

LAW No. 06/L-079

ON ENERGY EFFICIENCY

The Assembly of the Republic of Kosovo,

Based on Article 65 (1) of the Constitution of the Republic of Kosovo,

Approves:

LAW ON ENERGY EFFICIENCY

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Purpose**

1. This Law establishes the legal framework necessary to promote and improve energy efficiency in the Republic of Kosovo with the aim at defining energy efficiency targets and achieving these targets through implementation of energy efficiency action plans, development of energy services market and other energy efficiency measures.

2. This Law regulates activities aiming at reducing energy intensity in the national economy and contributing to the reduction of the negative impact to the environment from the activities related to the energy sector.

3. This Law transposes with the Directive 2012/27/EU of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC.

4. This Law also provides the legal basis for the transposition of the legislation related to the labelling framework of the energy performance for energy-related products.

**Article 2
Scope**

This Law is applied by all public authorities and private sector, including providers of energy services and covers the whole energy chain including primary resources, production, storage, transport, distribution, supply and final energy consumption

**Article 3
Definitions**

1. The terms used in this Law shall have the following meanings:

1.1. **Aggregator** – a demand service provider that combines multiple short-duration consumer loads for sale or auction in organized energy markets.

1.2. **The government institutions of central level** - for the purposes of this Law, means all state institutions that exercise governmental and administrative competencies, in compliance with the Law on State Administration of the Republic of Kosovo. The Presidency, the Parliament, institutions reporting to the Parliament, state owned companies performing economic operations or operating independently are not considered the government institutions of central level for the purposes of this Law.

1.3. **Cogeneration** - the process of simultaneous generation of electricity and thermal energy by the same energy source and during the same technological process.

1.4. **High Efficiency Co-Generation** – co-generation meeting criteria as defined in the secondary legislation, as provided in paragraph 1.2. of Article 42 of this Law.

1.5. **Energy** - all forms of energy generation (electricity, thermal energy or natural gas, or any other form of energy) for the purpose of supply or sale.

1.6. **Energy Audit** – a systematic procedure performed by an energy auditor whose purpose is to obtain the necessary information about the profile of the existing energy consumption of a building or a group of buildings, an activity, an industrial or commercial installation or a private or public service, which identifies and quantifies cost-effective energy saving opportunities and reports the relevant results.

1.7. **Energy Auditor** – the natural or legal person licensed to perform energy audits in line with Article 12 of this Law.

1.8. **Energy distributor** - a natural or legal person, including a distribution system operator, responsible for transporting energy with a view to its delivery to final customers or to distribution stations that sell energy to final customers.

1.9. **Distribution System Operator** – a natural or legal person responsible for operating, maintenance and, if required, the development of the distribution system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable energy distribution demands.

1.10. **Energy efficiency** – the ratio between the energy performance, service, product or output and the energy used for the same purpose.

1.11. **Energy efficiency improvement** - an increase in energy efficiency as a result of technological, behavioral and/or economic changes.

1.12. **Energy management system** - a set of interrelated or interacting elements of a plan which sets an energy efficiency objective and a strategy to achieve that objective.

1.13. **Energy Performance Contract** – a contract between a beneficiary and an energy service provider, proposing one or more measures to improve energy efficiency, monitored and controlled throughout the contract term, whereby investments (activities, supplies or services) for said measures are paid in proportion to the level of energy efficiency improvement agreed in the contract or in other agreed energy performance

criteria, such as financial savings.

1.14. **Energy Savings** – the amount of energy saved, determined by measuring and or estimating consumption before and after implementation of one or more measures to improve energy efficiency in the context of normalizing external conditions affecting energy consumption.

1.15. **Energy service** - the physical benefit, utility or good derived from a combination of energy with energy-efficient technology or with action, which may include the operations, maintenance and control necessary to deliver the service, which is delivered on the basis of a contract and in normal circumstances has proven to result in verifiable and measurable or estimable energy efficiency improvement or primary energy savings.

1.16. **Energy Service Company (ESCO)** – a natural or legal person providing energy services or other energy efficiency improvement measures in a final customer's facility or premises, with the purpose of improving energy efficiency in said facilities, which assumes a portion of the financial risk for the performance of services provided.

1.17. **Energy Service Provider** - a natural or legal person who delivers energy services or other energy efficiency improvement measures in a final customer's facility or premises.

1.18. **Energy Supply Contract** – a contract between a beneficiary and an energy service provider describing one or more measures to improve efficiency of energy supply by providing services such as heating, cooling, compressed air or electricity, or other energy form including its financing, design, engineering, planning, constructing, operation and maintenance of energy production facilities.

1.19. **Final customer** - a natural or legal person who purchases energy for own use.

1.20. **Final energy consumption** - all energy supplied to industry, transport, households, services and agriculture. It excludes deliveries to the energy generation sector and the energy industries themselves.

1.21. **Intelligent Metering Equipment** – an electronic device for measuring energy consumption, by providing more information than conventional measuring equipment, and which can transmit and receive information using forms of electronic communications.

1.22. **Kosovo Energy Efficiency Agency** - the central state administration body (hereinafter referred to as KEEA), which operates within the Ministry responsible for the energy sector.

1.23. **Large enterprise** – an enterprise which employs two hundred fifty (250) persons or more, as defined in the Law on Foreign Investments.

1.24. **Micro co-generator unit** – a cogeneration unit with a maximum capacity not exceeding fifty (50) kW.

1.25. **Ministry** – the Ministry responsible for the energy sector.

- 1.26. **Minister** - Minister of Ministry responsible for energy sector.
- 1.27. **Metering Code** – the summary of technical rules and procedures that define the manner of meter reading, calculation of used energy and billing in the energy sector.
- 1.28. **National Energy Efficiency Action Plan/NEEAP** - as defined in Article 5 of this Law.
- 1.29. **Obligated party** - an energy distributor or retail energy sales company that is bound to act in compliance with Article 10 of the Law.
- 1.30. **Policy measure** - a regulatory, financial, fiscal, voluntary or information provision instrument formally established and implemented in Kosovo to create a supportive framework, requirement or incentive for market actors to provide and purchase energy services and to undertake other energy efficiency improvement measures.
- 1.31. **Primary energy consumption** – gross energy consumption, excluding non-energy uses.
- 1.32. **Retail energy supplier** – a natural or legal person, registered in the Republic of Kosovo as a business organization, which sells energy to final customers.
- 1.33. **Small and Medium enterprises (hereinafter “SMEs”)** – enterprises which employ between forty nine (49) and two hundred forty nine (249) persons as defined in the Law on Foreign Investments.
- 1.34. **Total useful floor area** - the floor area of a building or part of a building, where energy is used for conditioning, heating and cooling the indoor climate.
- 1.35. **Kosovo Energy Efficiency Fund (“KEEF” hereinafter “Fund”)** – an independent, autonomous and sustainable entity, as defined in Article 24 and 25 of this Law.
- 1.36. **Board of Directors** – the main governance body of KEEF, responsible for the overall oversight of KEEF in compliance with the provisions of this Law.
- 1.37. **Funds** – all financial resources allocated to KEEF from Government of Kosovo, International Financing Institutions or other donors, with the purpose to support investments in energy efficiency, ensuring at the same time its long-term sustainability, in compliance with this Law.
- 1.38. **Capital** – financial resources of KEEF, including any amounts available to KEEF's deposits for supporting EE investments, as well as amounts of invested financial resources due to be repaid to the Fund by its beneficiaries.
- 1.39. **Revolving** – re-investment of repaid capital to the Fund, paid by the beneficiaries for completed energy efficiency investments financed by the Fund.
- 1.40. **Eligible Investment** – an investment which meets the eligibility and investment policy criteria, as specified in this Law, and the internal regulations of the Fund.

1.41. **International Financing Agreement** – an agreement, regardless of its legal form, signed between a donor or International Financial Institution and the Republic of Kosovo specifying the use of funds provided by the donor, types of eligible investments and any other conditions and terms associated with donor's funds.

1.42. **Energy Service Agreement** – a legal agreement signed between the KEEF and a public entity allowing KEEF to offer complete services including financing for the implementation of an energy efficiency project and recovers its investments by the public entity, based on the projected energy cost savings against the energy baseline prior to the investment.

1.43. **Public Entities** – Central Government institutions and local authorities eligible to receive support for investments by the KEEF under an Energy Service Agreement or benefit from other relevant financial instruments established by KEEF.

1.44. **Residential customer** – any person or association of persons owning and or occupying properties destined for residential use that are eligible to receive support for energy efficiency investments by KEEF.

1.45. **Energy Baseline** – the average energy consumption and energy costs for a period of at least two (2) years before the implementation of the investment, as calculated through the Energy Audit. The energy baseline is normalized using variables which affect energy consumption, such as comfort level, lighting, ventilation and other comfort levels as specified by the rules and regulations in force, average climatic conditions at the location of the site and other relevant variables. Normalization of the energy baseline shall be done on the basis of good engineering practices and in line with the relevant international standards on energy management and energy auditing.

1.46. **Projected energy cost savings** – energy and cost savings expected from the energy efficiency investment calculated under the same conditions used to define the energy baseline.

1.47. **Financing/grants/other type/agreements** - any other type of legal agreement between KEEF and a beneficiary, allowing KEEF to provide financial support combined or not with grants and or technical assistance for the implementation of investments in the field of energy efficiency.

1.48. **Energy Efficiency obligation scheme** – the energy efficiency scheme established by Article 10 of this Law.

1.49. **Thermal energy** – the energy for heating/cooling of spaces, heating of sanitary water and industrial water that is transmitted and distributed through water, steam or gases, gained from thermal energy facilities, using fuel, geothermal sources, solar energy, unused thermal energy, with which the customers are supplied through central thermal energy systems.

1.50. **Energy-related product or product** - any good or system having an impact on energy consumption during use, which is placed on the market or put into service, including parts with an impact on energy consumption when used and which are placed on the market or put into service for consumers and are designated to be incorporated into products.

1.51. **Product Information Sheet (Product Fiche)** - a standard document containing information relating to a product, whether printed or electronically.

1.52. **Other essential resources** - water, chemicals or any other substance consumed by a product in normal use.

1.53. **Dealer** - a retailer or other natural or legal person offering for sale, hiring, or hiring purchase or displays products to customers or installers within a commercial activity, whether with payment or free of charge.

1.54. **Supplier (of energy related product)** - the manufacturer, authorized representative of a manufacturer or the importer who places the product on the market of the Republic of Kosovo.

1.55. **Placing on the market** - making a product available for the first time on the Republic of Kosovo.

1.56. **Putting into service** - the first use of a product according to its intended purpose in the market of the Republic of Kosovo.

1.57. **Product group** - a group of products that have the same main functionality.

1.58. **Label** - a graphic diagram, either in printed or electronic form, including a closed scaling that uses only the letters, where each letter represents a class and each class corresponds to the energy saving, with different colors, for the purpose to inform customers about energy efficiency and energy consumption.

1.59. **Technical documentation** - sufficient documentation to enable the market surveillance authorities to assess the accuracy of the label and of the information sheet of a product, including test reports or similar technical evidence.

1.60. **Making available on the market** - supplying a product for distribution or use in the market of the Republic of Kosovo in the framework of a commercial activity, whether with payment or free of charge.

CHAPTER II ENERGY EFFICIENCY POLICIES

Article 4

National objectives, targets and policy measures in the field of energy efficiency

1. The Ministry sets as national energy efficiency target for the final energy consumption not exceeding 1556 Ktoe in the year 2020.

2. The objectives in the field of energy efficiency are as follows:

2.1. removing barriers to promoting energy efficiency;

- 2.2. introducing highly energy-efficient technologies, modern measurement and control systems, and energy management systems;
- 2.3. application of modern energy management principles;
- 2.4. promoting the use of energy-efficient equipment and machinery, as well as renewable energy sources;
- 2.5. promoting financial mechanisms and instruments, and granting financial and fiscal incentives for energy efficiency, in accordance with this Law;
- 2.6. mobilization of investments in renovation of buildings;
- 2.7. cooperation between final customers, producers, retail energy suppliers, energy distributors and public entities, in order to achieve the national energy efficiency policy objectives;
- 2.8. ensuring availability of high quality energy audits, energy management systems and energy services in the market;
- 2.9. educating and raising awareness of energy consumers on the importance and benefits of implementing measures to increase energy efficiency;
- 2.10. promoting fundamental and applicative research in the field of energy efficiency.

Article 5

National Energy Efficiency Action Plan and Annual Progress Report

1. The National Energy Efficiency Action Plan (NEEAP) establishes and describes the actions to achieve the State policy objectives in the field of energy efficiency, including the energy efficiency obligation scheme, energy efficiency policy measures, energy savings achieved or envisaged to be achieved on the level of supply, transmission, distribution and final energy consumption, with a view to achieving the national energy efficiency targets.
2. Starting from 30 April 2019 and every three (3) years thereafter, the KEEA, in close cooperation with other responsible parties, shall prepare and submit the NEEAP to the Ministry for consideration and further proceeding to the Government of Kosovo for approval. The plan shall contain three (3) year EE targets.
3. After the approval by the Government, the NEEAP shall be published on the official website of the Ministry and shall be submitted to the Secretariat of the Energy Community no later than up to 30 April of the respective year.
4. The NEEAP shall include a progress report of the previous three (3) years plan on EE, including fulfillment of the EE targets of this plan.
5. NEEAP shall include an evaluation and, if necessary, regulatory and non-regulatory barriers to energy efficiency, and foresee appropriate measures to remove them, including measures providing of incentives, repealing or amending legal or regulatory provisions, adopting guidelines and or simplifying administrative procedures.

6. The Ministry shall issue secondary legislation determining the general NEEAP framework, including requirements for reporting.

7. On annual basis, until the June 30 of each year, KEEA, shall prepare a progress report on the achievement of national energy efficiency targets, in accordance with the secondary legislation referred to in paragraph 1.13 of Article 42 of this Law. The Monitoring and Verification Platform (MVP) shall be used when possible in calculating the energy savings and reporting on measures from NEEAP. The report is submitted to the Government and the Energy Community Secretariat.

8. In order to compare energy savings and perform the conversion into a comparable unit, the conversion factors will be defined in secondary legislation provided to in paragraph 1.5. of Article 42 of this Law.

9. Each year, by April 30, all parties having responsibilities under the NEEAP are obliged to report to the KEEA on implementation of their activities foreseen in the NEEAP.

Article 6

Municipal Energy Efficiency Action Plans, implementation and reporting

1. Starting from 28 February 2019 and every three (3) years, municipalities shall prepare and submit to KEEA draft Municipal Energy Efficiency Action Plans that shall include proposed energy efficiency policy and energy efficiency improvement measures covering all sectors operating at the municipal level.

2. Prior to the adoption of the Municipal Energy Efficiency Action Plan by the Municipal Assembly, the KEEA shall evaluate their compliance with the national energy efficiency policies, targets and plans and present its opinion with recommendations, within sixty (60) days from the submission of the draft Plan as per paragraph 1. of this Article. Adoption of the Municipal Energy Efficiency Action Plans by Municipal Assemblies shall be done no later than 31 March of the respective year, and shall cover the upcoming next three (3) years.

3. The Plan shall, among other, envisage the establishment and operation of municipal energy management and monitoring system and, where appropriate, individual energy management systems, including energy auditing for large energy consuming buildings and/or municipal companies, as well as for renovation of public buildings to meet the minimum energy performance standards set by the Law on Energy Performance of Buildings, and other energy efficiency measures undertaken in facilities under the control of municipalities.

4. For the purpose of implementing the municipal energy management system, the municipalities will be functionalizing the municipal energy offices with personnel qualified to perform energy management, in accordance with the legislation in force.

5. Annually, and no later than 30 April, the Municipal Assembly shall approve and submit to KEEA the Progress Report on the implementation of Municipal Energy Efficiency Action Plan for the previous year. Municipalities shall use the specific software and or web-based platform for reporting. The Monitoring and Verification Platform shall be provided by KEEA.

6. Within sixty (60) days from receiving the report according to paragraph 5. of this Article, KEEA shall evaluate the progress achieved, assess the needs and propose remedial measures or other measures for the implementation of the NEEAP at local level. On the basis of the remarks

by KEEA, if required, Municipalities shall amend, the Municipal Action Plan for the remainder of its implementation, no later than 30 November of the respective year.

7. The Ministry shall issue a template to define the form and content of the Municipal Energy Efficiency Action Plan and the form and content of the Progress Report on the Implementation of the Municipal Energy Efficiency Action Plan, no later than six (6) months after the entry into force of this Law.

8. Municipalities shall monitor regularly the implementation of the plan and the achievement of the targets for energy savings. To this scope, municipalities shall create and manage an information system for collecting data on energy consumption in municipal buildings, and monitor the savings resulted from implementation of measures in public buildings, using the web-based platform for reporting, Monitoring and Verification Platform (MVP).

9. Municipalities shall promote national energy efficiency policies at the local level and inform citizens of the benefits and manner of implementation of energy efficiency improvement measures.

10. Municipalities, as well as other public institutions at local and central level, shall use, where appropriate, energy service companies, and energy performance contracting to finance renovations and implement plans to improve energy efficiency in the long term.

CHAPTER III EFFICIENCY IN ENERGY USE

Article 7 Building renovation strategy

1. The Ministry, supported by KEEA, and in collaboration with the line Ministries responsible for construction and or administration of buildings, shall develop a long-term Strategy for mobilizing investments in the renovation of the residential and commercial buildings, both public and private. The Ministry shall submit the Draft Strategy to the Government for approval no later than six (6) months after entry into force of this Law, as a separate document. The Strategy shall encompass at least the following:

1.1. an overview of the national building stock based on statistical data and or sampling, as appropriate, per category of buildings;

1.2. identification of cost-effective approaches to renovations relevant to the building type and climatic zone;

1.3. policies and measures to stimulate cost-effective deep renovations of buildings, including staged deep renovations;

1.4. a forward-looking perspective to guide investment decisions of individuals, the construction industry and financial institutions;

1.5. an evidence-based estimate of expected energy savings and wider benefits.

2. The Strategy shall take into account energy efficiency targets under the National Energy Efficiency Action Plan, as well as social aspects that can contribute to alleviation of energy poverty.

3. After the approval by the Government, the Strategy shall be published in the official web-site of the Ministry. The Strategy shall be updated every three (3) years thereafter and submitted to the Energy Community Secretariat.

Article 8 **Renovation of public buildings**

1. To demonstrate the exemplary role of the public bodies in energy performance of buildings, each year the Government of the Republic of Kosovo shall renovate one percent (1%) of the total floor area of heated and/or cooled buildings owned and occupied by the central government institutions to meet at least the minimum energy performance requirements in accordance with the Law on Energy Performance of buildings.

2. The one percent (1%) renovation rate shall count from 1st December 2017 and shall be calculated on the total floor area of buildings with a total useful floor area over five hundred (500) m² that, on 1 January of each year do not meet the national minimum energy performance requirements according to the Law on Energy Performance of buildings. That threshold shall be lowered to two hundred fifty (250) m² as of 1 January 2019.

3. When implementing measures for the comprehensive renovation of central government buildings in accordance with the paragraph 1. of this Article, the building as a whole, including the building envelope, equipment, operation and maintenance shall be considered.

4. Requirements set out in paragraphs 1. and 2. of this Article shall not apply to the following categories of buildings:

4.1 buildings which are part of the national cultural heritage and where compliance with certain minimum energy performance requirements would alter their character or appearance in an unacceptable manner;

4.2 buildings owned by the armed forces or central government and serving national defense purposes, apart from single living quarters or office buildings for the armed forces and other staff employed by national defense authorities;

4.3 buildings used as places of worship and for religious activities.

5. If during one year the renovated buildings referenced to in paragraphs 1. and 2. of this Article exceed the one percent (1%) rate, this can count towards the annual renovation rate of any of the three (3) previous or following years.

6. New buildings occupied and owned as replacements for specific central government buildings demolished in any of the two previous years, or buildings that have been sold, demolished or taken out of use in any of the two (2) previous years due to more intensive use of other buildings can count towards the annual renovation rate.

7. By 31 July 2019, KEEA, in collaboration with the line Ministry responsible for management of public buildings, shall prepare and make publicly available an inventory of central government

buildings referred to in paragraph 2. of this Article, and shall exclude buildings referred to in paragraph 4. of this Article. This inventory shall at least contain the following data:

7.1. the floor area in m²; and

7.2 the energy performance of each building or relevant energy data.

8. The Ministry, supported by KEEA and KEEF, shall prepare and submit to the Government for approval secondary legislation on the three (3) year renovation plan central government buildings that shall define, at least:

8.1. the list of buildings owned and occupied by the central government to be renovated each year, the main energy efficiency measures and estimated investment costs;

8.2. implementation arrangements for the renovation of buildings including the option to transfer this responsibility to KEEF;

8.3. sources and methods of financing the investments including project preparation, tendering, implementation of supplies and works and post implementation verification;

8.4. method of reporting to KEEA on the progress of implementation of the renovation plan.

9. KEEA shall be responsible for the establishment and administration of a scheme to achieve a minimum energy performance requirements in renovated buildings.

10. Annually, by 31 May, KEEA, in collaboration with KEEF as required, shall prepare and present to the Ministry report including information on necessary amendments to the three (3) year buildings renovation plan of the central government institutions, if required, the number of contracts concluded during the previous year, the annual renovation rate of buildings, energy efficiency measures and total expenditure incurred, verification results and energy savings achieved over the previous year, as well as other relevant information. The report shall be published on the official websites of Ministry.

11. The Government of Kosovo shall encourage other public bodies not belonging to the government institutions of central level, as defined in paragraph 1.2. of Article 3 of this Law, including regional and local level bodies, as well as other bodies governed by public Law, to implement plans for renovation of buildings owned and occupied by them, following the exemplary role of the government institutions of central level, buildings, as laid down in paragraphs 1. and 2. of this Article.

Article 9

Purchasing by public bodies

1. Central and local administration authorities, as well as all other public authorities or entities that apply the Law on Public Procurements and or the KEEF shall purchase only products, services and buildings with high energy-efficiency performance, as referred to in the Administrative Instruction provided to in paragraph 1.3. Article 42 of this Law.

2. Paragraph 1. of this Article shall also apply to private legal persons in the event of contracting

procurements of works, supplies or services financed and or subsidized at least fifty percent (50%) by public funds or through KEEF financial support.

3. The obligation defined in paragraph 1. of this Article shall apply to the contracts of the armed forces only to the extent that its application does not cause any conflict with the nature and primary aim of the activities of the armed forces.

4. When tendering service contracts with significant energy content, authorities and bodies referred to in paragraph 1. of this Article shall assess the possibility of concluding long- term energy performance contracts that provide long-term energy savings.

5. Without prejudice to paragraph 1. of this Article, when purchasing a product package covered as a whole by a delegated act adopted under the legislation on energy labeling of energy related products, the aggregate energy efficiency shall take priority over the energy efficiency of individual products within that package, by purchasing the product package that complies with the criterion of belonging to the highest energy efficiency class.

Article 10

Energy efficiency obligation scheme

1. The Ministry establishes Energy Efficiency Obligation Scheme aiming at achieving cumulative energy saving target as defined in paragraphs 3., 4. and 5. of this Article. The target shall be achieved with a combination of implementation of Alternative Measures as defined in paragraphs 6., 7. and 8. of this Article and by imposing energy saving obligations to Obligated Parties.

2. Electricity and/or thermal energy System Operators or retail energy sales companies and/or liquid energy fuel distributors to retailers and/or direct supplying fuels to final consumers operating in the territory of the Republic of Kosovo according to the relevant legislation, are considered Obligated Parties of the energy efficiency obligation scheme. Among those Obligated Parties, the Government shall define those who shall contribute to the achievement of the energy efficiency obligation targets in accordance with paragraph 9. of this Article.

3. The cumulative energy savings under the energy obligation scheme shall be equivalent to achieving new savings each year corresponding to the period from 1 January 2017 to 31 December 2020 of zero point seven percent (0,7%) of the annual energy sales to the final customers of all energy forms by volume, averaged over the most recent three (3) year period prior to 1 January 2016. The sales of energy, by volume, used in transport shall be excluded from this calculation.

4. The KEEA shall determine the cumulative energy savings to be achieved that correspond to the time period referred to in paragraph 3. of this Article. While making the calculations of cumulative energy savings referred to in paragraph 3. of this Article, KEEA shall:

4.1. use the percentage values of 0,5% for the years 2017 and 2018 and zero point seven percent (0,7%) for the years 2019 and 2020;

4.2. allow energy savings achieved in the energy transformation, distribution and transmission sectors, including efficient district heating and cooling infrastructure, as a result of the implementation of the requirements set out in paragraph 3. of Article 19 and Article 20 of this Law, to be counted towards the amount of energy savings required under paragraph 3. of this Article.

4.3. allow energy savings resulting from individual actions newly implemented since 31 December 2008 that continues to have an impact in 2020 and that can be measured and verified, to be counted towards the amount of energy savings required under paragraph 3. of this Article.

5. The application of paragraph 3. shall not lead to a reduction of more than twenty five percent (25%) of the amount of energy savings referred to in paragraph 3. of this Article. The Ministry shall notify the Energy Community Secretariat regarding paragraph 3. of this Article not later than 31 July 2018 including the elements listed under paragraph 3. of this Article that have been applied and a calculation showing their impact on the amount of energy savings referred to in paragraph 3. of this Article.

6. As an alternative to imposing energy efficiency obligations to obligated parties the Ministry opts to take other policy measures to partially achieve energy savings among final customers, provided those policy measures meet the criteria set out in paragraphs 7. and 8. of this Article The annual amount of new energy savings achieved through this approach shall be equivalent or correspond to a percentage of to the amount of new energy savings required by paragraphs 3., 4. and 5. of this Article KEEA shall propose the policy measures referred to in this Article, while the Ministry responsible for energy sector, in close collaboration with the Ministry of Finance and the Ministry for Trade and Industry shall submit the list of measures to the Government for approval. The policy measures may include but not restricted to, the following policy measures or combinations thereof:

6.1. energy or CO2 taxes that have the effect of reducing end-use energy consumption;

6.2. financing schemes and instruments or fiscal incentives that lead to the application of energy-efficient technology or techniques and have the effect of reducing end-use energy consumption;

6.3. regulations or voluntary agreements that lead to the application of energy-efficient technology or techniques and have the effect of reducing end-use energy consumption;

6.4. standards and norms that aim at improving the energy efficiency of products and services, including buildings and vehicles, except where these are mandatory and applicable in Kosovo;

6.5. energy labeling schemes, with the exception of those that are mandatory and applicable in Kosovo;

6.6. training and education, including energy advisory programmers, that lead to the application of energy- efficient technology or techniques and have the effect of reducing end-use energy consumption;

6.7. other policy measures.

7. The Ministry shall notify to the Energy Community Secretariat the policy measures that it to adopt, following the framework provided in paragraph 1.5 of Article 42 of this Law and showing how they would achieve the required amount of savings. The Energy Community Secretariat may make suggestions for modifications in the three (3) months following notification.

8. The criteria for the policy measures taken pursuant to 6.2. of paragraph 6. of this Article shall include the following:

- 8.1. the policy measures provide for at least two (2) intermediate periods by 31 December 2020 and lead to the achievement of the target;
 - 8.2. the responsibility of each entrusted party, participating party or implementing public authority, whichever is relevant, is defined;
 - 8.3. the amount of energy savings required or to be achieved by the policy measure are expressed in either final or primary energy consumption.
 - 8.4. energy savings are calculated using the methods and principles provided in paragraph 1.5. of Article 42 of this Law;
 - 8.5 an annual report of the energy savings achieved is provided by participating parties unless not feasible and made publicly available;
 - 8.6 monitoring of the results is ensured and appropriate measures are envisaged if the progress is not satisfactory;
 - 8.7 a control system is put in place that also includes independent verification of a statistically significant proportion of the energy efficiency improvement measures; and
 - 8.8. data on the annual trend of energy savings are published annually.
9. The Ministry shall ensure that when the impact of policy measures or individual actions overlaps, no double counting of energy savings is made.
10. KEEA shall develop a three (3) year plan on the implementation of the obligation scheme and submit it to the Ministry. The plan can be revised every year as required. KEEA shall administer the Energy Efficiency Obligation Scheme, establish a control, reporting, measurement and verification system and report to the Ministry.
11. The Ministry responsible for energy sector, in collaboration with the Ministry of Finance and Ministry of Trade and Industry shall be responsible for the appropriate operation of the Energy Efficiency Obligation Scheme.
12. On the basis of the proposal by the Ministry, the Government shall approve secondary legislation defining at least:
- 12.1. the percentage of the cumulative target to be achieved through alternative measures and the percentage to be allocated to obligating parties;
 - 12.2. the list of obligated parties along with the cumulative target allocated in each obligated party;
 - 12.3. the selection of obligated parties will be based on transparent and non-discriminatory criteria including the volume of energy handled by each obligated party;
 - 12.4. the obligations of the obligated parties regarding reporting and facilitation of control, measurement and verification by KEEA;

12.5. the procedures under which an obligated party can buy-out partly or fully its obligation by transferring to the KEEF the corresponding amount at a flat rate per Ktoe defined by the Government;

12.6. manner of control, measurement, verification and reporting by KEEA;

12.7. actions and procedures to be undertaken by the responsible Ministries to ensure the Obligated Parties compensate the KEEF for energy savings non archived.

13. Should the circumstances change, the Ministry responsible for Energy can amend the Plan referred to in paragraph 10. of this Article.

Article 11

Energy audits and Energy Management Systems

1. Based on the NEEAP, KEEA shall develop programs to inform about the benefits of energy management and encourage SMEs to undergo energy audits and the subsequent implementation of recommendations from such audits. On the basis of transparent and non-discriminatory criteria and without prejudice the Law on State Aid, the Government of Kosovo through KEEA or KEEF from NEEAP may set up support schemes for SMEs, including if they have concluded voluntary agreements, to cover costs of an energy audit to be performed by independent auditors registered in the register of the KEEA's auditors and of the implementation of highly cost-effective recommendations from the energy audits, if the proposed measures are implemented as well as to implement energy management systems following the principles of international standards on energy management to the extent that this is technically feasible, cost effective.

2. Enterprises that are not SMEs are subject to an energy audit carried out in an independent and cost-effective manner by registered energy auditor or team of auditors as required, by 5 November 2018 and at least every three (3) years from the date of the previous energy audit. The energy audit shall meet the minimum criteria based on paragraph 2.12. Article 12 of this Law.

3. The Government of Kosovo shall encourage enterprises referred to in paragraph 2. of this Article to establish an energy and/or environmental management system certified by an independent body according to the relevant European or International Standards. In this event those enterprises shall be exempted from the requirements of paragraph 2. of this Article, provided that the management system concerned includes an energy audit on the basis of the minimum criteria based on paragraph 2.12 Article 12 of this Law.

4. Enterprises referred to in paragraph 2. of this Article and not having established a certified energy and/or environmental management system according to paragraph 3. of this Article must compulsorily implement the following:

4.1. appoint an energy manager with adequate technical background in the energy field;

4.2. establish an adequate organizational structure for energy management in the business and facilities;

4.3. develop and operate a system for monitoring energy consumption within business and/or the facilities;

4.4. final Report to KEEA on the performed energy audits, the energy consumption, the energy efficiency measures implemented and any achieved energy savings for the previous year, shall be submitted by the latest 31 March of each year.

5. Ministry through secondary legislation shall publish the list of enterprises referred to in paragraph 2. of this Article and shall define the minimum requirements to be fulfilled by those enterprises regarding energy management procedures and the reporting requirements. The list shall be renewed annually by 31 May.

6. Energy audits referred to in paragraphs 2. or 3. of this Article may stand alone or be part of a broader environmental audit. Where applicable the energy audit shall include as a special part an assessment of the technical and economic feasibility of connection to an existing or planned district heating or cooling network.

7. Without prejudice to the State Aid Law, the Government of Kosovo through the KEEA or KEEF may implement incentive and support schemes to enterprises referred to in paragraph 2. of this Article for the implementation of recommendations from energy audits and similar measures.

8. The KEEA and or the competent authorities, depending on the size and nature of the energy efficiency investments, may require compulsory energy audits to be carried out by licensed energy auditors on the basis of the minimum criteria based on paragraph 4. of Article 12 of this Law, in case of energy efficiency projects in public or in private sector financed wholly or partly from the state budget or budgets of local public administration authorities or KEEF.

Article 12

Energy Auditors and Energy Auditing

1. Energy auditing shall be carried out by an independent energy auditor or a team of auditors, registered in a regularly updated electronic registry of KEEA.

2. KEEA shall be responsible for managing the entire energy auditing scheme that will be designed by secondary legislation on energy auditors and energy auditing approved by Minister and will regulate at least the following:

2.1. training requirements for qualification and/or certification or accreditation of energy auditors, including requirements and manner of holding the final exams;

2.2. method and procedures to establish and maintain an electronic registry of energy audits and energy auditors;

2.3. requirements and procedures for registration of qualified energy auditors in electronic register of KEEA;

2.4. code of conduct of energy auditors;

2.5. obligations of the auditors regarding the reporting to KEEA;

2.6. methods and procedures for quality control of energy audit reports and energy auditors, based on the control of a sample of the energy audit reports they carry out;

2.7. reasons and procedures for removal from the registry of auditors due to poor performance and/or violation of the code of conduct;

3. Energy audits should be of high quality, cost-effective and shall be carried out in an independent manner by qualified and registered energy auditors that are hired for this purpose or belong to the in-house staff provided that they are registered energy auditors.

4. For the purpose of guaranteeing the high quality of the energy audits and energy management systems, the Ministry shall establish transparent and non-discriminatory minimum criteria for energy audits based on secondary legislation referred to in paragraph 1.6. of Article 42 of this Law, on templates, guides and other documents issued by KEEA as well as on specific requirements that may be issued by institutions that finance/support the relevant energy efficiency investments.

5. Energy audits shall not include provisions preventing the findings of the audit from being transferred to any energy service provider, on the condition that the client/customer does not object.

Article 13

Availability of Energy Management and other qualification, accreditation and certification schemes

1. KEEA may adopt and define through the NEEAP measures that promote availability of certification schemes for Energy Management Systems. Other relevant qualification, accreditation and certification schemes may be promoted including trainings to service providers, energy managers, installers of energy-related building elements and other energy market stakeholders to increase capacities, make available reliable customer services and contribute to the achievement of national energy efficiency objectives.

2. The schemes defined in paragraph 1. of this Article shall be made publicly available including appropriate awareness raising measures.

Article 14

Information and training

1. KEEA shall undertake appropriate actions to promote and facilitate an efficient use of energy by small energy customers, including domestic customers. These may include provision of information about any available fiscal incentives, possible access to finance, grants or subsidies, exemplary projects, ways and means to achieve cost-effective and easy-to-achieve changes in energy use and other relevant information.

2. KEEA shall undertake appropriate actions to ensure that information on available energy efficiency mechanisms and financial and legal frameworks is transparent and widely disseminated to all relevant market actors, such as, consumers, energy service providers, builders, architects, engineers, environmental and energy auditors, installers of building elements, as required.

3. KEEA shall undertake appropriate actions to provide information to banks and other financial institutions on the possibilities of participating, including through the public-private partnerships in financing energy efficiency measures.

4. KEEA, in cooperation with the stakeholders, market operators and authorities of the local public administration shall organize awareness raising actions and, if appropriate, trainings of citizens on the advantages and practical aspects of the undertaking of energy efficiency measures.

Article 15 **Energy services**

1. Energy services shall be performed by specialized energy service companies (ESCO) equipment installers, building companies, heating companies, auditors, buildings assessors registered in the ministry responsible for businesses registration, or any member of the European Union or any party of the Energy Community

2. Companies specialized in energy services (ESCO), in case of contracting the implementation of energy efficiency measures shall include in their contracts at least the following:

2.1. clear establishment of the reference situation before the investment based on which energy savings will be measured and verified;

2.2. clear and transparent list of the efficiency measures to be implemented or the efficiency results to be obtained;

2.3. guaranteed savings to be achieved by implementing the measures of the contract;

2.4. duration and phases of the contract, terms and period of notice;

2.5. clear and transparent list of the obligations of each contracting party;

2.6. reference date(s) to establish achieved savings;

2.7. clear and transparent list of steps to be performed to implement a measure or package of measures and, where relevant, associated costs;

2.8. obligation to fully implement the measures in the contract and documentation of all changes made during the project;

2.9. regulations specifying the inclusion of equivalent requirements in any subcontracting with third parties;

2.10. clear and transparent display of financial implications of the project and distribution of the share of both parties in the monetary savings achieved as remuneration of the service provider;

2.11. clear and transparent provisions on measurement and verification of the guaranteed savings achieved, quality checks and guarantees;

2.12. provisions clarifying the procedure to deal with changing framework conditions that affect the content and the outcome of the contract, changing energy prices, use intensity of an installation;

2.13. detailed information on the obligations of each of the contracting party and of the penalties for their breach.

3. KEEA shall publish on its website:

3.1. best practices for energy performance contracting, guidelines, sample contracts, including clauses to be included in such contracts to guarantee energy savings and end-consumer rights;

3.2. the list of registered energy service providers that must be regularly updated;

3.3. any available financial instruments, incentives, grants and loans to support energy efficiency service projects.

4. KEEA shall provide a qualitative review in the framework of the NEEAP regarding the current and future development of the energy services market.

5. The Ministry, supported by KEEA shall identify the regulatory and non-regulatory barriers that impede the uptake of energy performance contracting and other energy efficiency service models both for the public and private sectors. The Ministry shall propose to the Government of Kosovo to adopt the necessary secondary legislation aiming at removing these barriers and enable energy performance contracting, both in the private and the public sector.

6. Transmission system operators, energy distributors, and retail energy suppliers are obliged to refrain from any activities that may impede the demand for and delivery of energy services or other energy efficiency improvement measures, or hinder the development of markets for such services or measures, including foreclosing the market for competitors or abusing dominant positions.

Article 16

Metering

1. The consumption of the final customers using electricity, natural gas or thermal energy shall be measured through individual meters that accurately reflect the actual energy consumption and provide information on actual time of use, in so far as it is technically feasible financially reasonable and proportionate to the energy savings. Such meters shall always be installed at competitive prices when:

1.1. an existing meter is replaced;

1.2. a new connection is made in a new building or a building undergoes major renovations as set forth in the Law on Energy Performance on Buildings.

2. In the case if the metering is conducted through intelligent metering and smart meters are placed, the final customers shall receive information on actual time of use and the objectives and benefits of energy efficiency, in particular about the full potential with regard to meter reading management and the monitoring of energy consumption.

3. At the request of the final customer consuming electricity, the meter operators shall ensure that the meter can account for electricity put into the grid from the final customer's premises and made available to them in an easily understandable format.

4. Where thermal energy in a form of heating and cooling or hot water are supplied to a building from a thermal energy network or from a central source servicing multiple buildings, a heat or hot water meter shall be installed at the point of heating exchange or delivery point.

5. In multi-apartment and multi-purpose buildings with a central heating/cooling source or supplied from a district heating network or from a central source serving multiple buildings, individual consumption meters, including heat cost allocator metering, shall be installed in accordance with the Law on Thermal Energy. Rules on the allocation of the cost of hot water consumption in such buildings, adopted by the Energy Regulatory Office, shall ensure transparency and accuracy of accounting for individual consumption.

6. Where the use of individual meters is not technically or financially feasible, individual heat cost allocators shall be used for measuring heat consumption at each radiator, unless it is shown that such installation would not be cost-effective. In those cases, alternative cost-efficient methods of heat consumption measurement may be considered.

7. Procurement, installation, operation, maintenance and replacement of such meters shall be performed in accordance with the Metering Code as required by the Law on Energy, the Law on Electricity and the Law on Thermal Energy.

Article 17 **Billing information**

1. The final customers, which do not have smart meters, shall receive the billing information that is accurate and based on actual consumption, based on the administrative instruction as defined in paragraph 1.7. Article 42 of this Law, including distribution system operators and retail energy sales companies, where this is technically possible and economically justified. This obligation may be fulfilled by a system of regular self-reading by the final customers whereby they communicate readings from their meter to the energy supplier. The billing may be based on estimated consumption, or a flat rate, only when the final customer has not provided a meter reading for a given billing interval.

2. The final customers shall have the possibility to easy access via the internet or the meter interface the complementary information on historical consumption allowing detailed self-checks. Such historical consumption shall include:

2.1. cumulative data for at least the three (3) previous years that shall correspond to the intervals for which frequent billing information has been produced; and

2.2. detailed daily, weekly, monthly and yearly data according to the time of use for the period of at least the previous twenty four (24) months or the period since the start of the supply contract if this is shorter.

3. Independently of the existence of smart meters, if the energy billing and historical consumption of final customers is available, at the request of the final customer, such information will be made available to an energy service provider designated by the final customer. The final customers shall be offered the option of electronic billing information and bills they receive, shall have a clear and understandable explanations of how such bills were derived and a comprehensive account of current energy costs, based on secondary legislation referred to in sub-paragraph 1.7. Article 42 of this Law.

4. The suppliers of energy shall offer to their customers' flexible arrangements for actual payments and upon request, they will provide to customers accurate and timely information and estimates for energy they are consuming.

Article 18

Cost of access to metering and billing information

1. The final customers shall receive all their bills and billing information for energy consumption and obtain access to their consumption data in an appropriate way and free of charge.

2. The distribution of costs of billing information for the individual consumption of heating and cooling in multi-apartment and multi-purpose buildings shall be carried out on a non-profit basis. In the case of the assignment of this task to a third party, such as a service provider or the local energy supplier, costs resulting from the measuring, allocation and accounting for actual individual consumption in such buildings may be considered as passed through costs charged to the final customers to the extent that such costs are reasonable and based on the Thermal Energy Pricing rules adopted by the Energy Regulatory Office.

CHAPTER IV

ENERGY EFFICIENCY IN ENERGY SUPPLY

Article 19

Promotion of efficiency in heating and cooling

1. In order to promote energy efficiency in heating and cooling, including high-efficiency cogeneration, the Ministry responsible for energy shall carry out a comprehensive assessment of the potential for application of high-efficiency cogeneration and efficient heating and cooling by 30 November 2018. The elements and requirements of such assessment are prescribed in based on secondary legislation referred to in paragraph 1.8. of Article 42 of this Law.

2. The assessment mentioned in paragraph 1. of this Article will be based on the cost-benefit analysis that shall take into consideration the climate conditions, economic feasibility and technical suitability in order to identify cost-efficient solutions to meeting heating and cooling needs. The Ministry will prepare a methodology for cost benefit analyzes that complies with requirements of secondary as per paragraph 1.9. Article 42 of this Law within three (3) months upon entry into force of this Law.

3. Where the assessment referred to in paragraph 1. of this Article and the analysis referred to in paragraph 2. of this Article identify a potential for the application of high-efficiency cogeneration and/or efficient district heating and cooling whose benefits exceed the costs, the Ministry will propose to the Government to adopt adequate measures, as appropriate, for support and development of the efficient district heating and cooling infrastructure, or high-efficiency cogeneration from waste heat and renewable energy sources. For this purpose Ministry will closely collaborate with municipal authorities responsible for efficiency matter.

4. Upon the entry into force of this Law, investors and/or operators of installations, in accordance with paragraph 2. of this Article shall conduct the installation-level cost-benefit analysis, whenever there is:

4.1. a plan for new thermal energy plants with a thermal input power of over 20 MW, to

assess the cost-benefit of the operation of the plant as a high efficiency cogeneration power plant;

4.2. a substantial renovation of existing power plants with total power input of over 20MW, to assess the cost-benefit of its conversion to a high efficiency co-generation plant;

4.3. a plan for the construction of an industrial plant with a total thermal power input of over 20MW which generates lost heat in a usable temperature or such a plant undergoes substantial renovation, to assess the cost-benefit of the usability of the lost heat to meet economically reasonable requirements, including application of co-generation and remote connection of installation in the heating and cooling network;

4.4. a plan to construct a new network of heating and cooling or in the existing heating and cooling network there is a plan for the construction of new power generator with an input thermal power of over 20 MW or such an existing installation is planned for substantial renovation to evaluate the cost-benefit of using the heat lost from the neighboring industrial installations.

5. The provisions of paragraph 4. of this Article shall not apply to:

5.1. power plants with peak load and back-up plants which will operate under one thousand five hundred (1500) operating hours per year as a rolling average over a period of five (5) years, based on a monitoring procedure established by the Ministry, in order to ensure that this exemption criterion is met;

5.2. installations located close to a geological storage site of carbon dioxide.

6. The Energy Regulatory Office shall ensure that its secondary legislation related to construction of new generation capacities contains the authorization criteria that take into account:

6.1. the outcome of the comprehensive assessment referred to in paragraph 1. of this Article;

6.2. the outcome of cost-benefit analysis referred to in paragraph 2. of this Article, and

6.3. the requirements of paragraph 4. of this Article.

7. The certification of origin of electricity produced from high-efficiency cogeneration shall be guaranteed according to objective, transparent and non-discriminatory criteria laid down in secondary legislation defined in paragraph 1.10. of Article 42 of this Law.

Article 20

Energy transformation, transmission and distribution

1. The Energy Regulatory Office shall pay due regard to the energy efficiency measures in relation to gas and electricity infrastructure. While developing network tariffs and regulations, the Energy Regulatory Office shall take into account the costs and benefits of each measure and to provide incentives for grid operators in relation to the energy efficiency improvement measures in the context of the continuing deployment of smart grids.

2. The Energy Regulatory Office shall ensure that electricity network codes and network tariffs fulfill the criteria based on secondary legislation adopted in accordance to paragraph 1.11. of Article 42 of this Law.

3. The Transmission System Operator shall ensure, by no later than 31 December 2018, that:

3.1. an assessment is undertaken of the energy efficiency potentials of the gas and electricity infrastructure, in particular regarding transmission, distribution, load management and interoperability, and connection to energy generating installations, including access for micro generators; and

3.2. concrete measures and investments are identified for the introduction of cost-effective energy efficiency improvements in the network infrastructure, with a timetable for their introduction.

4. The Energy Regulatory Office shall ensure that network operators are incentivized to improve efficiency in infrastructure design and operation, and, that tariffs allow suppliers to improve consumer participation in system efficiency, including demand response, depending on national circumstances. It shall also ensure that the transmission system operators and distribution system operators provide priority or guaranteed access to the grid of electricity from high efficiency cogeneration and priority dispatch of electricity from high-efficiency cogeneration in so far as the secure operation of the national electricity system permits.

5. The Energy Regulatory Office shall adopt and publish the rules governing the ranking of the different priority access and dispatch priorities for different types of renewable energy and high-efficiency cogeneration and particularly facilitate the connection to the grid system of electricity produced from high-efficiency cogeneration from small-scale and micro-cogeneration units.

6. Where this is technically and economically feasible, high-efficiency cogeneration operators can offer balancing services and other operational services at the level of transmission system operators or distribution system operators. Transmission system operators and distribution system operators shall ensure that such services are part of a services bidding process which is transparent and non-discriminatory.

7. Where appropriate, the transmission and distribution system operators shall encourage high-efficiency cogeneration to be sited close to areas of demand by reducing the connection and use-of-system charges.

8. The producers of electricity from high-efficiency cogeneration wishing to be connected to the grid are entitled to issue a call for tender for the connection work.

9. The Energy Regulatory Office shall encourage demand side resources, such as demand response, to participate alongside supply in wholesale and retail markets. It shall ensure that transmission and distribution system operators, in meeting requirements for balancing and ancillary services, treat demand response providers, including aggregators, in a non-discriminatory manner, on the basis of their technical capabilities

10. Subject to technical constraints inherent in managing networks, the Energy Regulatory Office shall promote access to and participation of demand response in balancing, reserve and other system services markets, inter alia by requiring transmission and distribution system operators in close cooperation with demand service providers and consumers, to define

technical modalities for participation in these markets on the basis of the technical requirements and the capabilities of demand response, including the participation of aggregators.

CHAPTER V ENERGY LABELING

Article 21 Energy Labeling

1. Based on the proposal of the Ministry responsible for Energy and Ministry responsible for Trade, the Government of Kosovo shall adopt secondary legislation to define a framework that is implemented for products related to energy placed on the market and put to service in the territory of the Republic of Kosovo. Secondary legislation should determine the labeling of those products and ensure the standard information regarding the energy efficiency, energy consumption and other sources from the product when used and additional information regarding the products, and in this manner to enable the customers to select more efficient products in order to reduce their energy consumption.

2. In order to supplement sub-legal acts under paragraph 1. of this Article, the Ministry responsible for energy defines the detailed requirements related to labels and information on specific products which should be in compliance with this Law.

3. The product supplier that is covered by this Article should:

3.1. ensure that the products placed on the market are accompanied, for every individual unit, free of charge, with accurate labels printed and with information sheet of the product in compliance with requirements specified in paragraph 1. and 2. of this Article;

3.2. ensure the accuracy of labels and information sheet of a product that offers and prepare a sufficient technical documentation to enable the accuracy assessment;

3.3. act in compliance with all technical requirements, as defined in secondary legislation under paragraph 1. of this Article.

4. The dealer of the product shall:

4.1. display a label provided by the supplier visibly, including the ones for sale in distance through internet but not limited only to internet and telemarketing;

4.2. make available to the customer the product information sheet including, on request, in physical form at the selling point;

4.3. act in compliance with all specific requirements as defined in secondary legislation under paragraph 1. of this Article.

5. The supplier and the trader cooperate with the market surveillance authority and take immediate measures to correct any case of non-compliance with the requirements set out in the secondary legislation referred to in paragraph 1. of this Article and with the requirement under

paragraph 2. of this Article that fall under their responsibility, on their own initiative or when such a thing is required by the Market Surveillance Authority.

6. The Ministry responsible for trade should be the market surveillance authority to ensure the implementation of the provisions of this Article.

7. Secondary legislation referred to in paragraph 1. of this Article specify in details following:

7.1. any specific requirement regarding the obligations of the suppliers and dealers, if necessary;

7.2. way of carrying out educational and/or promotional and information activities, as it may be required;

7.3. requirements for reporting regarding the energy labelling;

7.4. way of international cooperation and exchange of information on market surveillance and control;

7.5. procedures at the national level for treatment of products that present a risk of non-compliance with this Law;

7.6. means to maintain international co-operation with the products that are found to be inconsistent;

7.7. the manner of determining the requirements set out in paragraph 2. of this Article;

7.8. other provisions, as required.

8. Ministry of Finance, in cooperation with Ministry of Economic Development, shall prepare an Administrative Instruction on financial facilities for products with high energy efficiency.

CHAPTER VI KOSOVO ENERGY EFFICIENCY AGENCY

Article 22 Kosovo Energy Efficiency Agency

1. The Kosovo Energy Efficiency Agency is the central state administration body responsible for the development and implementation of energy efficiency policies.

2. KEEA is financed by the budget of the Republic of Kosovo, in accordance with the legislation in force.

3. Headquarters of KEEA are in Pristine.

Article 23
Duties and responsibilities of KEEA

1. Duties and responsibilities of KEEA are:

- 1.1. conduct or contract of analyses, and recommendation of policies to promote energy efficiency;
- 1.2. draft the National Energy Efficiency Action Plan;
- 1.3. propose the secondary legislation for the implementation of this Law;
- 1.4. draft manuals, guidelines, technical rules for energy efficiency in accordance with legislation in force;
- 1.5. data collection from relevant public institutions for the results of tests and measurements in accordance with national energy efficiency standards as per legislation in force;
- 1.6. technical evaluation of energy efficiency projects financed by KEEF if requested in accordance with paragraph 2. of Article 37 of this Law;
- 1.7. develop and coordinate capacity building programs with relevant institutions;
- 1.8. operate and maintain a database on energy efficiency;
- 1.9. assess the compatibility of the Municipal Energy Efficiency Action Plans with the National Energy Efficiency Action Plan, and provide recommendations for improvement to the municipal authorities, where needed;
- 1.10. develop a monitoring system of the implementation of the National Energy Efficiency Plan and the fulfillment of national indicative targets for energy efficiency;
- 1.11. draft the Progress Report on the implementation of the National Energy Efficiency Action Plan and the annual report on the progress achieved towards national energy efficiency targets;
- 1.12. support municipalities in issues related to the planning and promotion of energy efficiency and the implementation of various programs for energy efficiency at the municipal level;
- 1.13. coordinate the implementation of programs to promote energy efficiency, mandatory schemes for energy efficiency, and financial incentive schemes in cooperation with all structures under the Ministry and other relevant institutions;
- 1.14. support the involvement of stakeholders in the implementation of measures to increase energy efficiency;
- 1.15. promote energy efficiency through public awareness campaigns at the national

level, including availability of incentives and other related financial schemes;

1.16. prepare and update the official website of KEEA;

1.17. set up and manage the energy auditing scheme as well as energy management and other certification schemes of this Law including training of auditors, registry of energy audits and energy auditors and quality control according to Article 12 of this Law;

1.18. manage monitoring, measurement and verification schemes for energy efficiency measures including those referring to in Article 8 on renovations of public buildings and Article 10 of this Law on energy efficiency obligations schemes;

1.19. monitor the implementation of energy audits and energy management systems at energy consuming facilities according to Article 11 of this Law;

1.20. establishment and maintenance of a sustainable monitoring, verification and reporting system for energy efficiency activities in the country, and

1.21. other activities as provided by this Law as well Law on Energy Performance of Buildings and other energy efficiency related Laws.

2. Structure, organization and internal functioning of KEEA will be regulated by a Regulation for internal organization and systematization of working positions of KEEA.

CHAPTER VII

KOSOVO ENERGY EFFICIENCY FUND AND OTHER PRINCIPLES OF OPERATION

Article 24

Establishment of the Energy Efficiency Fund

Kosovo Energy Efficiency Fund is established by this Law as an independent, autonomous and sustainable entity to enable Government of Kosovo to achieve its policy objectives on Energy Efficiency by promoting, supporting and or implementing energy efficiency measures, as well as attracting and managing financial resources in order to finance and implement investment projects in the area of Energy Efficiency in a sustainable manner.

Article 25

Establishment and legal status of KEEF

1. The founder of the Kosovo Energy Efficiency Fund is the Republic of Kosovo by this Law.

2. Kosovo Energy Efficiency Fund is established by this Law as an independent, autonomous and sustainable non-profit legal entity, at the service of the public interest, with full legal personality and legal identity that is separate and distinct from the KEEF Board of Directors and Executives.

3. Without limiting the forthcomings, KEEF has the right to contract, sue and be sued in its own

name, own assets, invest in energy efficiency projects and receive any return of investment, receive and provide grants and donations and other financial instruments to achieve its objectives as provided by this Law.

4. KEEF has full operational and administrative autonomy and functions outside the framework of the Kosovo governmental structures and the Kosovo Civil Service, and is not considered as budget organization in terms of Law on Public Finance Management and Accountability and Law on Budget of Republic of Kosovo.

5. Any revenue derived by the KEEF from donations, return on investment, fees and any other charges lawfully received or levied pursuant to this Law and applicable legislation, shall be governed by the provisions of this Law and Internal Regulations in force defining operational rules and procedures of KEEF. In case of any inconsistency with any other applicable Laws related to budgeting and expenditures of the KEEF this Law shall prevail.

6. KEEF is liable to third parties with its own Capital.

7. KEEF is entitled to have its own accounts in banks established in Kosovo.

8. KEEF operates throughout the territory of the Republic of Kosovo.

Article 26

Eligibility and compliance

1. KEEF shall not finance investments which may be linked with illegal activities or any other activities that are prohibited by applicable legislation. All financial instruments supported by KEEF shall comply with applicable financial, social, health and environmental standards.

2. All investments supported by KEEF shall be fully in compliance with the rules and conditions of the respective financial instruments established by KEEF.

3. KEEF shall strictly refrain from, and take measures that prevent and fight, fraud and corrupt practices.

Article 27

Board of Directors

1. KEEF bodies are the Board of Directors and the Managing Director.

2. The Board of Directors of KEEF is the primary governance body of KEEF, responsible for the overall oversight of KEEF in compliance with its mandate provided by this Law and subsidiary legislation on KEEF.

3. The Board of Directors is composed of seven (7) members as follows:

3.1. one (1) representative appointed from the Ministry of Economic Development, as a voting member;

3.2. one (1) representative appointed from the Ministry of Finance, as a voting member;

3.3. one (1) representative appointed from the Ministry of Public Administration, as a voting member;

3.4. one (1) representative appointed from the Association of Kosovo Municipalities, as a voting member;

3.5. the Managing Director of the KEEF, as a voting member;

3.6. two (2) independent members appointed by the two main donors in accordance with the criteria and requirements set forth in this Law, sub-legal acts and internal regulations of the KEEF, as non voting members.

4. Internal Regulations of KEEF shall provide for a mechanism for electing the Independent Members of the Board in the event or at such time as the donors will no longer be involved in KEEF.

5. Members of the Board of Directors shall be appointed for a three (3) year term. Upon the expiration of the mandate of the Board Members, existing members shall continue to serve as acting Board Members until the subsequent Members are appointed and the new Board is established.

6. Each decision of Board of Directors is taken with simple majority of votes of the Board Members.

7. The Members of the Board of Directors must be individuals who have recognized integrity, appropriate education and at least five (5) years of professional experience, specifically relevant to KEEF activities such as finance, economics, engineering or similar disciplines.

8. No Member of the Board of Directors shall be an elected official, political appointee or a person who has held an elected or leadership position in any political party at any time during the prior twenty-four (24) months.

9. Members of the Board of Directors can be civil servants apart from the two (2) Independent Members of the Board of Directors and the Managing Director, who shall not hold any civil servant position.

10. The Members of the Board of Directors may be re-appointed for maximum of one additional term.

11. In its first meeting, elected members of the Board of Directors shall elect the Chairperson from among its members. Until such time when the Board of Directors elects its Chairperson, the oldest member of the Board shall act as its Chairperson.

12. The Chairperson shall call, preside over and ensure the orderly conduct of the meetings of the Board of Directors.

13. The Members of the Board of Directors shall be free of any conflict of interest and exercise their functions independently and solely in the best interest of KEEF, and in a professional and collegial manner. Board members must bring specialized expertise and understanding to the Board of Directors but should in no way exercise her or his vote on the instruction of or on behalf

of any other stakeholder or interest group. All Members shall maintain the highest standard of ethics and professionalism throughout their tenure. In the exceptional case that a Member of the Board of Directors may have personal or other reasons that could be perceived as conflict of interest for matters related to a specific decision, he or she shall disclose such case to the Board of Directors that may decide his or her exclusion from this particular decision-making procedure.

14. Members of Board of Director and any employee of the KEEF shall not allow and accept any attempt to interfere or influence their decisions during performing their duties by any third party and shall be obliged to inform the Board about such an attempt.

15. Members of the Board of Directors, Committees of the Board of Directors, its advisors and experts shall keep confidential the information they obtain during the performance of their duties.

16. Members of the Board of Directors, with the exception of the Managing Director of KEEF, shall receive reasonable compensation from KEEF for attendance at Board meetings, pursuant to the KEEF Internal regulations and budget of KEEF.

17. In the exceptional case that a Member of the Board of Directors may have personal interest or conflict of interest for matters related to a specific decision, he or she shall disclose such case and shall be excluded from this particular decision-making.

Article 28

Competencies of Board of Directors

1. The Board of Directors:

- 1.1. appoints and dismisses Managing Director of KEEF based on criteria set forth in the Internal Regulations;
- 1.2. authorizes the Managing Director to sign and execute Agreements;
- 1.3. decides about acquisition, holding and management of the KEEF property;
- 1.4. approves and amends the Internal Regulations as foreseen in paragraph 4. and 5. Article 42 of this Law;
- 1.5. approves the KEEF's three (3) year business development plan, annual plans that shall obligatory include concrete performance indicators associated with these plans, reviews the progress of achievement of performance indicators at least on quarterly basis and in case of negative deviations mandates for remedy actions;
- 1.6. approves the annual budget, annual report and annual financial statements;
- 1.7. approves deposits of KEEF funds in Kosovo banks;
- 1.8. decides about eligibility of KEEF beneficiaries and eligibility criteria for investments that can be supported by KEEF;

1.9. makes decisions on setting the level of fees, charges and payments as provided in this Law;

1.10. approves the appointment of the KEEF's external auditors;

1.11. approves the total staff numbers and their compensation as recommended by the Managing Director of KEEF;

1.12. exercises other competencies and responsibilities foreseen by this Law and specified in the Internal Regulations of KEEF;

1.13. makes recommendations on amending- supplementing this Law based on operational experience in its application.

Article 29

Dismissal of Members of the Board of Directors

1. A member of the Board of Directors shall be dismissed from the position based on and upon the power of this Law, if she or he:

1.1. is ineligible or has become ineligible to serve on the Board of Directors under the requirements of Article 27 of this Law;

1.2. has been convicted of a criminal offence with final court decision with imprisonment for six (6) months or more;

1.3. has become or has been involved as a debtor in bankruptcy or insolvency proceedings;

1.4. has, on grounds of professional misconduct, been disqualified or suspended by a competent authority from practicing a profession;

1.5. is unable to perform the functions of such office because of an infirmity of body or mind that has lasted for more than six (6) months;

1.6. has been absent from three (3) consecutive meetings of the Board of Directors without a justifiable reason.

2. A Member of the Board of Directors shall be dismissed from the position, if he or she has been engaged in activities inconsistent with the standards of integrity, violation of the Code of Ethics of KEEF or unbecoming behavior for a member of the Board of Directors.

3. The procedure and decision-making process for the dismissal of the Board of Directors members shall be conducted pursuant to the Internal Regulations of KEEF.

4. Every member of the Board is entitled to offer his/her resignation from his position with prior notice of at least one month. In case of resignation, the Board of Directors member shall notify the Board of Directors, indicating his or her effective date of resignation.

Article 30
Meetings of the Board of Directors

1. The meetings of the Board of Directors shall be chaired by the Chairperson, or in his or her absence, the Chairperson's designee.
2. The Board of Directors shall meet as often as the business of KEEF may require but not less frequently than four (4) times a year.
3. Meetings of the Board of Directors are convened and notified to all Board Members by the Chairperson who shall decide the agenda upon proposal of the Managing Director of the KEEF.
4. Meetings may also be convened at the written request of any two (2) members of the Board of Directors.
5. Board of Directors meetings shall be convened by communicating the time, venue, agenda and any documentation required to be discussed in the meeting to all members of the Board of Directors at least ten (10) working days before the date set for the meeting; in the event of an emergency, meetings may be convened at shorter notice.
6. Each member of the Board of Directors shall have one vote. In the event of equality of votes, the Chairperson shall have the deciding vote.
7. The quorum for the conduct of business and taking of decisions at any meeting of the Board of Directors shall consist of at least four (4) members of the Board of Directors including the mandatory presence of the Chairperson or the Chairperson's designee.
8. Except as provided by this Law, decisions of the Board of Directors shall be adopted by a simple majority of those present and voting. However, meetings and voting by teleconference are permitted, but at least two (2) "in-person" meetings of the Board of Directors shall be held each year.
9. Subject to the quorum requirement above, no act or proceeding of the Board of Directors shall be invalidated by reason of the existence of a vacancy or vacancies on the Board of Directors.
10. The Board of Directors may invite persons as observers and experts to public sessions of the Board, who will not be permitted access to confidential information. Such observers could include representatives of donors, international finance institutions, specialized experts, associations, chambers of commerce, women's and minorities' groups and academia. Such invitees and experts will not have voting rights but may request and be invited by the Chairperson to address the Board of Directors.
11. The Board of Directors shall establish Audit and Risk Management Committees. Additional Committees may be established by the Board of Directors.

Article 31
Managing Director

1. The Managing Director of KEEF shall be the Chief Executive Officer of the KEEF on full-time basis, responsible for all management and operational decisions of KEEF. The Managing

Director shall be appointed by the Board of Directors for a three (3) year term, with the possibility to be reappointed based on performance and evaluation.

2. The Managing Director of KEEF shall have university degree in economics, business administration, engineering or similar disciplines related to KEEF activities. The Managing Director of KEEF should have at least five (5) years of managerial experience in finance and/or management positions. He/she must be fluent in official languages and English.

3. The rules and procedures for the qualification and selection procedures and criteria for the Managing Director of the Fund shall be regulated by the Internal Regulations of KEEF.

4. The Managing Director shall make all management and operational decisions for the KEEF and is responsible to:

4.1. represent and manage the affairs of KEEF and implement the policy decisions of the Board of Directors;

4.2. offer recommendations to the Board of Directors regarding improvement of the operations of KEEF and compliance with this Law and other applicable legislation;

4.3. ensures timely preparation and proposes the business development plan, the annual plans and the financial plan, including the level of the fees and charges, and submits the annual financial statements for approval;

4.4. draft and submit the investment policy for approval;

4.5. present all proposed actions, rules, orders and guidelines for the approval of the Board of Directors;

4.6. offer recommendations regarding the appointment of KEEF's external auditor;

4.7. hire staff in accordance with this Law;

4.8. perform other activities in compliance with this Law and internal regulations of KEEF;

4.9. monitor progress of KEEF activities and prepare quarterly progress reports for the Board of Directors clearly demonstrating the level of achievement of performance indicators, the reasons for possible negative deviations from the planned goals and proposes appropriate mitigation actions in full compliance with the provisions of this Law and Internal Regulations of The Fund.

5. The Managing Director shall receive compensation from KEEF by way of salary, established by the Board of Directors on the recommendation of the Chairperson. Such salary shall be reasonable compensation based on the budget of KEEF and its corporate governance standards.

Article 32 **Dismissal of the Managing Director**

1. The Board of Directors can dismiss the Managing Director at any time before the expiration of his term in office based on this Law, if she or he:

1.1. is ineligible or has become ineligible to serve as Managing Director under the requirements of Article 31 of this Law;

1.2. has been convicted of a criminal offence with final court decision with imprisonment for six (6) months or more;

1.3. has become or has been involved as a debtor in bankruptcy or insolvency proceedings;

1.4. has, on grounds of professional misconduct, been disqualified or suspended by a competent authority from practicing a profession;

1.5. is unable to perform the functions of such office because of an infirmity of body or mind that has lasted for more than six (6) months;

1.6. is systematically absent from the office without justifiable reasons notified to the Chairperson of the Board of Directors;

1.7. KEEF fails to achieve its performance indicators set with the annual plans for reasons that fall within the responsibilities of the Managing Director.

2. The Managing Director shall be dismissed from the position, if he or she has been engaged in activities inconsistent with the standards of integrity, violation of the Code of Ethics of KEEF or unbecoming behavior the Managing Director.

3. The procedures and the decision-making process for the dismissal of the Managing Director shall be conducted pursuant to the Internal Regulations of KEEF.

4. The Managing Director is entitled to resign from his position with prior notice of at least one (1) month.

Article 33 **Principles of operations**

1. KEEF shall operate in accordance with Laws of Republic of Kosovo and, depending on the source of funds, shall operate in accordance with the rules and conditions of international financing agreements that supersede the local legislation for the use of these funds.

2. The operations of KEEF shall be based on the following basic principles:

2.1. full transparency on its operation, including transparency towards the public;

- 2.2. transparency in the procurement and management of financial resources;
 - 2.3. full respect of the principles of financial accountability and reporting;
 - 2.4. non-discrimination, impartiality and equal opportunity for all applicants;
 - 2.5. promoting partnership and cooperation on achieving its objectives with the private sector, international partners, Kosovo national central and local institutions.
3. All KEEF investments shall be based on the technical merits of the project and its applicant.
4. The Fund will operate on a 3(three) year and annual programmatic basis. Activities of the KEEF will be in line with NEEAP, programmes implementing international agreements and other actions assigned to KEEF under the provisions of this Law.
5. KEEF shall operate on a sustainable basis with sufficient fees or resources to cover its administrative and operating costs.
6. The governing documents that constitute the legal basis for Fund operations are this Law, and the Internal Regulations defining the rules and procedures of operation of KEEF approved by the Board of Directors. The Internal Regulations shall consist of:
- 6.1. regulations governing the fund's principles and operation modalities;
 - 6.2. the open Calls for Proposals or Invitations for Expression of Interest to eligible beneficiaries that may apply to benefit from fund's financing instruments and programs.
7. Staff of the fund shall fully respect and act in compliance with the Operation Principles and Code of Ethics to be approved by the Board of Directors.

Article 34

Revolving and non- Revolving components

1. To ensure its sustainability, KEEF shall, in principle, operate under the revolving mechanism as defined in paragraph 1.39. of Article 3 of this Law.
2. KEEF can maintain in parallel a non-revolving component to provide grants, partial guarantees and other non-revolving financing instruments, as well as to be used for repayment by the KEEF of funds provided by a funding institution under repayment conditions. Regardless of the source or sources of funding, the total budget of KEEF for the non-revolving component shall be sufficient to cover all administrative and operating costs relating to this component.
3. Allocation of funds to the revolving or to the non- revolving component shall be specified in the relevant agreements prior to the transfer of the funds to KEEF.
4. Both revolving and non-revolving components of the fund will be monitored separately, using separate monitoring and accounting systems.
5. Transfer of funds from the non-revolving component to the revolving component or from the revolving component to the not-revolving component may be done with decision of the Board

of Directors, fully justifying the reasons for such a decision and having the prior approval of the Ministry responsible for energy sector and the Ministry of Finance, as well as the prior endorsement of the donor or the International Financing Institution who provided the respective funds, when this is applicable

Article 35

Types of financial instruments

1. KEEF, with Decision of the Board of Directors, having the prior non-objection by the Ministry of Economic Development and the Ministry of Finance, may develop and offer various Financing Instruments under the revolving or the non-revolving components or their combination, that promote investments in the field of energy efficiency including integration of renewable energy sources into built environments, such as solar thermal systems, geothermal heating and cooling, biomass applications and similar.

2. Each Financing Instrument shall be designed and implemented in full respect to the prevailing local legislation and the respective International Financing Agreements that supersedes local legislation, where applicable.

3. In each case, KEEF and beneficiary shall sign an agreement defining rights and duties of parties.

4. Financial instruments and the related agreements may include but not limited to:

4.1. energy Service Agreements for projects to be fully implemented by the Fund in Public Entities as defined in Article 37 of this Law;

4.2. other types of agreements, combined or not with grants for projects to be financed by the KEEF for eligible residential customers and possibly other beneficiaries;

4.3. other Financing Instruments and agreements targeting the public and/or the private sector energy consumers for the support and/or implementation of EE measures assigned to KEEF to archive energy efficiency targets stipulated by the Law on Energy Efficiency.

5. KEEF shall maintain separate accounts for each financial instrument.

Article 36

General requirements for implementation of Projects supported by KEEF

1. KEEF will closely monitor the implementation of the agreement with beneficiary to ensure fulfillment of all conditions set out in the Contract in a transparent and professionally sound way.

2. The evaluation procedures and the composition of the evaluation committees for tenders conducted by the Fund or by Fund's beneficiaries shall be described in the Calls for Proposals or Expressions for Interest. The tender evaluation committees shall obligatory include specialized technical and financial experts to ensure that the tenders comply with the minimum technical requirements and specifications set in the Call for Proposals and/or the Tender Documents.

3. The fund will disburse payments only when full conditions are met and apply penalties in case

of noncompliance as foreseen in the relevant agreements.

Article 37

Energy Service Agreements

1. Energy Service Agreements shall be the principal instrument of KEEF for implementing energy efficiency investments in Public Entities under the revolving component.

2. Energy Service Agreement is signed between the KEEF and a Public Entity allowing KEEF to invest its funds in an energy efficiency project and recover its investments by the public entity, based on the projected energy cost savings.

3. The Energy Service Agreement shall be implemented as following:

3.1. KEEF shall issue an Invitation for Expression of Interest defining all terms and conditions of the Energy Service Agreement including but not limited to eligibility criteria, minimum technical and other requirements, documentation to be submitted by the applicant, methodologies and key assumptions for the calculation of energy baseline and projected energy savings, application forms;

3.2. on the basis of "First Come First Serve", KEEF shall determine eligible, feasible and cost-effective EE projects based on criteria determined in the Invitation for Expression of Interest;

3.3. for each eligible project, the EE measures shall be defined in detail and the energy baseline and the projected energy cost savings from the investment shall be calculated;

3.4. for the eligible projects, KEEF shall sign an Energy Service Agreement with public entity. The contract shall among others include:

3.4.1. the estimated amount of investment by KEEF;

3.4.2. the projected energy savings and the tenor of return of the investment;

3.4.3. clear provisions on the repayment compensation of investment to KEEF;

3.4.4. the period of repayment compensation of investment to the KEEF, the number of installments and amounts of re-payment, as agreed with the recipient of the investment;

3.4.5. the number of installments, which is to be based on the projected energy cost savings as agreed in the contract signed with KEEF over the period of maximum fifteen (15) years, on quarterly installments or as otherwise agreed; the period of repayment and/or the amounts of installments may be adjusted to possible changes in energy prices provided that the full amount is repaid to the fund over a period not exceeding fifteen (15) years.

4. KEEF shall be responsible to organize preparation of technical specifications, design of project and related tender documentation, procure the works and survives and sign any contract with economic operators.

5. Final completion of services and works shall be certified by an acceptance committee the composition of which shall be defined in the Call for Proposals and/or in the Tendering documents.

6. Verification of energy savings shall be defined in the respective KEEF internal regulation and procedures. The beneficiary institution shall return the investment of capital to KEEF including all services as agreed.

7. An Energy Service Agreement shall not be considered as public debt under the Law on public debt.

Article 38 **Sources of Funding for KEEF**

1. Sources of funding for KEEF include:

1.1. initial capital of the Fund enabling its establishment and the initial years of operation until the Fund becomes fully self-sustainable. The initial capital can be used to cover operation expenses and shall be safeguarded under by the Ministry responsible for Finance. The initial capital can be provided either from the State Budget or donors assistance or from combination of both sources;

1.2. capital contributions by the Government of Kosovo or donors in form of grant or subsidies;

1.3. in kind contributions by the Government of Kosovo such as provision of office space and the like;

1.4. revolved capital invested in the form of ESA Energy Saving Agreement and other products;

1.5. income from investments in form of fees, charges and interests;

1.6. the interest income from deposited capital and assets;

1.7. capital contributions deriving from other sources as defined by provisions of this Law such as the Energy Efficiency Obligation Scheme.

1.8. borrowings.

Article 39 **Fees**

1. KEEF shall charge fees to ensure its sustainability, both in the Revolving and non-Revolving components.

2. The level of the fees will be based on the principle that the functioning, management and administration of KEEF is led by rationality, efficiency and effective use of administrative and other resources, and on the same time ensure sustainable operation.

Article 40

Financial Reporting and Audit

1. KEEF shall maintain accounts and records in accordance with International Financial Reporting Standards (IFRS) to reflect its operations and financial conditions.
2. The financial year of KEEF shall begin on the first day of January and end on the last day of December.
3. KEEF shall prepare annual financial statements in accordance with International Financial Reporting Standards/IFRS. The KEEF's financial statements shall be audited and published without delay, but not later than June 30 for the previous year.
4. The accounts, records and financial statements of KEEF shall be audited by an independent external auditor from the approved list of statutory auditors and auditing firms of the Kosovo Financial Reporting Council, and appointed by the Board of Directors. The same external auditor or firm cannot be used for more than three (3) consecutive years.
5. KEEF shall submit audited financial statements to the Board of Directors for approval.
6. The Managing Director is responsible that the Board of Directors is provided with the draft audited financial statements of the KEEF at least fifteen (15) days prior to their finalization and approval.
7. KEEF should publish its annual report and annual audited financial statements on its website.
8. The annual report shall include but is not limited to all relevant information on activities and objectives achieved during the reporting year, list of projects, financial resources invested, returned and available.
9. KEEF sends the annual report to the Government of Republic of Kosovo, no later than March 31 covering the period of previous fiscal year.
10. As a public entity KEEF is also subject of audits by the National Audit Office of Republic of Kosovo.

CHAPTER VIII

PUNITIVE PROVISIONS

Article 41

Minor offence sanctioned by fines

1. For violations of this Law, the Energy Inspector shall issue fines.
2. For violations of Articles 11 and 12 of this Law the following fines shall be issued:
 - 2.1. natural persons, and the responsible representative of the legal person, may be issued fines from thirty (30) up to two thousand (2000) euro;

- 2.2. natural persons exercising individual businesses may be fined from two hundred (200) up to five thousand (5000) euro;
- 2.3. the legal person may be fined from five hundred (500) up to twenty thousand (20000) euro.
3. The fine decision shall also determine the payment term, which shall be from fifteen (15) up to ninety (90) days.
4. In the event that the fine is paid within the term defined in the decision, the offender shall be relieved from the payment of fifty percent (50%) of the fine issued.
5. In the event that the offender fails to pay the fine issued, partially or in full, within the set term, the Inspectorate shall initiate judicial proceedings in the competent court.
6. Upon payment of the fine, one copy of the payment transaction shall be submitted to the Energy Inspectorate.
7. Transmission System Operators, energy distributors, and retail energy suppliers that hinder the development of the energy services market, including impeding access to energy services for Competitors and exercising abusing dominating position, shall be sanctioned by the Competition Commission, in compliance with the Law on Competition.
8. Parties dissatisfied with decisions issued by the energy inspector shall be eligible to appeal any such decision in the Energy Inspectorate, within eight (8) days of its receipt. The Energy Inspectorate shall decide on any such appeal within thirty (30) days of their servicing. Appeals submitted against decisions issued by the Energy Inspector, shall not delay their execution.
9. Parties dissatisfied with decisions issued by the Energy Inspectorate shall be eligible to initiate an administrative dispute, in accordance with the Law on general administrative procedure in force.
10. With regard to implementation of Energy Efficiency Obligation Scheme, special provisions of Article 10 of this Law shall be applicable, instead of provisions of this Article.

CHAPTER IX TRANSITIONAL AND FINAL PROVISIONS

Article 42 Secondary Legislation

1. The Ministry shall issue the following sublegal acts with the view to implementing this Law:
 - 1.1. Administrative Instruction on calculation of electricity from cogeneration;
 - 1.2. Administration Instruction on the Methodology for determining the efficiency of the cogeneration process;

1.3. Administrative Instruction on Energy efficiency requirements for purchasing products, services and buildings by central government;

1.4. Administrative Instruction on energy content of selected fuels for end use;

1.5. Administrative Instruction on common methods and principles for calculating the impact of energy efficiency;

1.6. Regulation on minimum criteria for energy audits including those carried out as part of energy management systems;

1.7. Regulation on minimum requirements for billing and billing information based on actual consumption;

1.8. Administrative Instruction on potential for efficiency in heating and cooling;

1.9. Administrative Instruction on general conditions for cost-benefit analysis;

1.10. Administrative Instruction on Certificate/Guarantee of origin for electricity produced from high-efficiency cogeneration;

1.11. Administrative Instruction on energy efficiency criteria for energy network regulation and for electricity network tariffs;

1.12. Administrative Instruction on energy efficiency requirements for transmission system operators and distribution system operators;

1.13. Guidelines on the general framework for reporting on the progress achieved in the National Energy Efficiency Action Plan.

2. In addition to paragraph 1. of this Article, the Government, Ministry, Energy Regulatory Office or other relevant institutions may issue other secondary legislation as it may be necessary to implement provisions of this Law.

3. The Government of Kosovo, at the proposal of the Ministry, within three (3) months from the entry into force of this Law, shall undertake all procedures necessary to establish the KEEF Board of Directors, in accordance with Article 25 and 27 of this Law.

4. With a view of implementation of provisions of this Law related to Kosovo Energy Efficiency Fund, the Board of Directors of KEEF shall draft Internal Regulations foreseen by this Law, within six (6) months from the date the Board of Directors is operational. The Board of Directors shall issue at least the following Internal Regulations:

4.1. General Principles and the Code of Ethics of KEEF;

4.2. Regulation on internal organization of KEEF;

4.3. Regulation on Internal working rules of KEEF;

4.4. Business development plan of KEEF covering the period of three (3) years;

4.5. Regulation on preparation of annual budget;

4.6. Internal Accounting Standards and procedures;

4.7. Regulation on remuneration of the staff of KEEF;

4.8. Regulation on the procedure and criteria of employment of KEEF Staff;

4.9. Regulation on preparation and execution of calls for proposals;

4.10. Other regulations as required, in compliance with this Law.

5. In addition to internal regulations provided in paragraph 4. of this Article, the Board of Directors shall issue calls for proposals for specific products of the fund.

Article 43

Final Provisions

1. The Government of Kosovo through its Ministry, within six (6) months from the date of entry into force of this Law shall issue all secondary legislation provided by this Law unless if otherwise is specified in this Law.

2. The Government of Kosovo through the Ministry within three (3) months from the date of entry into force of this Law will undertake all necessary procedures to establish the Board of Directors of KEEF in line with Article 27 of this Law.

3. Entry into force of this Law derogates Law No.04/L-016 on Energy Efficiency.

4. Provided not to be in violation of this Law and until the issuance of new sub-legal acts for the proper implementation of this Law, the applicable sub-legal acts shall remain in force.

Article 44

Entry into force

This Law enters into force fifteen (15) days after publication in the Official Gazette of the Republic of Kosovo.

Law No. 06/L-079
07 November 2018

Promulgated by Decree No.DL-056-2018, dated 23.11.2018, President of the Republic of Kosovo Hashim Thaçi.