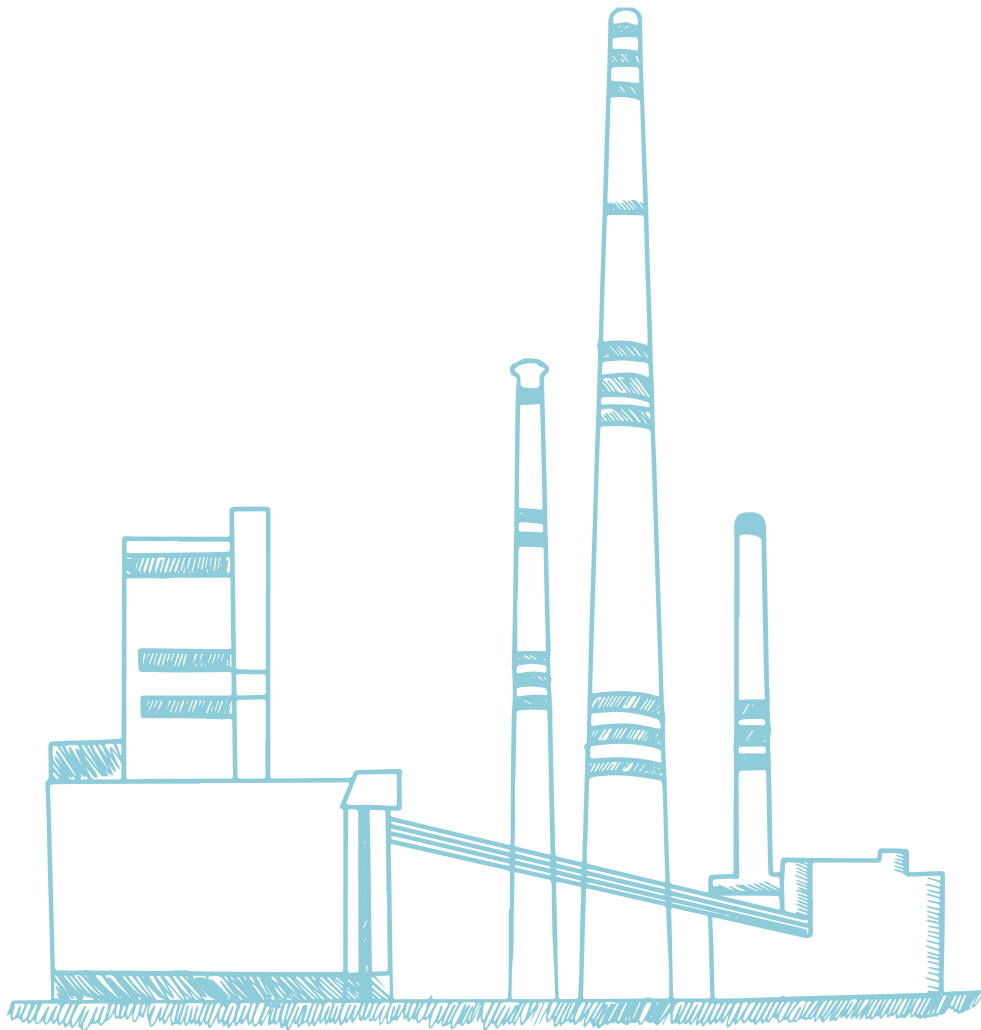







# Kosovo\*

## Annual Implementation Report

1 November 2024

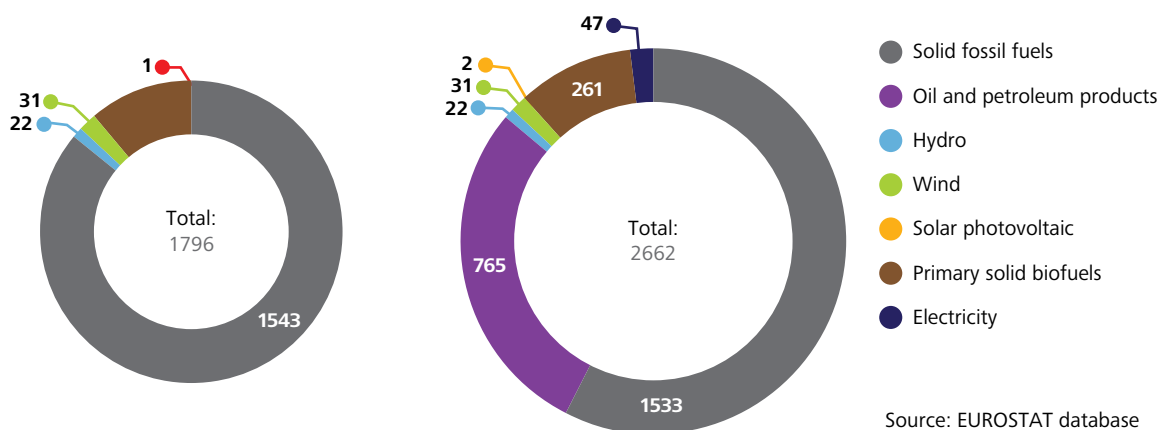


## IMPLEMENTATION OVERVIEW

CLUSTER	IMPLEMENTATION STATUS	RECOMMENDATIONS
 Markets and integration	<div style="width: 45%;"><div style="background-color: #0070C0; height: 10px;"></div></div> 45%	Transposition and implementation of the EIP should be completed along with the opening of the intraday electricity market as preconditions for market coupling. The transmission system operator should continue improving system balancing and strengthening of the regional cooperation.
 Decarbonising the energy sector	<div style="width: 59%;"><div style="background-color: #0070C0; height: 10px;"></div></div> 59%	Kosovo* should transpose and implement the missing elements of the EU ETS Directive, including full transposition of the Monitoring and Reporting Regulation and the Accreditation and Verification Regulation. The country should adopt its NECP without delay and draft a long-term strategy with a 2050 climate neutrality objective. It also needs to adopt secondary legislation to fully transpose the sustainability and greenhouse gas emissions saving criteria for biofuels, bioliquids, and biomass fuels as stipulated in REDII. Pending amendments to the energy efficiency law should be adopted, with updates to by-laws and labelling regulations, and strengthened institutional capacity to ensure compliance with EU energy efficiency standards.
 Ensuring energy security	<div style="width: 40%;"><div style="background-color: #0070C0; height: 10px;"></div></div> 40%	Transposition of Regulation (EU) 2019/941 should be completed and a preparation of a risk-preparedness plan initiated. Commission Regulation (EU) 2017/2196 should also be transposed.
 Improving the environment	<div style="width: 43%;"><div style="background-color: #0070C0; height: 10px;"></div></div> 43%	Kosovo* must fully transpose the provisions of the Environmental Impact Assessment Directive regarding public participation and report examination as well as the provisions of the Environmental Liability Directive. The Strategic Environmental Assessment for the draft NECP must undergo a transboundary consultation process and adequately consider its outcomes. Kosovo* has to address the long-standing non-compliance with the National Emission Reduction Plan ceilings, as confirmed by the decision of the last Ministerial Council.
 Performance of authorities	<div style="width: 66%;"><div style="background-color: #0070C0; height: 10px;"></div></div> 66%	Kosovo* is recommended to implement full cost recovery in energy regulated prices, pursue active enforcement of competition rules, and institute a functioning State aid authority. Capacity building and internal process improvements are recommended for the energy statistics personnel.

2022 Fuel mix in primary production of energy (in ktoe)

2022 Gross available energy per product (in ktoe)



<p>Procedures under Article <b>91</b> EnCT</p>	Overall number of cases: <b>6</b>	ECS-8/21 - environment
		ECS-5/22 - environment
		ECS-11/23 - environment
		ECS-8/24 - electricity
		ECS-16/24 - oil
		ECS-26/24 - renewable energy



# Kosovo\*

## Markets and integration

### ELECTRICITY

45%



#### WHOLESALE MARKET



40%

Kosovo\* has not yet transposed the Electricity Integration Package (EIP) but the process of drafting amendments to the Law on Energy, Law on Electricity and the Law on Energy Regulator is advancing. As the legal deadline for the transposition expired on 31 December 2023, an infringement procedure has been initiated by the Secretariat.

The wholesale market in Kosovo\* is still characterised by the bulk supply agreement between the incumbent producer Kosovo Energy Corporation (KEK) and the universal supplier KESCO which is an obstacle to the development of competition. Furthermore, KEK is providing electricity to network operators to cover losses.

On 31 January 2024 the day-ahead market was launched in Kosovo\* simultaneously with the market coupling of Albania and Kosovo\*, operated by the Albanian power exchange ALPEX. A local intraday market and its coupling with Albanian intraday market are announced to be launched at the end of 2024, however, the go-live date is still expected.

ALPEX was designated as a nominated electricity market operator in Kosovo\* in July 2023, yet under the legal framework that does not entirely transpose the EIP. A compliant designation is pending completion of the transposition.

A balancing market is established and operates under long-term contracts for frequency restoration reserve and intraday balancing energy auctions. Rules shall be aligned with the EIP according to which the national terms and conditions related to balancing were to be submitted by the transmission system operator by 15 June 2023 for regulatory approval.

The REMIT Regulation has been transposed and implemented.

#### RETAIL MARKET



30%

Despite being free to choose their supplier, customers connected to the voltage levels 35 kV, 10 kV and 0,4 kV continue to be supplied by the universal service supplier, KESCO, at regulated tariffs while only customers connected to the voltage level 220 kV and 110 kV are supplied at market prices. The block tariff structure is still in place. KEK is operating as a supplier of last resort for a period of three years starting from 31 July 2022.

The distribution and supply of electricity in the north part of Kosovo\* is normalised in 2024 following completion of all necessary contracts between the electricity supply company Elektroever, licensed for supply of customers in four municipalities in the Northern Kosovo\*, KEDS and KOSTT.

The regulators of Kosovo\* and North Macedonia signed memorandum of understanding on the mutual recognition of electricity trading and supply licenses in 2023 and are currently working on removing unnecessary barriers and simplifying administrative processes.

The primary legislation acknowledges the concept of vulnerable consumers. An improvement of the framework for the consumer empowerment and protection is pending the transposition of Directive (EU) 2019/944.

#### UNBUNDLING

80%

The transmission system operator (TSO), KOSTT, is certified and unbundled. Kosovo\* has not transposed Commission Regulation (EU) 2017/1485 and KOSTT is not a member of ENTSO-E. In September 2024, the Connection Agreement between KOSTT and the transmission system operators of Continental Europe was signed for the additional two years. The signed Connection Agreement introduces penalties for unintended deviations above certain threshold aimed at the improvement of KOSTT's performance in that area. KOSTT operates in the load-frequency control block with the transmission system operator of Albania. It publishes regularly its TYNDPs, the last one being published in November 2023 for the period 2024–2033.

The distribution system operator KEDS is unbundled and a compliance programme has been established. The compliance report for 2023 was published in April 2024 by the compliance officer. The regulator has monitored the implementation of this programme and so far, has not found violations that would require taking measures.

#### ACCESS TO THE SYSTEM

81%

Grid codes, approved by the regulator, and tariffs calculated based on applicable methodologies for the use of the network define the access to the transmission and distribution system. As of April 2024, new distribution and transmission tariffs are applicable.

The connection codes have been transposed and have been implemented through the grid codes.

Regulation (EU) 543/2013 is partially implemented. KOSTT publishes information on generation, and now also data on consumption and transmission on ENTSO-E Transparency Platform.

**REGIONAL INTEGRATION**  **24%**

Advancing regional cooperation is pending the transposition of the EIP through the ongoing amendments of the legal framework.

The regional auction platform SEE CAO is used on all interconnectors and timeframes except for intraday timeframe where the allocation is done bilaterally between the respective system operators. On the bidding-zone border with Serbia, no allocation of capacities has taken place, and common rules have not been agreed.

The transmission system operator and the power exchange are participating the so-called SEE Market Coupling Project together with the transmission system operators and power exchanges of Albania, Greece and North Macedonia. An application for adherence was submitted to the Italian Border Working Table

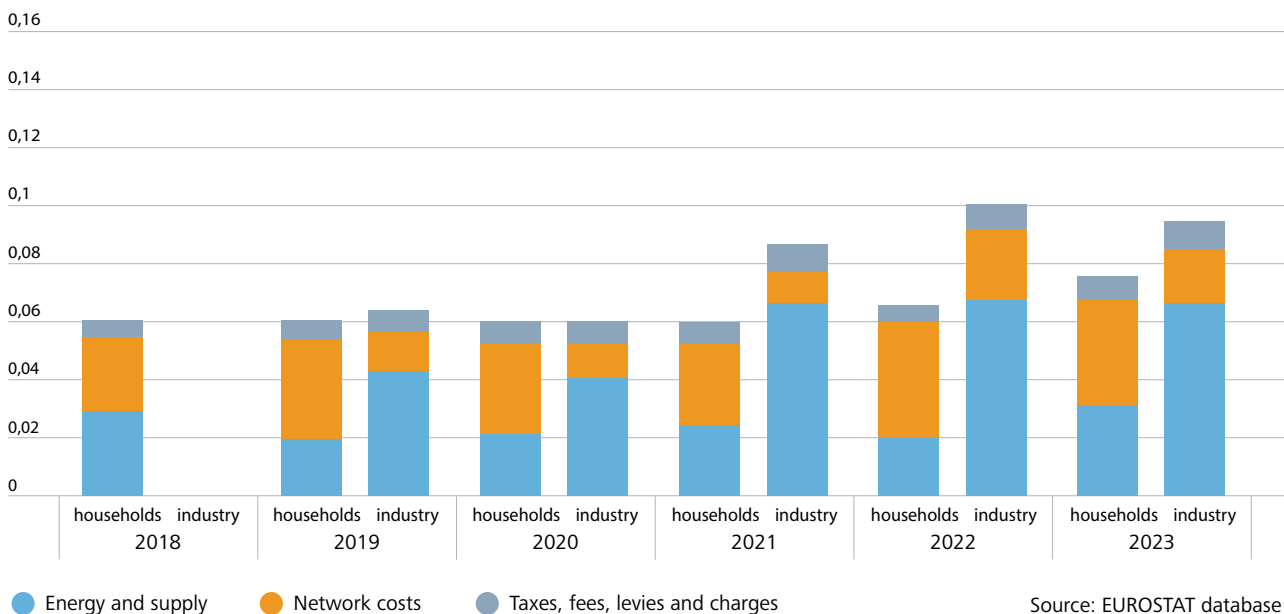
(IBWT) project with a goal of establishing a local implementation project for market coupling. Feedback from IBWT is pending at the moment of a preparation of this report.

The bidding-zone borders of Kosovo\* are included into the so-called Shadow South-East Europe capacity calculation region (Shadow SEE CCR), as defined by Commission Regulation (EU) 2015/1222. However, signing of a cooperation agreement between transmission system operators, as an initial step, is stalled due to a political dispute between Serbia and Kosovo\*. To unblock the process, negotiations on the possible reconfiguration of the Shadow SEE CCR are ongoing.

The Albania-Kosovo\* control block cooperates on cross-border balancing, in particular by sharing considerable amount of frequency restoration reserve based on a common agreement between KOSTT and the transmission system operator of Albania OST.

Kosovo\* has transposed and implemented Regulation (EU) 347/2013. Regulation (EU) 2022/869 has to be transposed by the end of 2024. Kosovo\* participated in the PECEI selection process in 2024 with one electricity-related project that is included in the final preliminary PECEI list (reconfiguration of 400 kV grid and new 400 kV interconnection Albania-Kosovo\*).

Average annual prices of electricity for end users per component [EUR/kWh]



## GAS

n.a.



### WHOLESALE MARKET

n.a.

Kosovo\* does not have a gas market, though it has a basic regulatory framework in place.

### ACCESS TO THE SYSTEM

n.a.

The rudimentary gas acquis requirements for unhindered access have been transposed by the Law on Natural Gas.

### RETAIL MARKET

n.a.

Kosovo\* has transposed basic elements for the protection of customers.

### REGIONAL INTEGRATION

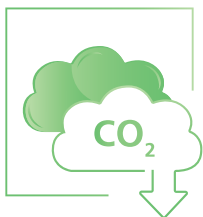
n.a.

A timeline for transposing the revised Regulation (EU) 2022/869 is still unknown. Kosovo\* is the only Energy Community Contracting Party that fully transposed and implemented the old Regulation (EU) 347/2013.

### UNBUNDLING

n.a.

Should Kosovo\* establish an access to the European gas networks, any future transmission system operator must apply the ownership unbundling model.



# Kosovo\*

## Decarbonising the energy sector



### GOVERNANCE/CLIMATE IMPLEMENTATION

56%

#### NATIONAL ENERGY AND CLIMATE PLANS

53%

Kosovo\* has not notified to the Secretariat an adopted National Energy and Climate Plan (NECP) and thus missed the legal deadline.

#### GREENHOUSE GAS 2030 TARGET

80%

Kosovo\* has not defined the 2030 climate target in its national legislation, but it is included in the draft NECP. The target is in line with the 2030 targets set by the Energy Community.

#### NATIONAL SYSTEMS FOR CLIMATE REPORTING

75%

There is a legal basis for a national greenhouse gas inventory system, nonetheless, by-laws related to national greenhouse gas inventories still require transposition. Kosovo\* has made progress through the adoption of the Law on Climate Change by the Government, which provides the institutional framework for estimating greenhouse gas emissions. However, Kosovo\* still needs to further implement a national system for estimating greenhouse gas emissions. This entails collecting greenhouse gas emissions data for all IPCC categories, establishing and implementing quality control measures as well as uncertainty estimates at the national level.

Kosovo\* initiated reporting on national systems for policies and measures and projections but submitted no report in Reportnet.<sup>1</sup>

#### NATIONAL GREENHOUSE GAS EMISSIONS POLICIES AND MEASURES

47%

Reporting obligations have been transposed in the legislation as Kosovo\* has adopted a law on climate change. Kosovo\* has nominated lead reporters for the Governance Regulation reporting activities. In the context of Reportnet system, reporting on policies and measures (PaMs) has been initiated, but not officially submitted. Reporting on adaptation strategies still needs to be initiated. A report on carbon pricing revenues has been officially submitted.

#### LONG-TERM STRATEGY AND CLIMATE NEUTRALITY

25%

The legal basis for a long-term strategy has been adopted in the new climate law. Kosovo\* has not yet adopted a long-term strategy with a 2050 climate neutrality objective. It remains unclear if and how such an objective will be reached.

<sup>1</sup> Reportnet 3.0 (<https://reportnet.europa.eu/>) is the next generation platform for reporting environmental data to the European Environment Agency (EEA) and also host several reporting tasks for the European Commission. Reportnet 3.0 is a centralised e-Reporting platform, aiming at simplifying and streamlining the data flow steps across all environmental domains. The system acts as a one-stop-shop for all involved stakeholders. It is managed by the EEA and Contracting Parties report through it.

## RENEWABLE ENERGY IMPLEMENTATION

68%



### 2030 RENEWABLE ENERGY TARGETS



60%

The overall target of achieving a 32% share of renewable energy in the gross final energy consumption, as outlined in the draft NECP, is in line with the 2030 target set by the Energy Community. The overall 2030 renewable energy target is subdivided into sectorial targets for electricity (45%), transport (3,6%), and heating and cooling (49,6%). The 3,6% target for transport does not align with the minimum requirement of 7% mandated by the Renewable Energy Directive (REDII), nor is the target for renewable energy in heating and cooling of 49,6% aligned with Article 23 of REDII.

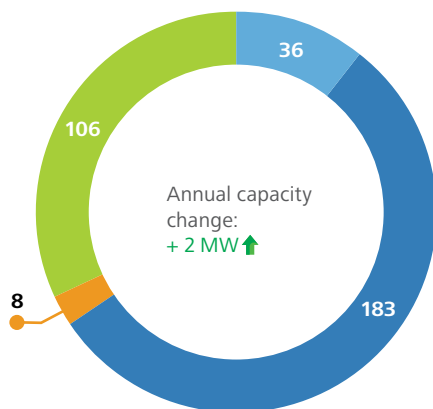
### QUALITY OF SUPPORT SCHEME



80%

In April 2024, Kosovo\* adopted its first standalone Renewable Energy Law, laying the foundation for a market-based support scheme in alignment with REDII requirements. Simultaneously, Kosovo\* completed its first solar PV auction. With the successful completion of this initial test auction, it is now crucial to adopt detailed auction rules and a three-year auction plan.

### Total Capacities of Renewable Energy 2023 (MW)



- Large hydropower
- Small hydropower <10 MW
- Wind
- Solar

Total capacities of renewable energy (MW): **333**

Source: Ministry of Economy

### SELF-CONSUMPTION AND ENERGY COMMUNITIES

75%

Self-consumption is operating effectively in Kosovo\* through a net billing scheme. The adoption of the new Renewable Energy Law enabled establishment of renewable energy communities in accordance with REDII requirements. The next step is to adopt the necessary secondary legislation and establish the first renewable energy communities.

### GUARANTEES OF ORIGIN

70%

Within the framework of the regional project implemented by the Energy Community Secretariat, an electronic registry for guarantees of origin (GOs) was established for Kosovo\*. It became operational by regulator in July 2024. The next critical milestone for achieving a fully operational GO system includes the adoption of disclosure rules and the calculation of the residual energy mix. The Renewable Energy Law incorporated the necessary legal provisions for issuing GOs for all types of energy carriers, including renewable gas, and heating and cooling.

### SUSTAINABILITY CRITERIA FOR BIOFUELS, BIOLIQUIDS AND BIOMASS FUELS

40%

The Renewable Energy Law introduces the sustainability and greenhouse gas emissions saving criteria for biofuels, bioliqids, and biomass fuels and establishes rules for their verification. This provides a legal basis for adopting the secondary legislation by the ministries responsible for energy, environment and fuel sector, which will ensure legal framework compliance by Kosovo\* with REDII, allowing for full implementation of the sustainability criteria provisions.

### RENEWABLE ENERGY IN HEATING AND COOLING

83%

Kosovo\* achieved a significant milestone in streamlining renewable energy within its heating and cooling sector. The adoption of the Renewable Energy Law enabled the effective transposition of Articles 23 and 24 of REDII, thereby creating a robust legal framework to promote the integration of renewable energy sources into both individual and district heating systems. While this framework, coupled with ongoing measures and those outlined in the draft NECP provides a solid basis to drive change particularly in district heating, the measures in the draft NECP are not sufficient to achieve broader progress across the entire heating and cooling sector.

## ENERGY EFFICIENCY IMPLEMENTATION

71%



### 2030 ENERGY EFFICIENCY TARGETS AND POLICY MEASURES



72%

The 2030 energy efficiency targets as outlined in the draft NECP are aligned with the 2030 targets set by the Energy Community. This is also true for specific targets related to the implementation of Article 5 and Article 7 of the 2012 Energy Efficiency Directive (EED). While NECP outlines various energy efficiency measures stretching across all sectors, more detailed elaboration of these measures in NECP is recommended.

The amendments to the Energy Efficiency Law, which would transpose the 2018 EED under the Clean Energy Package, have been drafted and are currently in the consultation phase before adoption.

### ENERGY EFFICIENCY IN BUILDINGS



89%

Amendments to the Law on the Energy Performance of Buildings were adopted in May 2024, transposing Directive 2018/844/EC under Clean Energy Package. Kosovo\* adopted the necessary by-laws to implement the previous Law on the Energy Performance of Buildings and started issuing first pilot certificates for government buildings, in parallel with the process of finalisation of the new calculation software.

The Government is working on updating by-laws and the energy performance calculation software, the draft plan to boost nearly-zero energy buildings and a building renovation strategy. They have not been adopted.

### ENERGY EFFICIENCY SCHEME AND FINANCING



73%

The 2018 Law on Energy Efficiency establishes energy efficiency obligations and target. However, amendments to this Law, which aim to incorporate the 2018 updates to the Energy Efficiency Directive (EED) and reflect the more ambitious targets set by the amended Directive, are still pending adoption.

The Energy Efficiency Fund has actively promoted public initiatives to enhance energy efficiency in various sectors. Supported by the EU-financed Energy Support Package, notable progress

during 2024 has been achieved in offering subsidies for new energy efficiency measures within the residential sector. At the same time, investments in implementing energy efficiency measures in public buildings owned by municipalities continued, while investment in social multi-apartment buildings starts by the end of 2024. Additionally, regulations concerning energy-efficient public procurement, ESCOs, and energy performance and supply contracts have been aligned with the EU acquis.

### ENERGY EFFICIENT PRODUCTS – LABELLING

53%

There was no progress in this area. With the support of the Regional Energy Efficiency Programme, the ministry drafted the first energy labelling and eco-design rulebooks covering lighting products, followed by the trainings for inspectorate staff and suppliers. However, Kosovo\* has still failed to adopt and implement the Labelling Directive and other delegated regulations, as updated by the Ministerial Council in 2022.

### EFFICIENCY IN HEATING AND COOLING

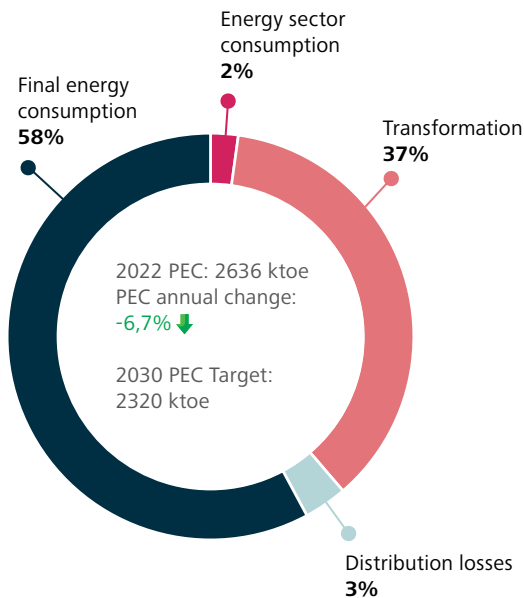


70%

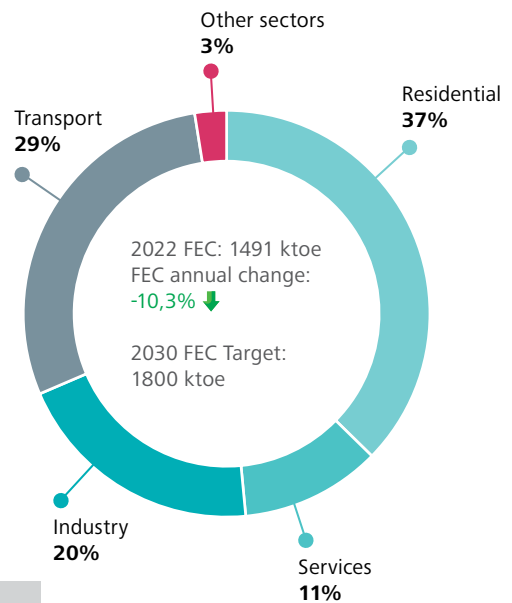
Kosovo\* has made progress in implementing measures aimed at enhancing district heating efficiency. Following the adoption of secondary legislation essential for consumption-based billing and the installation of measuring devices, DH Termokos in Pristina introduced consumption-based billing for over 17,000 consumers for the 2024–2025 heating season. Additionally, a feasibility study for developing district heating systems in eight cities was finalised.

## 2022 Energy Efficiency Indicators and Trends

### Primary Energy Consumption (PEC)



### Final Energy Consumption (FEC)



Energy intensity, 2022 value and trends: 0,40 ktoe/mil EUR, -11,3% ↓

Source: EUROSTAT 2024 data, draft NECP and 2022 Ministerial Council Decision

## EMISSION TRADING SCHEME (MONITORING, REPORTING, VERIFICATION AND ACCREDITATION)

6%



### FOUNDATIONS, INSTITUTIONS, PERMITS



17%

Kosovo\* transposed some of the basic definitions from the EU ETS Directive and the list of greenhouse gases as part of the Law on Climate Change adopted in 2024. Other elements including the concept of a greenhouse gas (GHG) permit, corrective actions in case of non-compliance and the list of activities covered by the monitoring and reporting requirements were not transposed.

### VERIFICATION AND ACCREDITATION



0%

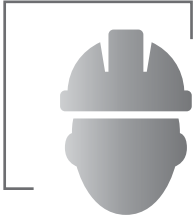
Kosovo\* has not transposed Accreditation and Verification Regulation into national law and has not appointed any institution as national accreditation body for GHG accreditation purposes.

### MONITORING AND REPORTING



0%

Kosovo\* has not transposed the Monitoring and Reporting Regulation into national law. The processes related to monitoring and reporting of GHG emissions at the level of entities have not been implemented.



## Kosovo\*

### Ensuring energy security



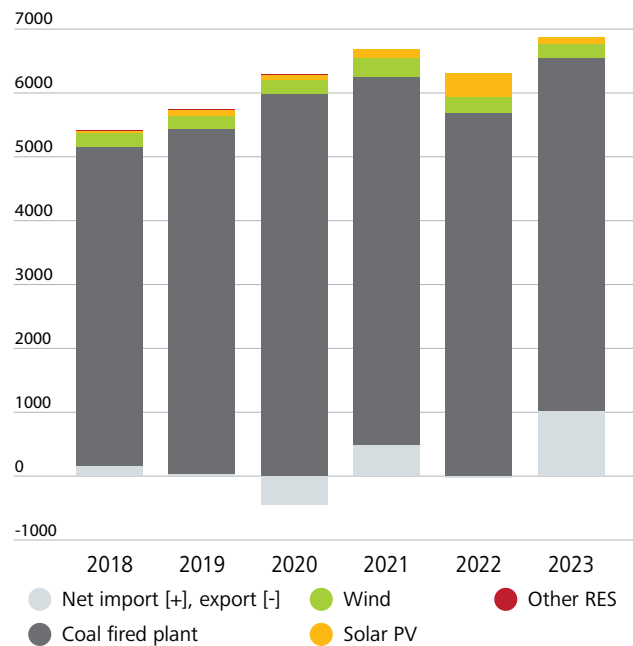
#### ELECTRICITY SECURITY OF SUPPLY

57%

Regulation (EU) 2019/941 has not yet been transposed. The draft Law on Energy and draft Law on Electricity, reviewed by the Secretariat in October 2024, aims to transpose Regulation (EU) 2019/941 and define the State Emergency Committee as the competent authority for risk-preparedness in the electricity sector. The last Security of Supply Statement covering 2021–2022 was published in March 2024. The transposition of Regulation (EU) 2017/2196, which was due on 31 December 2023, has not yet been completed.

The Agency for Cyber Security, established under Law No. 08/L-173 on Cyber Security in 2023, is expected to be fully operational in the near future. This agency serves as the central executive institution for cyber security at the national level, ensuring coordinated and robust defence against cyber threats. The National Cyber Security Strategy 2023–2027 exists, and the Cyber Security State Training Centre was inaugurated in 2024. NECP foresees the establishment of an energy sectorial computer emergency response team (eCERT).

Fuel mix and primary supply of electricity (in GWh)



Source: Ministry of Economy, compiled by the Energy Community Secretariat



#### GAS SECURITY OF SUPPLY

n.a.

Kosovo\* is subject to a derogation from applying the Gas Security of Supply and Storage Regulations. Security of supply rules are in place.



#### OIL SECURITY OF SUPPLY

0%

In Kosovo\*, the draft Law on Compulsory Oil Stockholding, which was anticipated to be adopted in 2023 or the first half of 2024, remains pending.

No procedures are in place for the release of emergency oil stocks, and no data have been reported on MOS Oil and the monthly COIR questionnaire. No progress was made during this

reporting period, and Kosovo\* remains non-compliant with the oil acquis.

In July 2024, the Secretariat sent a Reasoned Request for non-transposition of the Oil Stocks Directive to the Ministerial Council.



# Kosovo\*

## Improving the environment

### ENVIRONMENTAL ASSESSMENTS



40%

Full compliance with the Environmental Impact Assessment (EIA) Directive remains pending due to the delayed adoption of the Administrative Instruction aimed at enhancing access to environmental information and fostering greater public participation in decision-making. Challenges persist for Kosovo\* in effectively fulfilling its obligations under the EIA legislation, primarily due to the incomplete integration of the EIA Directive's provisions on expert review of EIA reports into secondary legislation and ongoing deficiencies in institutional capacity, which hinder the timely and efficient examination of EIAs. Kosovo\* reported that it has screened over 20 photovoltaic power plant projects, all of which were subsequently subjected to an EIA.

Challenges and disputes related to approved hydropower developments that bypassed a proper EIA process remain unaddressed. After years of disputes with hydropower projects in regions such as Deçan and Shtërpçë/Strpçe, the 2023 National Energy Strategy of Kosovo\* states that due to environmental considerations, it does not support the construction of new hydropower plants.

### LARGE COMBUSTION PLANTS



43%

Kosovo\* complied with its emissions reporting obligations for the reporting year 2023 in February 2024. With the emissions of all three pollutants decreasing in the reporting year, compliance with the NERP ceilings for sulphur dioxide was reported for the first time, however, ambiguity regarding the reported data remains to be clarified. The significant breaches of the ceilings for nitrogen oxides and dust remain unaddressed and the related decision by the Ministerial Council was thus not complied with.

### SULPHUR IN FUELS

92%

Kosovo\* has transposed the Sulphur in Fuels Directive's provisions via the Administrative Instruction on the Technical Requirements for Import, Storage, Wholesale and Retail Sale of Petroleum Fuels. Quality control of the fuels falling under the scope of the directive as well as their sampling and analysis is carried out by the customs authorities at border crossing points. The directive's provisions on marine fuels do not apply in the case of Kosovo\*.

### NATURE PROTECTION

27%

The drafting of the new Law on Nature Protection is currently underway, with the involvement of a working group and two international experts. The indicative date for approval by the Kosovo\* Assembly is December 2024, but the draft has not yet been prepared or shared for consultations.

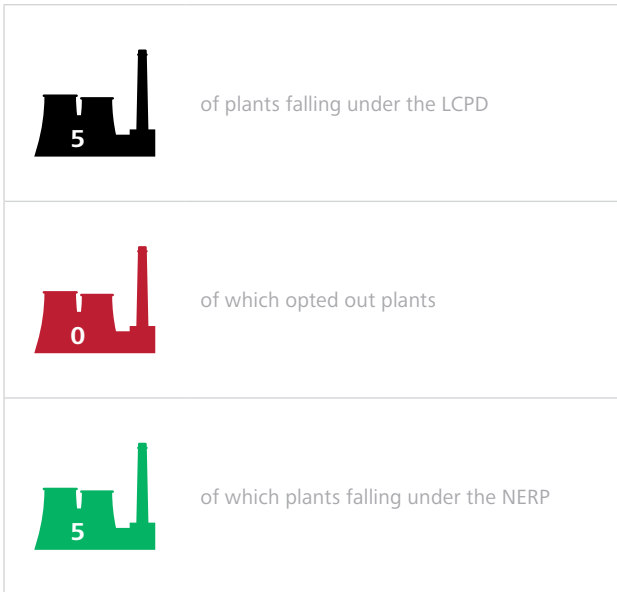
Kosovo\* still lacks a comprehensive inventory of wetlands, which is essential for establishing legal protection for Ramsar sites. Additionally, no efforts have been made to develop a management plan for the artificial special protection area for birds, known as "Henc". Managing the monuments of nature remains a challenge due to insufficient financial support.

### ENVIRONMENTAL LIABILITY

0%

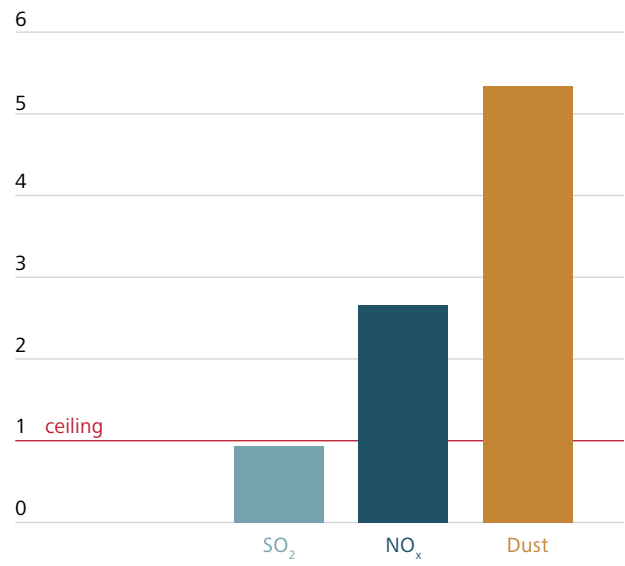
Kosovo\* has not transposed the Environmental Liability Directive yet. The Ministerial Council established this breach at its 2023 meeting, the issue however remains unaddressed.

### Installations under the Large Combustion Plants Directive



Source: compiled by the Energy Community Secretariat

### 2023 emissions versus NERP ceilings



2023 emissions by all plants under the LCPs	10.495	14.851	4.743
2023 emissions by plants under the NERP	10.495	14.851	4.743
Annual change	-22,5% ↓	-11,6% ↓	-13% ↓



# Kosovo\*

## Performance of authorities



### REGULATORY AUTHORITY



83%

The legal set-up of the ERO independence framework is in line with the Energy Community acquis to a great extent. Currently, the competencies of ERO are defined by existing energy sector laws. The Government recently decided to reform the ERO's institutional set-up, which will undergo further analysis. Additional ERO competences necessary for implementing the EIP will be defined in the legislation currently under revision.

After market coupling with Albania, ERO approved ALPEX's tariffs and the request to start trading in Kosovo\* bidding zone from 1 February 2024. ERO also amended the reserve procedure for the market coupling Albania-Kosovo\*. Furthermore, ERO revised the TSO licence to remove obligations to provide electricity for Northern municipalities after the request from KOSTT. The transmission and distribution network tariffs and block tariffs for consumers of the universal supplier were also approved. For the DSO, ERO approved the plan for losses reduction for 2024, five-year development, and one-year investment plans. In support of upcoming

major RES project in Kosovo\*, ERO approved for a wind project the application of tendering procedures for 150 MW and initiated the consultations on the maximum price for 75 MW.

ERO continued to actively promote self-consumption by prosumers via systematic approval of requests for solar panels construction. On the other hand, the presence of the bulk supply agreement prevents further market development. Retail market opening is delayed by ERO since 2018 for customers connected to 35 and 10 kV networks. In 2024, ERO analysed potential impact of retail market opening on certain customer categories continues to be delayed. For certain categories, the regulated prices do not fully reflect costs. Secondary legislation implementing REMIT is in place, as well as the relevant register of market participants; however, no investigation has been undertaken so far. ERO has undertaken monitoring of some of the licensees and is in the process of drafting the reports with findings.



### COMPETITION AUTHORITY

45%

In the reporting period, the Kosovo Competition Authority did not investigate any anti-competitive conduct in the energy sec-

tor. Active enforcement of the competition acquis is required in order for Kosovo\* to comply with its obligations under the Treaty.



### STATE AID AUTHORITY



25%

Due to the delay in recruiting new members, the State Aid Commission remains non-operational since the expiration of the mandate of the previous members at the beginning of 2022 already. The State aid authority has not been operational for almost two

years now and, thus, the establishment of a functioning State aid authority is paramount to compliance with its obligations under the Treaty by Kosovo\*.



### STATISTICAL AUTHORITY

46%

The Kosovo Agency for Statistics (KAS) submitted five annual questionnaires to EUROSTAT in 2022. However, several errors in the oil and electricity submissions raised concerns about data quality. Due to data quality issues and lack of clarification, EUROSTAT did not publish the mini questionnaire on electricity for 2023. While the breakdown of household energy consumption and SHARES data was provided in compliance with the acquis, disaggregated data on energy consumption for the industry, services, and transport sectors were missing. Additionally, the quality report on energy statistics is still pending submission.

Monthly oil statistics, including the new dataset on oil stocks and crude oil imports, still have not been submitted. As of November

2023, monthly electricity statistics were not submitted in the regular format, while the submission of natural gas and coal reports was delayed and included remarks. On a positive note, electricity prices for households and industry, broken down by consumption band, taxation level, and price components, have been submitted and published by EUROSTAT. However, the quality report on electricity price statistics, due in 2022, has yet to be submitted.

To improve the reliability and completeness of its energy data, KAS should prioritise addressing gaps through targeted capacity building and enhancing internal processes to reduce submission errors and delays.



# Methodology

## Background

For its assessment underpinning the findings of this report, the Secretariat used specific indicators for the assessment of implementation, and a methodology to calculate the summary indicators and the overall implementation score.

The implementation indicator tables are based on a methodology quantifying the Contracting Parties' success in transposing and implementing the acquis and having in place effective institutions. It is based on standardised assumptions and evaluations, cases under the Energy Community's dispute settlement mechanism, country missions, review of legislation, market analysis, expert interviews and desk research. The quantification of all figures used to measure implementation was performed by experts of the Energy Community Secretariat.

The final dataset entailed more than 2.000 individual values that were used to produce 41 key implementation indicators across the areas of work assessed by this Implementation report. To underscore the Energy Community's dedication to advancing towards a cleaner and more integrated energy market, the Report for the first time groups the 41 indicators in five clusters:

1. Markets and integration,
2. Ensuring energy security,
3. Decarbonising the energy sector,
4. Improving the environment, and
5. Performance of authorities.

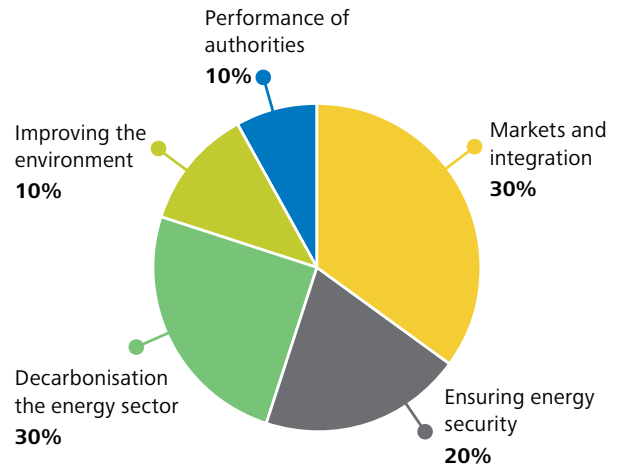
## Implementation assessment

The implementation assessment is based on a system of performance indicators aggregated at several levels.

**1. A total of 41 implementation indicators** aggregated per each Contracting Party across the areas of work: electricity, gas, oil, governance and climate, renewable energy, energy efficiency, emission trading scheme, environment, climate, including national regulatory, competition, State aid and statistics authorities. Aggregation is based on the weighting explained in the table below, and results presented for each Contracting Party (chapters 5-13);

**2. Five cluster implementation indicators** aggregating the values at cluster level: Markets and integration (10 indicators), Decarbonising the energy sector (19 indicators), Ensuring energy security (3 indicators), Improving the environment (5 indicators), Performance of authorities (4 indicators).

## Weighting per cluster



**3. Summary indicators** – the overall implementation score for each Contracting Party and overall (average) implementation score for the Energy Community calculated based on the weighting explained in the table below, and presented on page 9.

All of the values are normalised to percentages between 0% and 100%, where 100% implies full implementation.

For the Contracting Parties where certain indicators are not applicable (for example due to the lack of a gas market in Kosovo\* and Montenegro), these indicators were not taken into account in the overall score, but the remaining indicators were increased in weight, where justifiable.

In 2024, the weighting per cluster was slightly adjusted to reflect the expanded scope of decarbonisation activities. This adjustment includes the addition of a new indicator, the 'emission trading scheme.' The weighting for the cluster related to the performance of the authorities was also slightly increased compared to 2023 assessment.

## Implementation indicator structure and weighting

Indicator name	Indicator weight
<b>Overall Implementation Indicator</b>	<b>1,00</b>
<b>1 Markets and integration</b>	<b>0,30</b>
<b>1.1 Electricity</b>	<b>0,50</b>
Wholesale market	0,20
Retail market	0,20
Unbundling	0,10
Access to the system	0,20
Regional integration	0,30
<b>1.2 Gas</b>	<b>0,50</b>
Wholesale market	0,20
Retail market	0,20
Unbundling	0,25
Access to the system	0,25
Regional integration	0,10
<b>2 Ensuring energy security</b>	<b>0,20</b>
Electricity	0,04
Gas	0,04
Oil	0,02
<b>3 Decarbonising the energy sector</b>	<b>0,30</b>
<b>3.1 Governance and climate</b>	<b>0,30</b>
National Energy and Climate Plans (NECPs)	0,20
Greenhouse gas 2030 target	0,20
National systems for climate reporting	0,20
National greenhouse gas emissions policies and measures and adaptation planning and strategies	0,20
Long-term strategy and climate neutrality	0,20
<b>3.2 Renewable Energy</b>	<b>0,30</b>
2030 renewable energy targets	0,20
Quality of support schemes	0,20
Self-consumption and energy communities	0,15
Guarantees of origin	0,15
Sustainability criteria for biofuels, bioliquids and biomass fuels	0,15
Renewable energy in the heating and cooling sector	0,15
<b>3.3 Energy Efficiency</b>	<b>0,30</b>
2030 energy efficiency targets and policy measures	0,20
Energy efficiency in buildings	0,20
Energy efficiency scheme and financing	0,20
Energy efficient products - labelling	0,20
Efficiency in heating and cooling	0,20
<b>3.4 Emission Trading Scheme (Monitoring, Reporting, Verification and Accreditation)</b>	<b>0,10</b>
Foundations, institutions, permits	0,33
Monitoring and reporting	0,33
Verification and accreditation	0,33
<b>4 Improving the environment</b>	<b>0,10</b>
Environmental impact assessment (EIA) and strategic environmental assessment (SEA)	0,30
Sulphur in fuels	0,15
Large combustions plants and industrial emissions*	0,30
Nature protection	0,15
Environmental liability	0,10
<b>5 Performance of authorities</b>	<b>0,10</b>
Regulatory authority	0,60
Competition authority	0,10
State aid authority	0,10
Statistical authority	0,20

\* in the case of Albania, the "Large combustions plants and industrial emissions" indicator is omitted from the final result as the Contracting Party does not have any plants in operation