

Arrangements regarding energy

8. September 2013; 25. August 2015.

1. Both parties confirm their commitment to meeting all their obligations under the Energy Community Treaty, and to apply the EU energy acquis. These arrangements are fully compatible with both.

2. KOSTT and EMS will sign a bilateral operational agreement within 3 months, establishing and regulating relations between the two Transmission System Operators. In addition, the former Temporary Energy Exchange Agreement and Temporary Technical Agreement will be repealed.

KOSTT will be recognized as the Transmission System Operator for the territory of Kosovo for the purpose of participation in all relevant mechanisms (ITC, Congestion Management, etc.).

EMS will support KOSTT to become a member of ENTSO-E.

3. The energy regulatory authorities of both parties will open direct channels of communication to discuss subjects of mutual interest.

The regulatory authorities of both sides shall, upon application, without delay, and in line with the requirements of the existing licensing framework in their jurisdiction, issue licences covering trade (import, export, transit) and supply to KEK, KEDS and EPS, respectively.

4. Both parties will accelerate the process of market opening by July 1 2014, in accordance with the timetable fixed by the Energy Community Treaty, therefore allowing a new electricity company to supply customers to be established. Both parties also agree that such a company will be established under the Kosovan legal and regulatory framework.

5. This new company will supply electricity and may provide distribution services (such as billing, collection, maintenance and physical connection of new customers) to customers in the four northern Serb majority municipalities, and will be able to buy and sell power on the open market. This new company, in order to operate as per point 4 will sign agreements with KOSTT in order to participate in the Kosovo power market and to become balance responsible party.

Immediately after the establishment of this new company, it will enter into discussions on all other issues of mutual interest with KEDS and KOSTT, including to ensure third party access.

The employees of JP Elektrokosmet will either be incorporated into this new company or might be offered employment with KEDS.

KOST will reconnect the 110 kv lines to Valac/q. The current operators at the Valac/q substation will respect instructions from the Kosovo dispatch centre.

6. Both parties agree to try to find a common settlement solution as regards KOSTT's claims and EMS claims. KOSTT considers that these claims are for unpaid transit and interconnection allocation revenue and EMS's claims for secondary regulation. EMS considers that these claims are for services for secondary and tertiary regulation. Should it not be possible to reach a common settlement within 6 months, both parties agree to submit these claims to international arbitration.

7. An implementation group will be formed in order to draft a full Action Plan for the implementation of the future Agreement. The full implementation process will commence upon receipt of written acceptance of Action plan.

Conclusions of the EU facilitator on the implementation of the 2013 Energy Agreement

In order to implement obligations under the “Arrangements regarding energy“, signed by the two Prime Ministers in September 2013., both parties agree to the following:

Establishment of new trade company

1. Kosovo will allow EPS to establish a power trade company in Kosovo, in line with its non-discriminatory obligations under the Energy Community and in accordance with the Kosovo legal and regulatory framework.
2. EPS will deposit documents to the Kosovan Business Registration Office to apply for a business registration certificate before the end of August 2015.
3. In line with Kosovo’s own rules and deadlines, this business registration certificate will be granted within 7 days.
4. This company will apply for, and be granted a license that covers import, export and transit.

Establishment of new supply and distribution services company

5. Kosovo will allow EPS to establish a supply company in Kosovo, in line with its non-discriminatory obligations under the Energy Community and in accordance with the Kosovo legal and regulatory framework.
6. EPS will deposit documents to the Kosovan Business Registration Office to apply for a business registration certificate before the end of August 2015.
7. In line with Kosovo’s own rules and deadlines, this business registration certificate will be granted within 7 days.
8. The name of this company will be “ElektroSever”.

Supply license

9. This company will apply to the Energy Regulatory Office (ERO) for the necessary license to supply customers, to buy and sell power in the open market and to import and export electricity. This license will be delivered in accordance with Kosovo’s own legal and regulatory framework.

10. The supply license will be operational when KOSTT becomes a member of the ENTSO-E.
11. ElektroSever will sign agreements with KOSTT in order to participate in the Kosovo power market and to become balance responsible party.
12. ElektroSever will be entitled to carry out billing and collection, since these are the normal activities of a supply company.
13. Access to KOSTT, KEDS and ERO to the transmission and distribution infrastructure as well as customer data will be provided. This data will be provided via the EU.
14. ElektroSever will enter into discussions with KEDS and KOSTT, to ensure third party access.

Distribution services

15. Both parties will continue to work, with EU facilitation, with a view to allowing ElektroSever to provide distribution services based on the principles of “Arrangements regarding Energy”.

Other issues

16. Serbia and EMS, will support KOSTT’s application to sign an interconnection agreement with ENTSO-E, including in the appeal process.
17. Both parties agree that all points of these Conclusions will be implemented independently of progress on point 15.

Disclaimer

Kosovo considers that, in accordance with Kosovo Constitution and Laws, and international law , namely UNSCR 1244 and respective UNMIK Regulations, the property within the territory of Kosovo is ownership of the Republic of Kosovo.

Serbia considers that, that in accordance with domestic and international law, namely UNSCR 1244, property within the territory of Kosovo is ownership of Serbia, under specific provincial regulation and in full accordance with the Constitution of Serbia.