



WAITING FOR A BILL: THE FORGOTTEN AGREEMENT ON ENERGY

November 2022

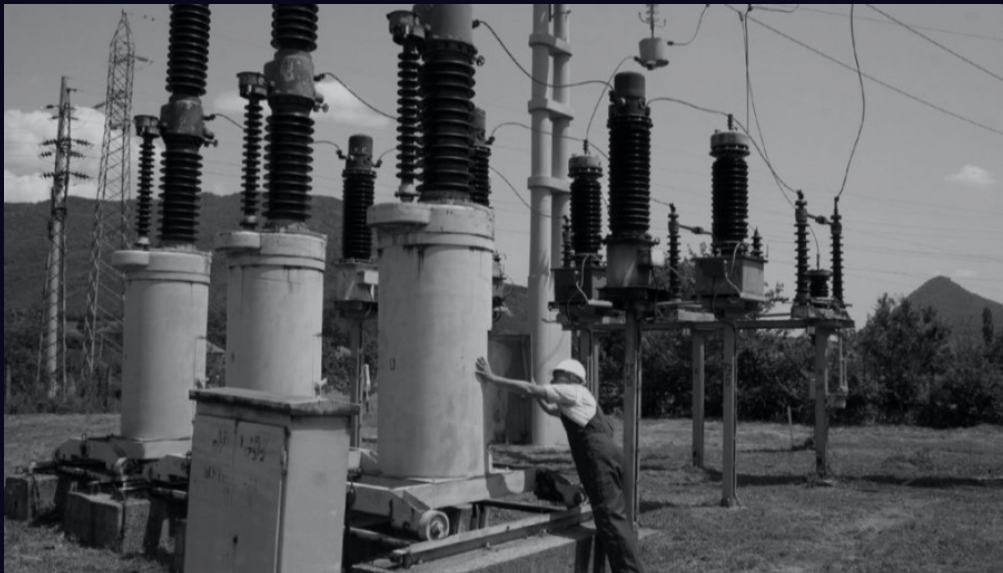


BACKGROUND

THE ISSUE OF THE PROVISION OF ELECTRICITY TO THE FOUR NORTHERN MUNICIPALITIES IN KOSOVO HAS BEEN A CONSISTENT SOURCE OF TENSIONS OVER THE PAST TWO DECADES AND HAS INDEED SPURRED NUMEROUS ALLEGATIONS OF WRONGDOING AND NEFARIOUSNESS FROM BOTH SIDES. ALTHOUGH THE FACT THAT RESIDENTS IN THE NORTH HAVE AVOIDED PAYING BILLS FOR NEARLY TWENTY YEARS HAS BEEN VEXING FOR MANY OF THOSE RESIDENT SOUTH OF THE RIVER IBËR/IBAR, THE SITUATION WAS IN FACT CREATED BY THE LACK OF IMPLEMENTATION OF ACCORDS REACHED WITHIN THE FRAMEWORK OF THE BRUSSELS AGREEMENT, CONSTITUTING YET ANOTHER STALEMATE IN THE EU-BROKERED TALKS BETWEEN BELGRADE AND PRISTINA.

A ‘ROAD MAP’ AGREEMENT WAS REACHED IN JUNE OF 2022 THAT OUTLINED THE IMPLEMENTATION OF THE AGREEMENT ON ENERGY, SIGNED IN 2013. THE ROADMAP PRESCRIBED NINE (9) STEPS TO BE TAKEN OVER THE COURSE OF A 115 DAY PERIOD, THAT WOULD LEAD TO THE NORMALIZATION OF ELECTRICITY DISTRIBUTION IN NORTH KOSOVO, INCLUDING, AND PERHAPS MOST IMPORTANTLY, THE ISSUING OF BILLS TO CONSUMERS. ALTHOUGH HERALDED BY SOME LOCAL AND INTERNATIONAL ACTORS AS IN IMPORTANT STEP IN THE OVERALL DIALOGUE PROCESS, IT SOON PROVED TO BE A SOURCE OF CONFUSION AND CONSTERNATION AS MANY QUESTIONS REMAINED UNSETTLED, NAMELY EXTENT TO WHICH (IF AT ALL) LOCAL RESIDENTS WOULD HAVE TO SETTLE UNPAID BILLS, WHICH FOR MANY ARE IN THE THOUSANDS OF EUROS.

OF ALL THE SETTLEMENTS REACHED WITHIN THE WIDER CONTEXT OF THE DIALOGUE PROCESS, THIS WAS ONE OF THE MORE TECHNICALLY DEMANDING ONES, IN THE SENSE THAT ITS FULL AND TIMELY IMPLEMENTATION REQUIRES SIGNIFICANT AMOUNTS OF DATA COLLECTION AND SPECIALIZED PREPARATION. AS CAN BE SEEN BELOW IN THE TIMELINE AND OUTLINE OF KEY DEADLINES, SIGNIFICANT ROADBLOCKS AND DELAYS HAVE BEEN ENCOUNTERED AND IT IS, AS OF THE PUBLICATION OF THIS DOCUMENT, UNCLEAR WHEN AND IF THE PROCESS WILL BE COMPLETED. AS HAS BEEN THE CASE IN THE PAST, RESIDENTS ARE LEFT LARGELY IN THE DARK (NO PUN INTENDED) AND ASKING THEMSELVES WHERE AND HOW TO RECEIVE CLEAR AND CONCISE INFORMATION WITHOUT RELYING ON LOCAL OR NATIONAL MEDIA OUTLETS.



WORKER AT THE VALAÇ/VALLAÇI TRANSFORMER STATION

KEY EVENTS

- **SEPTEMBER 2013:** AGREEMENT ON ENERGY IS SIGNED
- **AUGUST 2015:** THE EU MEDIATOR'S CONCLUSIONS AND RECOMMENDATIONS ON THE IMPLEMENTATION OF THE AGREEMENT ON ENERGY FROM 2013 ARE ADAPTED.
- **DECEMBER 2014:** KOSTT AND ENTSO SIGN AN AGREEMENT ON INTERCONNECTIVITY (BY WHICH KOSTT IS SEPARATED FROM EMS)
- **DECEMBER 2019:** KOSTT AND THE ALBANIAN TRANSMISSION SYSTEM OPERATOR (OST) SIGN AN AGREEMENT ON THE FORMATION OF A JOINT ENERGY SYSTEM REGULATORY BLOCK BETWEEN KOSOVO AND ALBANIAN (AK BLOCK)
- **JUNE 2020:** AN AGREEMENT IS SIGNED BETWEEN KOSTT AND ENTSO WHICH FORESEES THE LICENSING OF 'ELEKTROSEVER'
- **JUNE 2022:** AN AGREEMENT IS REACHED (ROAD MAP) ON THE IMPLEMENTATION OF THE AGREEMENT ON ENERGY
- **JUNE 2022:** ELEKTROSEVER RECEIVES AN OPERATING LICENSE
- **JUNE 2022:** IT IS ANNOUNCED THAT ELEKTROSEVER WILL BEGIN PROVIDING ELECTRICITY TO THE FOUR NORTHERN MUNICIPALITIES
- **JUNE 2022:** THE OPERATING LICENSE FOR ELEKTROSEVER IS APPROVED
- **JUNE 2022:** ELEKTROSEVER IS ATTACKED, RESULTING IN BRIEF POWER OUTAGES
- **JULY 2022:** RSE ANNOUNCES THAT ELEKTROSEVER IS MISSING DEADLINES, WHICH ELEKTROSEVER DENIES
- **OCTOBER 2022:** DEADLOCK

OVERVIEW OF THE IMPLEMENTATION OF THE ENERGY AGREEMENT IN 2022

RUE WILL ISSUE AN DISTRIBUTION LICENSE FOR ELEKTROSEVER TO PROVIDE ELECTRICITY, RUE WILL FURTHER ENSURE THE RESPECT OF STANDARDS SET OUT BY THE LICENSE FOR ELECTRICITY PROVISION IN LINE WITH KOSOVO'S LEGAL AND REGULATORY FRAMEWORKS.

SEVEN DAYS FROM THE ISSUING OF THE DISTRIBUTION LICENSE, ELEKTROSEVER WILL HAND OVER TO UP-TO-DATE DATA ON LOCAL CONSUMERS TO KEDS AND KOSTT (THROUGH THE EU.)

TEN DAYS FROM RECEIVING THE DISTRIBUTION LICENSE, ELEKTROSEVER WILL SIGN THE NECESSARY TECHNICAL AGREEMENTS WITH KOSTT AND KEDS FOR WORK ON THE ENERGY MARKET IN KOSOVO, IN OTHER WORDS, A FRAMEWORK AGREEMENT ON THE RULES AND REGULATIONS OF THE ENERGY MARKET IN KOSOVO. STEMMING FROM PARAGRAPH 1, ARTICLE 7 OF THE 2013 AGREEMENT, AN AGREEMENT ON THE DIVISION OF RESPONSIBILITY BETWEEN KEDS AND ELEKTROSEVER, ON CONNECTIVITY WITH KEDS AND A COMMERCIAL AGREEMENT WITH KEDS FOR OFFERING DISTRIBUTION SERVICES (INVOICING, BILL COLLECTION, MAINTENANCE AND PHYSICALLY CONNECTING NEW CUSTOMERS TO THE GRID) IN THE FOUR SER-MAJORITY MUNICIPALITIES IN THE NORTH SHOULD ALL BE SIGNED.

FIFTEEN DAYS FROM THE SIGNING OF THE NECESSARY TECHNICAL AGREEMENTS WITH KOSTT, ELEKTROSEVER WILL RECEIVE AN ENERGY IDENTIFICATION CODE (EIC) FOR CARRYING OUT ACTIVITIES FORESEEN BY THE DISTRIBUTION LICENSE.

IN ACCORDANCE WITH ARTICLE 14 OF THE 2015 ENERGY AGREEMENT, 30 DAYS FROM THE ISSUING OF DISTRIBUTION PERMITS, KEDS AND KOSTT (IF NECESSARY, FACILITATED BY THE EU) WILL HAVE ACCESS TO THE VALAC SUB-STATION ALONGSIDE OTHER DISTRIBUTION AND TRANSFER INFRASTRUCTURE.

FORTY-FIVE DAYS FROM THE ISSUING OF THE DISTRIBUTION LICENSE, KOSTT AND KEDS WILL, AFTER CONSULTATIONS WITH ELEKTROSEVER AND A DETAILED REVIEW OF EXISTING INFRASTRUCTURE, SUBMIT A PLAN FOR INVESTMENT, MAINTENANCE COSTS AND NETWORK LOSSES TO RUE.

TWENTY-ONE DAYS AFTER SUBMITTING THE INVESTMENT AND MAINTENANCE COST, AND NETWORK LOSS PLAN, RUE WILL (IN PRINCIPLE) APPROVE THESE PLANS.

SHOULD, 100 DAYS FROM THE ISSUING OF THE DISTRIBUTION LICENSE, THE PROVISIONS OF THESE HARMONIZED STEPS NOT BE MET, RUE CAN DECIDE TO SUSPEND AND/OR RESCIND THE DISTRIBUTION LICENSE ISSUED TO ELEKTROSEVER, PENDING PRIOR CONSULTATION BETWEEN THE TWO PARTIES WITH EU ASSISTANCE OVER A PERIOD OF NO MORE THAN FIFTEEN (15) DAYS. THE EU CAN GIVE EXPERT ADVICE IF IT IS SOUGHT BY EITHER OF THE TWO PARTIES.



MAIN CONCLUSIONS

● **THE IMPLEMENTATION OF THIS ROAD-MAP DOES NOT STRAY FAR WHEN COMPARED TO PREVIOUS PATTERNS OF DELAYS OR NON-IMPLEMENTATION OF HITHERTO-REACHED TECHNICAL AGREEMENTS WITHIN THE FRAMEWORK OF THE BELGRADE-PRISTINA DIALOGUE PROCESS. THROUGHOUT THAT PROCESS, SIMILAR PROBLEMS HAVE BEEN ENCOUNTERED: LATENESS IN THE PROCESS OF ADHERING TO DEADLINES SET BY AGREEMENTS, A LACK OF ADEQUATE AND TIMELY COMMUNICATION BETWEEN RELEVANT PARTIES AND NON-TRANSPARENCY IN DISSEMINATING INFORMATION RELATED TO THE DIALOGUE PROCESS.**

● **THE CRISIS BROUGHT ON BY DISAGREEMENTS BETWEEN BELGRADE AND PRISTINA RELATED TO THE IMPLEMENTATION OF OTHER AGREEMENTS, QUESTIONS OVER THE FUTURE OF THE DIALOGUE PROCESS, AND RAISED TENSIONS DUE TO THE ABSENCE OF AN AGREEMENT ON 'KM' LICENSE PLATES, ALL FURTHER HINDERED AND PREVENTED THE FULL IMPLEMENTATION OF A MAJORITY OF THE PROVISIONS DEFINED WITHIN ROAD MAP'S FRAMEWORK.**



RECOMMENDATIONS

- **IN ORDER TO AVOID FURTHER UNCERTAINTY, RESIDENTS LIVING IN THE NORTH OF KOSOVO SHOULD BE INFORMED OF THE NEXT STEPS IN THE IMPLEMENTATION OF THE ABOVE-MENTIONED AGREEMENT(S) AND TO CLARIFY THE MANNER IN WHICH BILLS WILL BE ISSUED AND PAID (AND TO FURTHERMORE ENSURE THAT BILLS ARE BILINGUAL IN-LINE WITH THE LAW ON THE USE OF LANGUAGES).**
- **BELGRADE AND PRISTINA SHOULD CONFIRM AND PROVIDE ASSURANCES THAT AFTER ELEKTROSEVER ENTERS INTO FULL OPERATION THAT CONSUMERS' PREVIOUS DEBTS WILL BE CANCELLED.**
- **TO INFORM THE PUBLIC REGULARLY AND IN A TRANSPARENT MANNER OF GRADUAL ADVANCES AND/OR SETBACKS IN THE PROCESS OF IMPLEMENTING THE PROVISIONS DEFINED IN THE ABOVE-MENTIONED AGREEMENTS THAT AFFECT THE INTEGRATION OF THE ENERGY SYSTEM IN THE NORTH OF KOSOVO.**