



"On the Promotion of the Use of Renewable Energy Sources"

Newsletter

Law No. 08/L-258 "On the Promotion of the Use of Renewable Energy Sources"

The Assembly of Kosovo approved Law No. 08/L-258 "On the Promotion of the Use of Renewable Energy Sources" (the **New Law**), which was published in the Official Gazette on May 2, 2024. The New Law aims to promote renewable energy sources and cogeneration across electricity, heating, cooling, and transportation sectors to meet energy demands more effectively.

The newly adopted law partially aligns with the Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources. Accordingly, it introduces a national objective stipulating that Kosovo aims to produce enough energy from its renewable sources to fulfill 32% of its gross final consumption of energy needs by the year 2030.

In line with efforts to enhance energy security and promote environmental conservation, the Law incorporates provisions concerning combined heat and power generation.

Moreover, the New Law appears advantageous for the private sector by introducing innovative approaches to engage consumers in the energy sector and by establishing competitive procedures. Also, it facilitates incentives for consumers to generate, store, and sell surplus renewable electricity without encountering discriminatory or disproportionate obstacles.

The provisions of the New Law outline the regulations for establishing a Support Scheme, which provides financial assistance for the production of electricity from renewable sources. This Support Scheme is implemented through the introduction of the following new concepts:

I. **Feed-in premiums**: financial support provided to Privileged Producers in two forms:

- A fixed premium, that is a predetermined amount to be paid to the Privileged Producer on top of the market price, based on a Contract for Premium.; or
- ii. A symmetrical sliding premium, that is the amount between the Strike Price and the Reference Price to be paid to the Privileged Producer or by the Privileged Producer, based on a Contract for Difference.

II. **Feed-in Tariff**: financial support granted to Privileged Producers in the form of a guaranteed purchase price per kWh for electricity generated from renewable sources and supplied to the power grid, based on a Power Purchase Agreement.

The New Law introduces the Renewable Energy Operator (REO), appointed by the Government of Kosovo within six months of the law's enactment. The REO will be responsible for directly purchasing electricity from Privileged Producers under Power Purchase Agreements and maintaining a public register of producers with detailed information on support contracts.

Furthermore, the New Law incorporates measures for establishing a One-Stop Shop within the Ministry responsible for the energy sector within six months of its enactment. This initiative aims to simplify administrative procedures during the application process and streamline permit issuance for renewable energy projects by enhancing coordination among relevant institutions.

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