KOSTT JSC

Functioning

Developments

Perspective

USA – Kosovo Investment Forum

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Primary Legislation in Energy Sector in Kosovo (June 04)
- Law on Energy -
- Law on Electricity -
- Law on Energy Regulator -

July 04
Establishment of
Energy Regulatory Office

Dec 04
Establishment of
Ministry of Energy & Mining

July 06
Establishment of
ITSMO

Nomination

Economic regulation of the energy sector

Designing sectors’ developments strategies and policies

Operation of the electricity system and electricity market
KOSTT and its functions

- KOSTT JSC is responsible for:
  - Bulk transmission of electricity on HV network and other ancillary services (...secondary regulation, etc.)
  - Maintenance & development of TS
  - Operation of Kosovo electricity system
  - Balancing (demand = supply)
  - Operation of electricity market
  - Congestion management (allocation of interconnections)
License obligation
-development of rules, codes, etc.-

- Market Rules – OP for implementation of rules
- Grid Code & Metering Code
- Electrical Standards Code & Technical Equipment Code
- Distribution Code (in cooperation with DSO)
- Technical performance indicators
- Commercial Agreements
- Long-term Power Balance (& PB on annual basis)
- Business Plan of KOSTT (2008-2013)
- Connection Charging Methodology
- Transmission Network Development Plan
- Other documents under preparation/under approval
Access to the Transmission Network

- KOSTT will offer its transmission capacities for all users
  - EC Directive → Law on Electricity → TSO License
  - Cost reflective and regulated tariffs & charges
    - Transmission Use of System Charges (EROs Tariff Methodology)
    - Physical connection to the network (KOSTTs Charging Methodology)
  
  **Possibilities**
  - Connection of consumption site (industry, manufacturing, etc.)
  - Connection of generation units
  - Cross border related mechanisms (CB principles & rules)
  - Parties’ access is granted following the fulfillment of technical & financial criteria
Transmission Network Master Plan 2010-2025

Investments

Based on future developments of Generation, demand, regional electricity market, significant investments on Transmission System of Kosovo are needed:

Investments planned for the time period 2010-2015 are:

- **100 Million €** (Network reinforcements 400kV, 220kV, 110kV, System Support, refurbishments etc.)

Additional Investments needed for the time period 2016-2025

- **50 Million €** for 400 kV network expansion
- **70 Million €** for 110 kV network expansion

TOTAL INVESTMENTS FOR TIME HORIZON 2010-2025: **220 Million €**
Transmission Network Master Plan 2010-2025
Network investment results

- Fully complaint with GRID CODE and ENTSO-E requirements security and quality of supply
- Support for generation developments
- Support for Renewable Energy Integration in Transmission System
- Support for Internal and Regional Electricity Market
- Reduction of technical losses.
Perspective for investments

- Well developed legal framework (all in compliance with EU legal framework)
- Strong and autonomous agencies (Regulators, Antitrust, etc.)
- Solid infrastructure and connections (roads, airport, 4h→harbor)
- Very well developed electricity transmission infrastructure - regulated and easy access to the network
- Natural resources (lignite-14 billion tones, hydro potential, etc.)
- Incentive policies for foreign investments (easy entry, tax, etc.)
- Very high offer of labor – different profiles (English language in general very well spoken)
- The declining political risk
- Investments in Kosovo – target the markets in region as well
Similar reflections on the peak load (MW)

In 10 years = double
Energy sector developments

• New generation capacities (lignite fired 1000 up to 2000 MWs; one HPP more than 300 MW and small HPPs)
• Privatization of electricity distribution and supply company
• Market opening for retail customers (2015 full opening)
• Emerging regional market – wider market, more possibilities
  – Development of regional bodies for facilitation of electricity market and trades
  – Development of electricity trading mechanism
Role of the KOSTT in Kosovo's energy sector

• KOSTT carried out studies and developed the transmission grid to enable:
  • The Connection of new generation units up to 2000MW in different locations in Power system
  • Promotion of renewable energy resources
  • Increase the transmission network availability
  • Increase system reliability and security of network
  • Promotion of green power and energy efficiency

All these components are a prerequisite for safe operation of new generating units and a good signal for future investors
Role and importance of KOSTT in SEE region

- Electricity hub in the heart of South East Europe
- High cross-border capacities
- Europe calls for integration respectively SEE market
- Comparable regulations
- Non-discriminatory access to the transmission network
Role and importance of KOSTT in SEE region

• In technical terms, position of Kosovo's transmission system has very important role in the region:
  • Strong interconnection lines with neighboring countries underpin importance of the Kosovo Network region.
  • Security and stability of Kosovo Network has high impact in the network operation of South East Europe
  • High cross-border transit flows through Kosovo Network.
  • Stable operation of Transmission system of Kosovo contributes to increased efficiency of the electricity market in this SEE
  • Kosovo has the resources that may provide low cost energy in future, as base load energy in the SEE, where there is a deficit of power generation as well for the Italian market
SEE - New generation location? (base case official)

- New NPP
- New TPP
- New GTPP
- Assigned TPP
- Assigned GTPP

1x 300MW year 2016
1x 300MW year 2017
1x 400MW year 2018.

Source of information is SECI
Future flow in SEE network

New Generation

Coal reserve
USA - Kosovo
Investment Forum

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Thank You

www.kostt.com

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