures and updates are in keeping fully with new European Union (EU) legislation which calls upon creating an enabling environment for active participation of consumers in the electricity market and facilitates the expansion of renewable energy.

Given the current legislation and based on the analysis of best practices applied in Europe and the region, the Energy Regulatory Office (ERO) is in the process of developing the *Rule on Prosumers*. This rule will provide an advanced level of regulation in a comprehensive and integrated manner for all issues pertaining to self-consumption. It will ensure an appropriate and sufficient regulatory framework is in place to tackle the increased demands in the sector. The Rule on Prosumers will define principles and the regulated mechanism for supporting electricity consumers that wish to generate electricity at their own premises based on renewable technology for their own use.

RES Geoportal Data

Kosovo's geoportal is a public platform that provides important data on land, roads, rivers and other critical infrastructure and protected areas throughout the country and is a tool that supports the development of new renewable energy projects.

Kosovo's Ministry of Environment, Spatial Planning, and Infrastructure (MESPI) engaged a cadre of interns, through the U.S. Agency for International Development (USAID)-supported "New Energy" internship program, to collect and process geospatial data that allows proper siting of solar and wind energy generation capacity in the country. The data are then published in an open-access portal to inform renewable energy development activities.

The solar dataset is available to Kosovo's Cadastral Agency and will be published as a new layer into Kosovo's geoportal. The dataset identifies specifically which land areas that offer the best solar radiation and can be utilized for development of solar PV plants. Once the wind dataset is identified, the same information will be made available publicly to potential developers.

Renewable Energy Source Portal (RES Portal)

Kosovo has prioritized the modernization and improvement of the country’s energy sector, and is working closely with development partners, including USAID, the European Commission, KfW, the World Bank, EBRD, GIZ, the IFC, as well as other international donors and the private sector to deliver these important objectives.

Private sector-led development and investment, sustained by sound government policy and a welcoming business enabling environment, are critical for the expansion and long-term success of decarbonization and renewable energy. To support investment and renewable energy expansion, the Ministry of Economy is developing the **Renewable Energy Source Portal** – www.reskosovo.com

The Renewable Energy Source Portal provides a comprehensive one-stop-shop for investors and developers on Kosovo’s renewable energy opportunities. The portal offers up-to-date information on applicable legislation, regulations, and procedures and as well as links to leading energy sector stakeholders.



www.reskosovo.com





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