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Energy Regulatory Office: The Role of ERO in Consumer Protection

Executive Summary

Prishtina

November, 2020



Summary of the Roundtable: "Energy Regulatory Office: The role of ERO in consumer protection in the field of energy"



Institute for Development Policy - INDEP

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Note:

This paper was originally written in English.

Summary of the Roundtable

"Energy Regulatory Office: The role of ERO in consumer protection in the field of energy"

Institute for Development Policy (INDEP), as part of the Democratic Governance Program of INDEP and the framework partnership agreement of INDEP with the European Union Office in Kosovo in the field of consumer protection held the roundtable with Energy Regulatory Office (ERO) titled "Energy Regulatory Office: The role of ERO in consumer protection in the field of energy", on 23rd October, 2020 from 10:00 to 11:00 am. This table was moderated from Mr. Dardan Abazi, Head of Research and Program Director at INDEP and with Mr. Gani Buçaj, Head of Customer Protection Department at ERO as the panelist. The roundtable was initially planned to be held with audience, but due to COVID-19 restrictions, the roundtable was held online, and broadcasted at "Mbrojtësit e Konsumatorëve / Kosovo Consumer Watchdog" Facebook page online¹, but all the interested parties were able to write their questions via the comments section.

The aim of this roundtable is to inform citizens on the role of ERO in customer protection in the field of energy in Kosovo, the legislation in force, the process of treating complaints from customers from ERO, provide statistics about the number of consumer complaints sent at ERO, and other relevant issues.

Mr. Abazi posed the following questions:

- What is the legislation in force that regulates the energy in Kosovo and where do customers stand?
- How ERO helps customer protection in Kosovo in the field of energy?
- The rights of customers regarding energy in Kosovo?
- How does ERO handle complaints?

¹ Roundtable "Energy Regulatory Office: The role of ERO in consumer protection in the field of energy", accessible here: <https://www.facebook.com/mbrokons/videos/864907980918498/> (Accessed November, 2020)

- Who monitors the market of energy in Kosovo?
- Why can't customers in Kosovo choose their electricity providers yet?

Mr. Buçaj briefed about the legislation that regulates the energy field in Kosovo. The Law on Electricity is the main law that regulates energy field, whereas the secondary law issues by relevant institutions regulate other fields of energy. ERO is the responsible body that licenses the energy suppliers, decides on the electricity tariffs, and is responsible for handling consumer complaints, amongst others. Further on, Mr. Buçaj specified how the electricity is metered and billed. The procedure described was that the meters installed leave little to no space for mistakes and that billing mistakes are more likely to be in the system, than in the metering, but did not exclude the possibility of mistakes being conducted by the human factor.

Mr. Buçaj specified that the most common type of complaint that ERO receives are objections to electricity bills, complaints about weak electricity and complaints to the debt in overall. Many customers claim that they receive higher bills than the electricity they have paid for. In this regard, ERO has complied the appropriate framework to treat these complaints and Mr. Buçaj confirmed that ERO takes consumer complaints seriously and treat every complain addressed to them in a timely manner.

In this regard, Mr. Buçaj pointed that ERO is the market monitor and informed that ERO is currently working in improving the required secondary legislation to open the market for interested bodies and liberalize the market in the field of energy. On another note, Mr. Buçaj informed that ERO has drafted all the accompanied legislation to open the market. In this regard, Mr. Buçaj confirmed that ERO has licenced 8 other electricity providers.

Related to the question about customer rights to change their electricity providers, Mr. Buçaj commented that ERO has drafted the Guidelines for customers to change their electricity providers, but that further instructions are yet to be provided. This process was initially foreseen to be implemented this year, in 2020, but due to COVID-19 pandemic, this project has been delayed and postponed for 2021.

ERO, continuously, holds meetings with interested consumers and holds consumer complaints in high regard.

Interested followers of the event, wrote questions live via comments section about the quality of the tension. Mr. Abazi asked Mr. Buçaj how these complaints are treated. Mr. Buçaj answered that these complaints are first sent to KESCO, that in this case is the supplier of the electricity. Then, if the complaints are not answered by KESCO, ERO treats the complaints via investigations. ERO sends its inspectors in that

region, investigated the region via monitoring then drafts the final verdict on the complaints, based on the results of the monitoring.

Further on, ERO requires documents for the planned investments from KESCO and the results expected. ERO also follows its rule on fines and penalties for KESCO, is KESCO does not fully comply with the expected services they are contracted to offer.

In 2019, ERO received 75 complaints from customer, but 120 additional complaints were sent to KESCO for further handling. Most of these complaints are treated and handled from ERO, regardless that ERO has not sufficient staff. In this regard, Customer Department at ERO has asked for more staff, in order for the department to work more efficiently.

Regarding the monitoring of customer protection in the field of energy, ERO receives reports from KESCO and other electricity suppliers. ERO sends comments to KESCO and other electricity suppliers and that the other parties are obliged to integrate the comments of ERO in their reports.

In regards to the billing, in the light of news that consumers from Kosovo were paying for the electricity that was being spent in the north of Kosovo, Mr. Buçaj assured that that debt is not being billed to the consumers in Kosovo. Nevertheless, this issue is yet to be permanently decided by the relevant institutions in Kosovo.

Regarding to the renewable energy in Kosovo, that is not fully dependent on the ERO, but ERO is working on it. The required regulations are in place but that this depends on the interest of consumers to invest in renewables as well.

As for the issue of energy reductions and energy cuts, this issue is problematic for ERO, due to the fact that ERO is not able to stop these events. In several cases, these events occur due to renovations, investments or problems in the electricity networks. However, Mr. Buçaj affirmed the fact that electricity reductions and energy cuts have been minimized for the most part.

To conclude the roundtable, Mr. Buçaj informed all the interested parties that ERO will introduce a new and modern system of data that will be open and accessible via ERO's official website. Sometime during 2021, this project will be launched, and ERO and citizens as well will have the chance to access all the data online, including issuing complaints.

This activity was implemented within the project "Monitoring Legal and Institutional Framework of Customer Protection in Development Sectors", funded by the European Union managed by European Union Office in Kosovo - European Union Kosovo and implemented by the Institute for Development Policy (INDEP).

