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Ministria e Zhvillimit Ekonomik / Ministarstvo Ekonomskog Razvoja  
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## Republika e Kosovës

Republika Kosova-Republic of Kosovo

Qeveria -Vlada-Government

Ministria e Zhvillimit Ekonomik-Ministarstvo Ekonomskog Razvoja-Ministry of  
Economic Development

Agjencia e Kosovës për Eficiencë të Energjisë

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**Second Annual Report  
under the Energy Efficiency Directive**

**Republic of Kosovo**

Prepared by:

**Government**

**Ministry of Economic Development**

**Kosovo Energy Efficiency Agency**

June 2018

## A. Key statistics and indicators

Estimation of key statistics and indicators in 2016	Value	Unit
Total primary energy consumption (*)	2,688.62	ktoe
Total final energy consumption (*)	1,432.25	ktoe
Final energy consumption – Transport (*)	388.02	ktoe
Final Energy consumption – Industry (*)	289.19	ktoe
Final energy consumption – Households (*)	552.15	ktoe
Final energy consumption – Services (*)	174.38	ktoe
Gross value added by sector – Industry (**)	792.55	mil. EUR
Gross value added by sector – Services (**)	2828.8	mil. EUR
Disposable income of households (**)	1,996	mil. EUR
Gross domestic product (GDP) (**)	6,070	mil. EUR
Electricity generation from thermal power plants (***)	537.29	ktoe
Electricity generation from combined heat and power (****)	338.25	ktoe
Heat generation from thermal power generation (***)		ktoe
Heat generation from combined heat and power plants, incl. industrial waste heat (****)	18.05	ktoe
Fuel input for thermal power generation (***)	1584.71	ktoe
Passenger kilometres (pkm), if available (**)	NA	thous. pkm
Tonne kilometres (tkm), if available (**)	NA	thous. tkm
Combined transport kilometres (pkm + tkm), in case that separate values for pkm and tkm are not available (**)	NA	
Population (**)	1.78	millions

Table 1: Key energy statistics data.

(\*) *Annual Energy Balance in the Republic of Kosovo for 2016;*

(\*\*) *Kosovo Agency of Statistics: <http://askdata.rks-gov.net>;*

(\*\*\*) *KEK Kosovo Energy Corporation, Energy Regulatory Office (ERO) Annual Report 2016; both TPP A and TPP B;*

(\*\*\*\*) *KEK Kosovo Energy Corporation, Energy Regulatory Office (ERO) Annual Report 2016 and 2017; only TPP B (cogeneration)*

## B. Overview of energy consumption trends

The data on the amount of energy consumed for 2016 are based on research conducted in the period 2010 to 2015 with surveys in all economic sectors and estimates made on the basis of the analysis of trends of the past three years, linking it with appropriate indicators that have a direct impact on energy consumption, such as: economic, demographic indicators, etc.

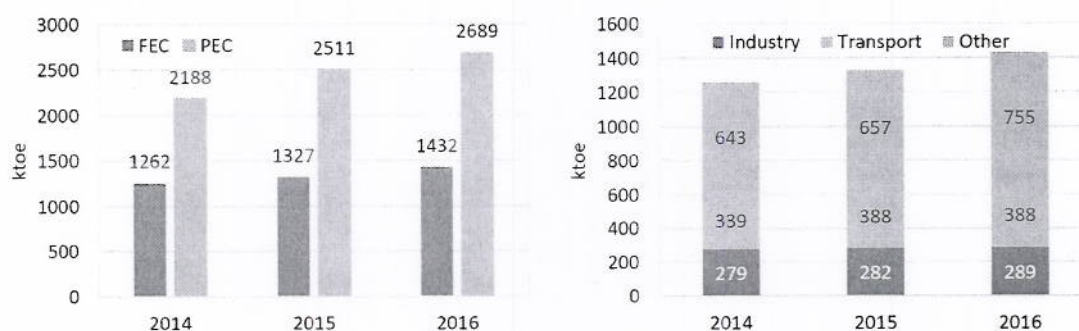


Figure 1: Final and primary energy consumption (left) and final energy consumption per sectors (right) in 2014 – 2016.

Final energy consumption for 2016 has been 1,432 ktoe, which is an increase of 7.9% compared to 2015. System efficiency factor remains 53%, the same as in 2015, indicating that there were no improvements in that respect.

The analysis shows that the building sector, as Kosovo's largest energy consumer, is the driver of the overall increase in final energy consumption, whereas, transport and industry remain on the consumption level of the previous year. Both household and service sector exhibit the same growth rate of around 15% which is three times as much as GDP growth of 4.5%.

It is clear that in order to restrain the final energy consumption and keep it in line with long term projections focus should be maintained on measures in the building sector.

## C. National energy efficiency targets

The targets are defined by Long-term NEEAP 2010-2018, 3rd NEEAP 2016-2018, Long-term Energy Balance of the Republic of Kosovo 2015-2024 and projection from 1st Report on EED from December 2017.

TARGETS	2016 achieved	2016	2017	2018	2019	2020
EED ARTICLE 3 [ktoe]	0.41*			91.89		113.09
EED ARTICLE 5 [ktoe]				5.81**	6.48***	7.15***
EED ARTICLE 7 [ktoe]			4.6****	9.1****	15.5****	21.9****
PEC [ktoe]	2,689	NA	NA	NA	NA	NA
FEC [ktoe]	1,432	1,420*****	1451*****	1486*****	1520*****	1556*****
FEC – BUILDINGS [ktoe]	727	661*****	671*****	685*****	697*****	711*****
FEC – INDUSTRY [ktoe]	289	379*****	390*****	401*****	413*****	425*****
FEC – TRANSPORT [ktoe]	388	348*****	356*****	365*****	373*****	382*****
FEC – OTHERS [ktoe]	29	32*****	34*****	35*****	37*****	38*****
PRIMARY ENERGY INTENSITY [ktoe/mil.EUR]	0.44					
FINAL ENERGY INTENSITY [ktoe/mil.EUR]	0.24					

Figure 2: Division of targets per sectors and per different articles of EED

(\*) Reported savings for 2016 for public buildings and public lighting

(\*\*) 3rd NEEAP: Estimated energy saving in 2018 by measures S1, S2, S3, S4

(\*\*\*) Projection corresponding to trajectory of Art. 3 target in 2018 to provisional target in 2020

(\*\*\*\*) 3<sup>rd</sup> NEEAP (2016-2018) without adjustment for late start

(\*\*\*\*\*) Long-term Energy Balance of the Republic of Kosovo 2015-2024

Figure 2 represents the targets and their division per sectors/articles and per year. Additionally, the annual achievement in 2016 is given.

The annual achievements submitted in Part 2 of this Report (in MS Excel file) are not completed since the proper monitoring system is still not in place. Data on FEC and PEC are given, as well the data collected by Kosovo Energy Efficiency Agency (KEEA) on reported savings according to EED Article 3.

Ministry of Economic Development and Kosovo Agency for Energy Efficiency (KEEA) will continue their efforts to increase the capacity of KEEA and bring Monitoring and Verification Platform on line in the next reporting period.

## D. Update of measures implemented in last year

The following section gives an overview of the developments of major legislative and non-legislative measures implemented in the period from the 1<sup>st</sup> EED Annual Report, presented in December 2017, up until June 30<sup>th</sup> 2018, which contribute towards the overall national energy efficiency targets for 2020.

### • Legislative measures

List of new legislation passed:

- Regulation MESP No. 01/2018 for inspection of heating and air-conditioning systems; in accordance with Law No. 05/L-101 on Energy Performance of Buildings, and prescribing procedure for inspection of heating and air-conditioning systems.

The following list are the legislation acts still in preparation:

- Law on Energy Efficiency (currently in Parliament procedure);
- National Calculation Methodology (NCM) for Kosovo;
- Regulation of the Procedures on Energy Performance Certification of Building;
- Regulation on Minimum Energy Performance Requirements of Buildings;
- Regulation on Technical Requirements for Designing nZEB.

### • Non-legislative measures

All measures prescribed by the 3rd NEEAP, approved by the Government of the Republic of Kosovo on 2<sup>nd</sup> August 2017, are in implementation. Only exception is the measure S2 which was successfully completed. Still, the proper monitoring system is not yet established and in function due to lack of capacities in KEEA and other institutions such as municipalities. Only part of the actually realized projects and savings are reported since the Monitoring and Verification Platform (MVP) even though it is installed in KEEA is still not in operation. KEEA will continue with its efforts to bring the MVP on line in the next reporting period. This situation reflects on the figures reported in the reporting table – Part 2 of this document.

Three significant Technical assistance projects, already mentioned in 1<sup>st</sup> Annual Report under EED, are supporting the Government of Kosovo in sustainable development of the energy sector in line with the National Strategy and Energy Community Treaty obligations. The following list gives the overview of their current activities, besides support in preparation of legislation, significant for the achievement of the energy savings targets:

Project - Support on Implementing the 3<sup>rd</sup> Energy Package with Focus on Energy Efficiency and Renewables (implemented by GFA):

- Preparation of Establishment and Operation of the Kosovo Energy Efficiency Fund (KEEF);
- Drafting of the 4<sup>th</sup> NEEAP (2019-2021);
- Drafting of Municipal Energy Efficiency Action Plans (MEEAP);
- Preparation and Establishing of National Registry of Energy performance in buildings;
- Preparation of Inventory of Central Government Buildings.

Project - Kosovo Energy Efficiency Project (implemented by GIZ):

- Drafting of Municipal Energy Efficiency Action Plans (MEEAP);
- Implementation of Energy Management software in Municipalities and Central government institutions as well as training of the responsible officials for using the software;
- Support on drafting "Kosovo Strategy for energy renovation of buildings owned and occupied by central government";
- Training of trainers in Energy auditing and subsequent training of Energy Auditors;
- Preparing Kosovo National Building Typology for the Residential Sector.

Project - Regional Energy Efficiency Programme + (implemented by ECA & BRE):

- Implementation of Software for Assessing the Energy Performance of Buildings (iSBEM) according to NCM.

## E. Central Government buildings (Article 5)

As prescribed by the new Law on EE Kosovo has chosen to annually renovate 1% of the total floor area of heated and/or cooled buildings owned and occupied by the central government institutions to meet at least the minimum energy performance requirements. The 1% renovation rate shall count from 1<sup>st</sup> December 2017 and shall be calculated on the total floor area of buildings with a total useful floor area over 500 m<sup>2</sup>, lowered to 250 m<sup>2</sup> as of 1 January 2019.

Preparatory activities are under way through establishment of a Registry of Central Government buildings and drafting of Regulation on minimum energy performance requirements in accordance with the Law on Energy Performance of buildings. These activities will be completed until the end of 2018.

On the other hand, even before the 3-year buildings' renovation plan of the central government institutions is prepared, existing measures and projects are already targeting central government buildings. For instance, the Government of Kosovo has invested in the renovation of 5 buildings managed by the central level (26,774 m<sup>2</sup> in total) and these were completed in 2017. In the same year through the KEEREP project additional 8 buildings of the central government were renovated (31,855 m<sup>2</sup> in total). Considering the area of central government buildings that were identified by WB Feasibility Study of Energy Efficiency and Implementation Measures in Public Buildings in Kosovo was 817,123 m<sup>2</sup> (including the buildings with area lower than 250 m<sup>2</sup> and buildings with incomplete

data) it can be concluded that building representing more than 7% of the total floor area were renovated in 2017, which clearly indicates that central government is fulfilling its exemplary role.

## **F. Energy efficiency obligations (Article 7)**

Kosovo still does not have an EEO scheme in place.

The new Law on EE which is currently (June 2018) in Parliament procedure prescribes establishment of Energy Efficiency Obligation Scheme.

For now, no choice has been made about the obligated parties (who shall contribute to the achievement of the energy efficiency obligation targets), i.e. energy distributor or retail energy sales company. The cumulative energy saving targets will be reached by combination of obligation scheme and alternative measures. All issues regarding the Scheme (distribution between obligation and alternative measures, categories and list of obligated parties, indicative list of EE measures, submission of plans and reports by the obligated parties and role of KEEF) will be prescribed in detail through secondary legislation coming out of the Law on EE.