



Office of Energy
within the Office of the Prime Minister



Energy and Coal Mining Sector in Kosovo

**U.S. Trade & Investment Mission to
Kosovo – Conference Day**

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Topics of Presentation

- Introduction – Policy Framework
- Legal and Institutional Framework of Energy and Mining Sector
- Office of Energy
- Long-term energy vision
- Key topics in energy sector
- Investment opportunities



Introduction - Policy Framework

- UNMIK-Kosovo is Signatory of the Athens MOU for creation of the South East Europe Electricity Market
 - The first MOU was signed on 15 November 2002
 - The second MOU including Gas and Environment was signed on 8 December 2003
- UNMIK-Kosovo intends to be a signatory of the future Treaty -legally binding document
 - First draft document for the Treaty presented at the PHLG-Permanent High Level Group on the 14 July in Vienna



Legal and Institutional Framework of Kosovo Energy Sector

Substantial progress reached:

- Law on Energy, Law on Electricity, Law on Energy Regulator adopted by Kosovo Assembly and promulgated by SRSG – all comply with EU Directives
- Drafts of Law on District Heating
- Law on Mines and Minerals ready for approval by SRSG
- Office of Energy established within the Office of Prime Minister on 4 August 2004
- Energy Regulatory Office under the EU Pillar – UNMIK
- Department of Mines and Minerals – to be legally established - Law on Mines and Minerals



Office of Energy - Introduction

- Established by the Administrative Direction No.2004/21 on 4 August 2004
- Operate under the authority and political guidance of the Prime Minister
- Responsible for coordination of Government actions in energy sector with a view to facilitating the development and implementation of the energy strategy for Kosovo
- Activities of the Office of Energy shall be closely coordinated with the institution of the UN Special Representative of the Secretary-General (SRSG).



Office of Energy – Activities

- Review Kosovo Energy Strategy;
- Develop Strategy Implementation Program;
- Prepare secondary energy legislation;
- Prepare and adopt long-term and annual energy balances;
- Run one-stop-shop office for investors;
- Identify, prioritize and develop bankable projects in energy sector;
- Participate on creation of the Kosovo electricity market and full integration of Kosovo into the regional energy market



Key future steps

- Approval of Law on Mines and Minerals in 2004
- Approval of Energy Strategy by June 2005
- Approval of Mining Strategy by June 2005
- Independent TSO in 2006
- Start of Energy Market opening by 2008 and finalization by 2011



Key studies in energy sector

- WB Energy and Mining Sector Study ESTAP II
 - Review of legal and institutional framework
 - Feasibility study for 400 kV line
 - Feasibility study for upgrade of dispatch center
- WB Energy and Mining Sector Study ESTAP III
 - EAR Pre-feasibility study for new power plant(s)
- EAR Feasibility study for new coal mine(s)
- USAID Pre-feasibility study on investment climate
- Capacity building support to Office of Energy



Long-term vision of energy sector

- Self-sufficient in electricity and heat production and important energy exporter to the Regional Energy Market and energy transit country
- Energy supply is a combination of centralised and distributed sources on a competitive energy market
- Energy sector substantially contributes to economic growth, employment, quality of life and social welfare
- Kosovo meets requirements of EU on security, reliability, quality of supply, promotion of rational use of energy (RUE), use of renewable energy sources (RES) and combined heat and power (CHP) production and protection of the environment.

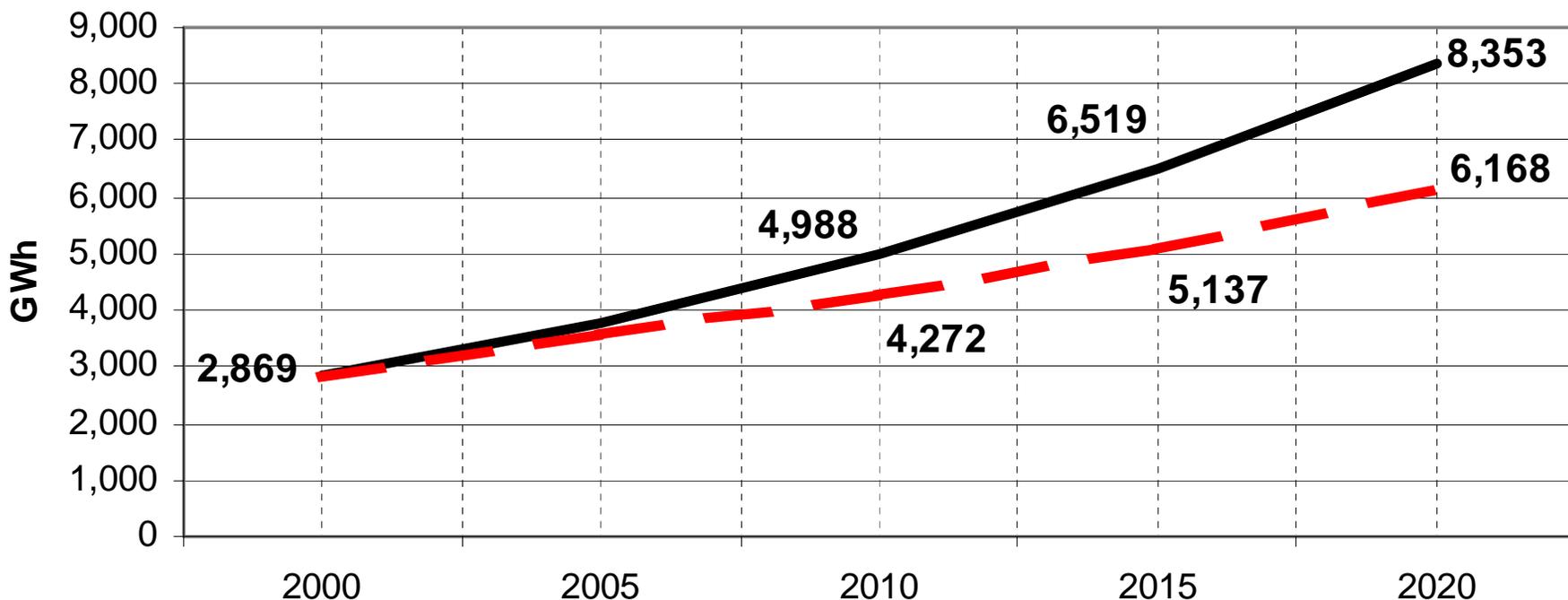


Power Sector – Current Situation

Power Plant	Unit	Gross Installed Power [MW]	Net Power [MW]	Net Available Power [MW]	Fuel	Start of operation
Kosovo A						
	A1	65	58	30-40	L/N	1962
	A2	125	113	0	L/N	1964
	A3	200	182	130/145	L/N	1970
	A4	200	182	120/145	L/N	1971
	A5	210	187	135/150	L/N	1975
Kosovo B						
	B1	339	309	230/250	L/M	1983
	B2	339	309	230/250	L/M	1984
HPP Gazivode / Ujman						
	G1	17.5	17.5	17.5		1983
	G2	17.5	17.5	17.5		1983



Two Scenarios for Future Kosovo Electricity Demand Growth





Investment Opportunities

- New coal mine (-s)
- IPP(-s)
- Existing PP rehabilitation/extension
- Interconnection to neighbour power/gas/oil systems
- Development/rehabilitation of District Heating
- Wider use of RES (biomass, solar, hydro)
- Development of natural gas infrastructure
- Energy efficiency measures
- Improvement of oil products supply system including strategic stocks