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Monitoring of the implementation of the **Kosovo's Energy Package** (Energy, Electricity, and ERO Law) and Consumer Protection



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Table of Contents

1. Introduction.....	2
2. Current consumer protection frameworks in the sector of energy in Kosovo	3
2.1. Monitoring and implementation challenges of Law no. 06/L-034 on Consumer Protection	4
3. Section 1: Monitoring and implementation challenges of the Law no. 05/L – 081 on Energy and its impact on consumer protection.....	7
4. Section 2: Monitoring and implementation challenges of the Law no. 05/L – 084 on the Energy Regulator and its impact on consumer protection.....	9
5. Section 3: Monitoring and implementation challenges of the Law no. 05/L – 085 on Electricity and its impact on consumer protection.....	13
6. Conclusions	16
7. Recommendations.....	18

1. Introduction

Monitoring of implementation of legislation is a crucial element of regulatory responsibilities within a country. The knowledge and information of legislation performance and development trends allow regulators to create a more effective legislative and policy framework. In addition, the monitoring of legislation will allow to better promote and achieve customer protection in the sector of energy.

The energy legislative and policy area covers a wide range of issues such as energy supply, infrastructure, the internal energy market, consumers, renewable energy, energy efficiency, nuclear energy and safety, and radiation protection. However, this paper focuses on the issues that affect consumers, and later in this paper you will see that to date many challenges remain to fully implement the existing legislation framework in the sector of energy affecting consumer protection.

Current consumer protections in the sector of energy exist under four main regulatory frameworks: Law no. 06/L-034 on Consumer Protection, the Law no. 05/L – 081 on Energy, the Law no. 05/L – 084 on the Energy Regulator and the Law no. 05/L-085 on Electricity. Additional protections and rights are also provided under secondary legislation that implement these main laws.¹ Each of these frameworks differ in terms of: scope of application, protections afforded to consumers, and enforcement.

The Energy sector specific consumer protections in Kosovo fall in the following categories:

- Aim to achieve a safe, secure, reliable, and high-quality supply of energy and to provide the conditions for a functioning open energy market;
- Promoting effective competition and setting criteria for regulating tariffs and the conditions of energy supply to ensure consumer protection;
- Provide financial support specific groups of consumers in need;
- Aim to guaranteeing secure, reliable, regular and quality electricity supply, at affordable prices.

¹ Secondary Legislation in the area of energy, accessible here: <https://gzk.rks-gov.net/SearchIn.aspx?Index=2&ts=Energji&so=1> (Accessed August, 2020)

This paper analysis how the main energy regulatory framework affects consumer rights, and identifies the next steps to further advance and protect consumers including recommendations to resolve the structural problems of consumers in the sector of energy.

2. Current consumer protection frameworks in the sector of energy in Kosovo

The legislative, institutional set up and policy development of the energy sector in Kosovo is laid down in a package of laws which to some extent the EU acquis has already been incorporated into the national legislative framework. The institutional set up in this sector include government and regulatory institutions and energy companies.

The main legislative framework in the energy sector consists of the Law No. 05/L-081 on Energy; Law No. 05/L-085 on Electricity; Law No. 05/L-084 on the Energy Regulator; Law No. 05/L-052 on Thermal Energy; Law No. 05/L-082 on Natural Gas; In addition, these laws are supported by secondary legislation.

Energy is one of the priority areas for Kosovo's national development plans.² The main policy documents in the area of energy are the Energy Strategy of the Republic of Kosovo 2017-2026³; Kosovo Heating Strategy 2011-2018⁴; and Energy Strategy Implementation Programme 2018-2020⁵ which includes activities for the implementation of measures provided for in the Energy Strategy of the Republic of Kosovo 2017-2026.

Kosovo also has adopted the legislative and policy framework in the area of Consumer Protection. This paper and particularly this section present an analysis of the consumer protections that currently exist under four main regulatory frameworks in the sector of energy in Kosovo. It focuses and includes

² Office of the Prime Minister (2016), National Development Strategy 2016-2021

http://www.kryeministri-ks.net/repository/docs/National_Development_Strategy_2016-2021_ENG.pdf

³ Ministry of Economic Development, Energy Strategy of the Republic of Kosovo 2017-2026

https://mzhe-ks.net/repository/docs/Energy_Strategy_of_the_Republic_of_Kosovo_2017_-_2026.pdf

⁴ Ministry of Economic Development, Heating Strategy 2011-2018

https://mzhe-ks.net/repository/docs/Strategjia_e_Ngrohjes_2011-2018-Eng.pdf

⁵ Ministry of Economic Development, Energy Strategy Implementation Program 2018-2020

https://mzhe-ks.net/repository/docs/ENERGY_STRATEGY_IMPLEMENTATION_PROGRAM_2018-2020.pdf

the Law on Consumer Protection, section on the Law on Energy, section on the Law on the Energy Regulator and section on the Law on Electricity.

2.1. Monitoring and implementation challenges of Law no. 06/L-034 on Consumer Protection

This law applies to all consumers in the Republic of Kosovo. This law applies to the regulation of relations between consumers on the one hand and manufacturers, sellers, suppliers, wholesalers or products or services providers on the other hand to protect the consumer from unfair commercial practices in the market of the Republic of Kosovo.⁶ In addition, the main policy framework in this area consists of Consumer Protection Programme 2016-2020.

The law foresees a number of measures for consumer protection; however, overall the current law had limited progress in addressing all consumer rights. There are still two sub legal acts that need to be adopted to fully complete the secondary legislation for the implementation of the law. However, the law is not fully in line with the EU acquis and needs to be reviewed, the amended law should include EU principles on mortgage credit and alternative consumer dispute resolution. To increase the implementation of the law, action is needed to address unfair banking, awareness of consumers' rights and to ensure consumer price transparency. The provision on general safety requirement in the Law on General Product Safety needs to be amended for addressing complains and regulate exchange on information on dangerous products.

In the view of the SAA, in the area of consumer protection, Article 81 of the SAA requires Kosovo to create active consumer protection legislation and policies, in line with the EU law, including enhancement of information and development of independent organizations in Kosovo, effective legal protection of consumers to ensure improvement of the quality of goods consumed, and maintaining the adequate safety standards, monitoring the regulations by the respective authorities and ensuring access to adequate legal compensation in cases of disagreement.⁷

⁶ Official Gazette of the Republic of Kosovo (2018), Law No. 06/L-034 on Consumer Protection, Article 2 - Scope <https://gzk.rks-gov.net/ActDetail.aspx?ActID=16551>

⁷ Ministry of European Integration (2016), Stabilisation and association agreement between Kosovo and EU, Article 81, Consumer Protection

The table 1 below presents the specific types of consumer protection that the respective law foresees and its implementation progress and necessary actions to advance consumer protection rights.

Table 1: Key attributes of the Kosovo Law on Consumer Protection and challenges in its implementation

	Attributes of the current law	Challenges in implementation and future actions
Scope	<ul style="list-style-type: none"> ▪ Broad application to businesses to consumer relations. Therefore, applies to consumers buying products or services, as well as businesses that sells products or services to individuals. 	
Types of consumer protection	<ul style="list-style-type: none"> ▪ Unfair contract terms and practice. Applies to consumer contracts. This includes conditions regarded as unfair in the contract, the unfairness of a contractual term and plain language of terms of contracts. ▪ Misleading conduct. This includes protections against misleading conduct (general protection) and misleading conduct as to the nature of goods or services (specific protection); unsolicited supply of goods and services; unsolicited consumer agreements. ▪ Consumer guarantees: general protections related to consumer 	<ul style="list-style-type: none"> → Need to adopt all secondary legislation to implement the Law on consumer protection. (9 of the 11 sub-legal acts were adopted in 2019)⁸⁹ → The law on consumer protection needs to be reviewed and include mortgage credit and alternative consumer dispute resolution in line with EU acquis (specifically Directive 2013/11/EU, Regulation (EU) No 524/2013, Directive 2014/17/EU).¹⁰¹¹ → Action is needed to address unfair banking and consumer lending practices and to ensure consumer price transparency.¹² → Awareness of consumers' rights and traders' obligations needs to be increased (needs to be included in the amended law).¹³

https://www.mei-ks.net/repository/docs/20190227135938_stabilisation_and_association_agreement.pdf

⁸ European Commission (2020), Kosovo Report 2020, Consumer and Health Protection

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

⁹ Ministry of European Integration (2020), National Program for the Implementation of the Stabilization and Association Agreement, Consumer and Health Protection, Medium term Priority objectives

<https://www.mei-ks.net/en/pkzmsa-2020-2024>

¹⁰ European Commission (2020), Kosovo Report 2020, Consumer and Health Protection

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

¹¹ Ministry of Trade and Industry (2016), Consumer Protection Programme 2016 – 2020

http://www.kryeministri-ks.net/repository/docs/CONSUMER_PROTECTION_PROGRAMME.pdf

¹² European Commission (2020), Kosovo Report 2020, Consumer and Health Protection

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

¹³ European Commission (2020), Kosovo Report 2020, Consumer and Health Protection

	<p>guarantees for the supply of goods and services. 'Goods' excludes the application of consumer guarantees for the items sold by way of execution or otherwise by authority of law; water, gas and electricity, where they are not put up for sale in a limited volume or certain quantity.</p> <ul style="list-style-type: none"> ▪ Product safety: Provides consumers with an ability to reimburse the price paid or to replace, repair or handle consumer goods in any way if they do not meet the specifications set out in the guarantee statement or in the relevant advertisements. 	<p>→ The provision on general safety requirement in the Law on General Product Safety needs to be amended.¹⁴ (The law should regulate alerts on non-food products posing serious risks to consumers)</p> <p>→ Improve the policy framework of the Consumer Protection Programme 2021-2025 needs to be adopted.¹⁵</p>
<p>Enforcement</p>	<ul style="list-style-type: none"> ▪ Supervision and implementation of this Law and other sub-legal acts approved on the basis of this Law shall be conducted by the state administration bodies, by the competent inspectorates, independent legal persons authorized to perform the inspection supervision and the local authorities through local inspectors, within the competence of local government. Regulators have a range of civil, administrative and criminal enforcement remedies at their disposal. 	<p>→ Reform of the Market inspectorate are needed to increase the enforcement of consumer rights protection and complaint treatment (Law No. 04/L-186 on Market Inspectorate needs to be amended).¹⁶</p>

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

¹⁴ European Commission (2020), Kosovo Report 2020, Consumer and Health Protection
https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

¹⁵ Ministry of European Integration (2020), National Program for the Implementation of the Stabilization and Association Agreement, Consumer and Health Protection, Short term indicators
<https://www.mei-ks.net/en/pkzmsa-2020-2024>

¹⁶ European Commission (2020), Kosovo Report 2020, Consumer and Health Protection
https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

3. Section 1: Monitoring and implementation challenges of the Law no. 05/L – 081 on Energy and its impact on consumer protection

The scope of this law covers the determination of regulatory framework for the development of policies and strategies, the role of stakeholders in their implementation, with the aim of ensuring sustainable and efficient energy supply (we will focus on rules of consume protection).¹⁷

The law foresees a number of measures for consumer protection; however, overall the law had limited progress in implementing all consumer protection provisions. Very little has been done to provide the conditions for a functioning open energy market. The energy strategy 2017-2026 needs to be revised including the three years Implementation Program. The monitoring reports of the program are not available. Introduce renewable energy auctions and enable the cost-effective deployment of renewable energy. Kosovo needs also to priorities energy efficiency investments in residential buildings and the private sector.

In view of SAA, the Article 74 and Article 114 of the SAA, highlights that Kosovo needs to approximate the legislation with that of the EU in the energy sector and to ensure its implementation. Article 114 states that cooperation between the parties will focus on priority areas related to the acquis of Energy Community. This cooperation will reflect the principles of the market economy and is based on the Treaty establishing the Energy Community, with a view to gradually integrate Kosovo into European energy markets.¹⁸

The table 2 below presents the specific types of consumer protection that the respective law foresees and its implementation progress and necessary actions to advance consumer protection rights.

¹⁷ Official Gazette of the Republic of Kosovo (2016), Law No. 05/L-081 on Energy, Article 2 – Scope <https://gzk.rks-gov.net/ActDetail.aspx?ActID=12689>

¹⁸ Ministry of European Integration (2016), Stabilisation and association agreement between Kosovo and EU, Article 74 and 114, Energy https://www.mei-ks.net/repository/docs/20190227135938_stabilisation_and_association_agreement.pdf

Table 2: Key consumer protection attributes of the Kosovo Law on Energy and challenges in its implementation and challenges in its implementation

Attributes of the current law		Challenges in implementation and future actions
Scope	<ul style="list-style-type: none"> Establishes the general principles and rules that will govern activities in the energy sector in Kosovo. 	
Types of consumer protection	<ul style="list-style-type: none"> Established energy activities: Related to achieving a safe, secure, reliable, and high- quality supply of energy; provide the conditions for a functioning open energy market, promote a more efficient use of energy, increased renewable energy sources and co- generation, and improved environment protection. Develop a 10-year period strategy on energy among other objectives to protect the interest of energy customers, in particular vulnerable customers. And adopt a Strategy Implementation Program for a period of three (3) years. Prohibition on Abuse of a Dominant Position: this includes imposing unfair purchase or selling prices or other unfair trading conditions; limiting production, markets or technical development to the prejudice of consumers; applying dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage; making the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts. Financial difficulty: requirements to develop and prepare the Social Energy Action Plan for customers in need. The Social Energy Action Plan should contain 	<ul style="list-style-type: none"> → Make urgent efforts to open the retail market and provide reliable energy supply and diversify energy supply^{19,20} → The 2017-2026 energy strategy needs to be revised including the three years Implementation Program.²¹ → Introduce renewable energy auctions and enable the cost-effective deployment of renewable energy. The electricity market should be restructured to facilitate the integration of renewable energy generation in line with EU <i>acquis</i> and specifically with the Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources.²² → Kosovo should priorities energy efficiency investments in residential buildings and the

¹⁹ Ministry of European Integration (2020), Sub Committee on Transport, Environment, Energy and Regional Development <https://www.mei-ks.net/en/sub-committees>

²⁰ European Commission (2020), Kosovo Report 2020, Energy https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

²¹ European Commission (2020), Kosovo Report 2020, Energy https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

²² European Commission (2020), Kosovo Report 2020, Energy https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

	conditions, criteria and categories of persons in need which shall be entitled to benefit as customers in need in accordance with Law on Electricity Law on Natural Gas.	private sector (which account for 50% of final energy consumption). ²³
Enforcement	<ul style="list-style-type: none"> ▪ Inspections necessary for supervision of the implementation of this Law will be carried out by the Energy Inspectorate, operating within the Ministry. The Regulator shall, within the scope of its authority under the Law on the Energy Regulator, implement measures aimed at preventing violations of the provisions of the Articles 22 and 23 (competition and abuse of a dominant position) of this Law. 	

4. Section 2: Monitoring and implementation challenges of the Law no. 05/L – 084 on the Energy Regulator and its impact on consumer protection

The provisions of this Law are applied by the Energy Regulatory Office (ERO) that shall exercise the powers of an independent agency within the institutions of Republic of Kosovo (we will focus on rules of consume protection).²⁴

ERO duties and functions defined in this law include the efficient, transparent and non-discriminatory creation and functioning of the energy market; granting of licenses in the area of energy; granting authorizations for the construction of new capacities; market monitoring and the care to improve energy supply security; setting tariffs for energy activities; monitoring and preventing uncompetitive practices by energy enterprises, as well as resolving complaints and disputes in the energy sector. However, there still remain challenges in the retail market specifically in providing reliable energy supply. The standards of service quality and supply of electricity needs to be advanced and take actions

²³ European Commission (2020), Kosovo Report 2020, Energy https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

²⁴ Official Gazette of the Republic of Kosovo (2016), Law No. 05/L-084 on Energy Regulator, Article 2 – Scope <https://gzk.rks-gov.net/ActDetail.aspx?ActID=12694>

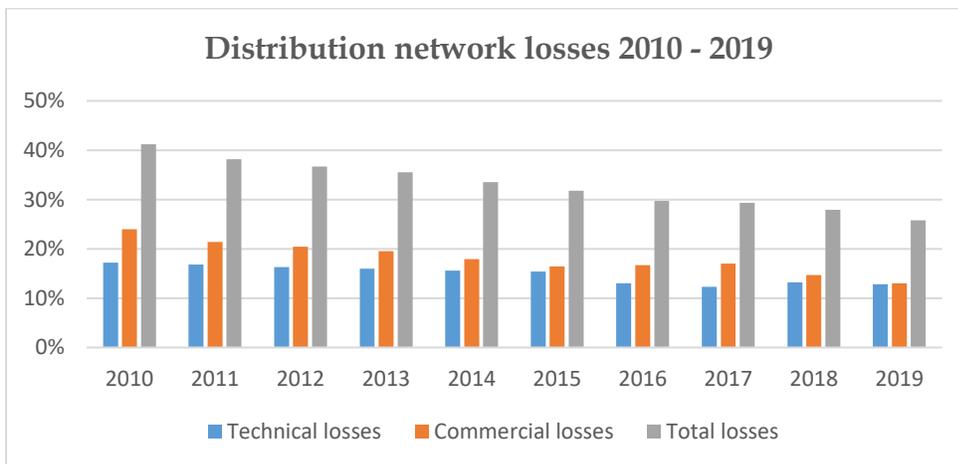
in reduction of losses in the electricity distribution and should be in line with EU acquis, specifically with Directive (EU) 2019/944. Further reduction of losses in electricity distribution need to be a priority. There is no clarity and information on timelines and financing options for the new plant “Kosova e Re”.

The electricity losses continue to remain high and represent concerning problems to the electricity sector. The technical losses were 13% in 2019, virtually identical with the commercial losses. The commercial losses had a more significant decrease over the years compared to technical losses; still losses remain high over 25% in 2019. Total losses have decreased by about 60% in 2019 compared to 2010, however, if the same speed in reduction of losses applies then we will need another 10 years to reduce the total losses below 5%.

The cost of energy loss is covered by customer tariffs that are regular payers of electricity which represents an extra charge to these customers,²⁵ and also implies that regular payers have the burden to ensure the regular functioning of the system, which at the end of the day is unfair.

Below is presented the chart with the data for technical, commercial and total losses from the 2010 to 2019.

Figure 1: Technical and commercial losses in distribution network for the period 2010-2019



²⁵ Energy Regulatory Office (2019), Annual Report 2019
<https://www.ero-ks.org/zrre/en/publikimet/raportet-vjetore>

The types of consumer protection that the respective law foresees and its implementation progress and necessary actions to advance consumer protection rights are presented in table 3 below.

Table 3: Key consumer protection attributes of the Kosovo Law on Energy Regulator and challenges in its implementation

	Attributes of the current law	Challenges in implementation and future actions
Scope	<ul style="list-style-type: none"> ▪ Establishes and defines the powers, duties and functions of the Energy Regulatory Office 	
Types of consumer protection	<ul style="list-style-type: none"> ▪ Duties of the regulator related to consumer protection: ensure that customers have the right to connect their facilities to the energy systems and to receive a supply of energy; ensure that customers and licensees are protected with adequate dispute settlement rules; to ensure that the interests of customers and energy enterprises are adequately balanced and that customers in need are protected; ensure that customers benefit through the efficient functioning of their national market, promoting effective competition; help in achieving high standards of public service, and contributing to the compatibility of necessary data exchange processes for customer switching. ▪ Where the Regulator regulates electricity prices for final customers, it shall provide detailed explanations and reasoning. 	<ul style="list-style-type: none"> → Make urgent efforts to open the retail market and provide reliable energy supply and diversify energy supply (this is required by law on energy, see table 2)^{26,27} → Review of the standards of service quality and supply of electricity.²⁸ This should be in line with EU acquis, specifically with Directive (EU) 2019/944. → Further reduction of losses in electricity distribution need to be prioritized.²⁹ → Adopt the regulation on energy consumption equipment labels.³⁰ → There is no clarity on timelines and financing options for the new plant

²⁶ Ministry of European Integration (2020), Sub Committee on Transport, Environment, Energy and Regional Development <https://www.mei-ks.net/en/sub-committees>

²⁷ European Commission (2020), Kosovo Report 2020, Energy https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

²⁸ Ministry of Trade and Industry (2016), Consumer Protection Programme 2016 - 2020, Table 2 http://www.kryeministri-ks.net/repository/docs/CONSUMER_PROTECTION_PROGRAMME.pdf

²⁹ European Commission (2020), Kosovo Report 2020, Energy https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

³⁰ Ministry of European Integration (2020), National Program for the Implementation of the Stabilization and Association Agreement, Consumer and Health Protection, Medium term Priority objectives <https://www.mei-ks.net/en/pkzmsa-2020-2024>

	<ul style="list-style-type: none"> ▪ Settling disputes: The Regulator shall establish procedures for resolving disputes in the energy sector, including complaints by customers against licensees concerning the services provided; procedures for the review and settlement of final customer complaints shall be transparent. ▪ The right of choosing the supplier: regulator shall ensure that all customers have the right of choosing their supplier, as far as the supplier is in compliance with trading and balancing rules defined from responsible institution and according to the laws in Kosovo. ▪ Approval and Complaints Relating to Tariffs: the Regulator shall approve tariffs for regulated energy services based on tariff methodologies. Parties not satisfied with the Decision of the Regulator in relation to regulated tariffs and tariff methodology may initiate an administrative dispute in the competent court. ▪ Ensuring equal price for consumers: Energy enterprise shall ensure that the price charged by it at any time to any final customer for the supply of energy is the same as the price charged by such an energy enterprise at that time to any other final customer for a comparable supply of energy, irrespective of where such final customers are located or reside. ▪ Change of the supplier: The Regulator, based on the Law on Electricity, shall determine rules on the procedure for changing electricity suppliers by final household. 	<p>“Kosova e Re”.³¹ More information needs to be provided to consumers in a number areas and specifically its potential impact on electricity prices.</p>
<p>Enforcement</p>	<ul style="list-style-type: none"> ▪ The Regulator among other things shall exercise supervision over: the compliance with the terms and conditions of licenses; implementation of regulated tariffs and tariff methodologies; 	

³¹ European Commission (2020), Kosovo Report 2020, Energy
https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

	<p>implementation of this Law, the Law on Energy, the Law on Electricity, Law on Thermal Energy and Law on Natural Gas.</p> <ul style="list-style-type: none"> ▪ Any individual acts issued subject to an administrative review procedure within the Regulator may only be appealed or disputed by judicial review by the competent court in Kosovo, in accordance with the Law on Administrative Conflicts. 	
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5. Section 3: Monitoring and implementation challenges of the Law no. 05/L – 085 on Electricity and its impact on consumer protection

This law defines common rules for electricity generation, transmission, distribution, supply, trade and organized market, as part of the regional and European electricity markets, and establishes rules pertaining to the access of parties in the market, public service obligations, consumer rights and competition conditions.³²

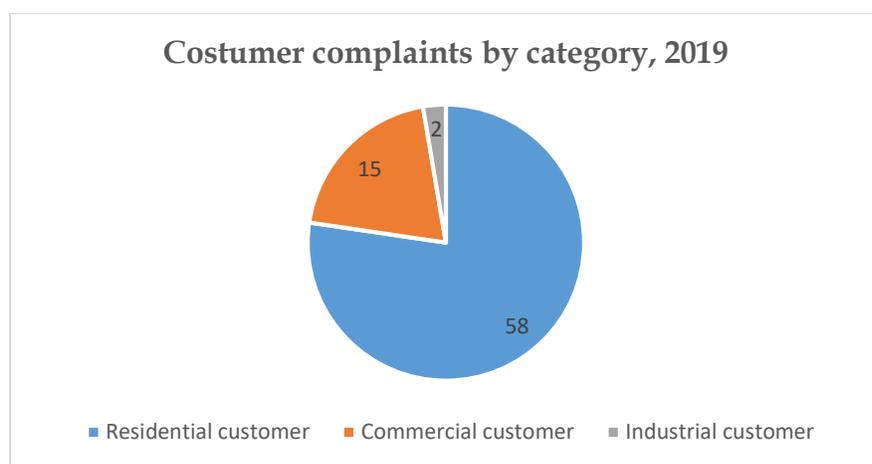
The recently built 400kV interconnection line between Kosovo and Albania is not yet operational. The new Connection Agreement between the Kosovo transmission system operator and the European Network of Transmission Systems Operators for electricity needs to be implemented. The Energy program and action plan to protect consumers in need (vulnerable customers) has not been prepared as required in the law on electricity and Energy Community requirements. The issue of changing the supplier is still unaddressed and this article of the law has not been implemented.

ERO has the legal powers for resolving complaints and disputes between consumers and energy companies and system operators.

³² Official Gazette of the Republic of Kosovo (2016), Law No. 05/L-085 on Electricity, Article 2 – Scope <https://gzk.rks-gov.net/ActDetail.aspx?ActID=12744>

The total number of complaints received during 2019 is 75, as seen in the figure 2 below, 58 complaints fall in the residential consumer category, whereas only a few falls in the commercial and industrial categories, this means that the consumers are the ones that are dissatisfied with services in the energy sector.³³

Figure 2: The number of complaints received by customer categories



The types of consumer protection that the respective law foresees and its implementation progress and necessary actions to advance consumer protection rights are presented in table 4 below.

Table 4: Key consumer protection attributes of the Kosovo Law on Electricity and challenges in its implementation

Attributes of the current law		Challenges in implementation and future actions
Scope	<ul style="list-style-type: none"> Establishes and defines the rules and measures for the functioning of the electricity sector, guaranteeing secure, reliable, regular and quality electricity supply, at affordable prices. 	

³³ Energy Regulatory Office (2019), Annual Report 2019
<https://www.ero-ks.org/zrre/en/publikimet/raportet-vjetore>

<p>Types of consumer protection</p>	<ul style="list-style-type: none"> ▪ Established contract terms: relating to billing; payment obligations; pricing; customer complaints and dispute resolution. The Transmission System Operator shall maintain confidential information. ▪ Connection services: This includes a requirement to provide connection services if requested. ▪ Protection of costumers in need: develop a detailed program for establishing the status of socially customers in need, the scope of rights, as well as measures aimed at protecting the socially customers in need in order to meet their electricity demand. ▪ Distribution System Operation need to establish and maintain a register of customers in need. ▪ Installation, Operation and management of the metering system in boundary of transmission network governed by Metering Code. 	<p>→ The new Connection Agreement between the Kosovo transmission system operator (KOSTT) and the European Network of Transmission Systems Operators for electricity (ENTSO-E) needs to be implemented. This will lead to the operationalization of the recently built 400kV interconnection line between Kosovo and Albania.³⁴</p> <p>→ Develop and prepare an Energy program and action plan to protect consumers in need (vulnerable customers), this needs to be in line with Energy Community requirements.³⁵</p> <p>→ In the social energy program should include gradual adjustment of energy tariffs, reflecting expected increases in costs.</p> <p>→ The rules on the right to change the supplier have not been implemented.</p>
<p>Enforcement</p>	<ul style="list-style-type: none"> ▪ The Regulatory shall ensure the provision of single points of contact to provide consumers with all necessary information concerning their rights, current legislation and the means of dispute settlement available to them in the event of dispute. If disputes cannot be resolved with the Regulatory then the disputes can be resolved in the competent Court. 	

³⁴ European Commission (2020), Kosovo Report 2020, Energy https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

³⁵ European Commission (2020), Kosovo Report 2020, Energy https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf

6. Conclusions

This paper has analysed the main energy regulatory framework and consumer rights in the energy sector in Kosovo. In order to address the challenges raised in this paper a number of actions need to be taken such as amendments of the existing laws, review the existing policy documents and/or prepare and develop new strategic frameworks and action plans.

Current consumer protections in the sector of energy exist under four main regulatory frameworks: Law no. 06/L-034 on Consumer Protection, the law no. 05/L – 081 on Energy, the law no. 05/L – 084 on the Energy Regulator and the law no. 05/L-085 on Electricity. Additional protections and rights are also provided under secondary legislation that implement these main laws. Each of these frameworks differ in terms of: scope of application, protections afforded to consumers, and enforcement.

The adopted third energy package covers a wide range of issues related to energy supply, infrastructure and open market functioning. However, this paper focused only on the matters that affect consumers in the energy sector. In summary, this analysis has identified challenges and actions in the sector of energy affecting consumer rights.

The Law on Energy had limited progress in implementing consumer protection provisions and rights. Creating the conditions for a functioning open energy market remains a challenge, the energy strategy 2017-2026 needs to be revised including the three years Implementation Program; in addition, monitoring reports of the program are not available. More needs to be done to priorities energy efficiency investments in residential buildings and the private sector.

The implementation of the Law on the Energy Regulator faces several challenges. The technical and commercial electricity losses continue to remain high. The customers are paying the costs of energy loss; therefore, more needs to be done to reduce the losses. The standards of service quality and supply of electricity need to be reviewed and in line with the Directive (EU) 2019/944.

A number of challenges remain in implementing the Law on Electricity. The Energy program and action plan to protect consumers in need (vulnerable customers) has not been prepared. This program needs to consider also the Energy Community requirements. Changing the supplier still remains an unsolved issue regardless the clear provisions of this law. Most of the complains and disputes between consumers and energy companies and system operators fall in the residential consumer category, confirming that the consumers are the category that are the most dissatisfied with services in the energy sector.

7. Recommendations

- 1) The Parliamentary Committee on Economic Development, Infrastructure, Trade, Industry and Regional Development should publish the monitoring reports on the implementation of Kosovo Energy Package (Law no. 05/L-081 on the Energy Regulator, Law no. 05/L-084 on Energy also include the Law no. 05/L – 085 on Electricity.
- 2) The government should amend and adopt the law on consumer protection, while amending it is necessary to include mortgage credit and alternative consumer dispute resolution in line with Directive 2013/11/EU, Regulation (EU) No 524/2013, Directive 2014/17/EU). Resolving consumer disputes through alternative dispute resolution is easier, faster and less financial implications than going to court.
- 3) Awareness of consumers' rights and traders' obligations needs to be increased and included in the amended law.
- 4) After adoption of the revised law the government need to adopt all secondary legislation that implement the Law on consumer protection.
- 5) The awareness component and changes of the law must be reflected also in the policy framework of the Consumer Protection Programme 2021-2025, which needs to be revised and adopted.
- 6) Strengthening the capacities to monitor the liberalized energy market, especially the human capacities of the ERO, the Competition Authority, and the State Aid Office.
- 7) Strengthening the institutional and human capacities in the department of consumer protection.
- 8) The regulators need to do market surveys of consumer awareness and trust in the energy sector.
- 9) The government should take actions to ensure consumer price transparency with the aim of liberalizing the energy sector and creating a universal service.
- 10) The government should amend and adopt the Law on General Product Safety, the provision on general safety requirement need to be updated and also the revised law should regulate alerts on non-food products posing serious risks to consumers.

- 11) Reform of the Market inspectorate are needed specifically the Law No. 04/L-186 on Market Inspectorate needs to be amended to increase the enforcement of consumer rights protection and complaint treatment.
- 12) Make urgent efforts to open the retail market and provide reliable energy supply and diversify energy supply.
- 13) Further increase the number of licensing of suppliers in the energy market.
- 14) Introduce renewable energy auctions and enable the cost-effective deployment of renewable energy. Kosovo should priorities energy efficiency investments in residential buildings and the private sector.
- 15) The electricity market should be restructured to facilitate the integration of renewable energy generation in line with EU acquis and specifically with the Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources.
- 16) The 2017-2026 energy strategy needs to be revised including the three years Implementation Program. Include activities to exercise the right to change the supplier.
- 17) Review the standards of service quality and supply of electricity, this should be in line with EU acquis, specifically with Directive (EU) 2019/944.
- 18) Kosovo government, KOSST and ERO should include specific measures in their action plans for the reduction of losses in electricity distribution network.
- 19) Kosovo government should adopt the regulation on energy consumption equipment labels.
- 20) More information needs to be provided to consumers on timelines, electricity prices and financing options for the new plant “Kosova e Re”.
- 21) Operationalise the recently built 400kV interconnection line between Kosovo and Albania.
- 22) Develop and prepare an Energy program and action plan to protect consumers in need (vulnerable customers), this needs to be in line with Energy Community requirements. The social energy program should include gradual adjustment of energy tariffs, reflecting expected increases in costs.
- 23) Conduct a long-term detailed energy sector analysis to clearly show the most effective and efficient way in the energy sector.
- 24) Approve the Energy Code for the energy certification of buildings.
- 25) Implement of environmental measures set out in the Paris Declaration concerning the Charter of the Western Balkan Sustainability.

