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Zyra Ligjore - Zakonodavna Kancelarija - Legal Office

Report on Permit and License Simplification and Harmonization in Energy Regulatory Office ¹

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KBRA - Kosovo Business Registration Agency
GIZ - Gesellschaft für Internationale Zusammenarbeit
KJC - Kosovo Judicial Council
LGAP - Law No. 05/L-031 on General Administrative Procedure
LRE - Law No. 05/L-084 on Energy Regulator
LPLS - Law No. 04/L-202 on Permit and License System
LERO - Law on Energy Regulatory Office
MESPI - Ministry of Environment, Spatial Planning and Infrastructure
SPC - Single Points of Contact
CRPL - Central Registry of Permits and Licenses
OPM - Office of the Prime Minister
LO - Legal Office
ERO - Energy Regulatory Office

1. Introduction

This report, supported by GIZ, aims to reflect the findings and general and specific recommendations for simplifying the procedures for application, review and issuance of permits and licenses in ERO, as well as to harmonize ERO's permits and licenses with the requirements and criteria of LPLS. The permit and license simplification has been assessed in the course of several principles and requirements specified in LPLS and LGAP, while harmonization has been assessed in the context of the compatibility of specific laws, especially LERO with LPLS.

In the context of this report, a methodology has been followed where the following have been drawn out: **1. General recommendations and 2. Specific recommendations**, for the permits and licenses applied by ERO. Special recommendations are set out in the annex to this report and are provided for each permit or license, specifically according to the findings.

Additionally, besides the recommendations in the report, the main findings as well as specific findings have been described, which follow the purpose of the report, to simplify permits and licenses and harmonize them with LPLS.

The permit and license simplification and harmonization in ERO, according to this report, particularly takes into account:

1. Facilitation of the application procedure for permits and licenses;
2. Reduction of administrative burden on the applicant during application;
3. Facilitation of the application review process and verification of evidence/testimony;
4. Addressing the licensee's safety issue, in terms of extending the term, based on the specific criteria of licenses or permits, depending on the level of risk;
5. Ensuring the legality of licenses and the specific legal basis, ensuring they are in accordance with the law, as designated by ERO, based on the Central Registry of Permits and Licenses;
6. Addressing the harmonization and compatibility of LPLS requirements with the regulations stipulated in ERO and bylaws.

To compile this report, several sources have been reviewed, as follows: LPLS; LGAP; LERO; special Laws applied by ERO; ERO bylaws regulating the procedure for issuing permits and licenses issued to ERO; CRPL. Additionally, particular importance has been given to meetings with relevant institutions, namely ERO, that have given feedback on the report and provided additional clarification.

For the purposes of this report, the terminology of the designation "permits and licenses" under the LPLS has been used, which includes the application of other types of permits issued by ERO and are not named as permits and licenses. Within this report, ERO has provided comments which have been considered and taken into account during the finalization.

2. Legal analysis regarding the permit and license simplification

In this section, the analysis of the main legislation regulating permissions (permits and licenses) in ERO is presented. The Law on Permit and License System (LPLS) is a horizontal law which, in Article 1, regulates the principles and rules for improving the business environment by reducing administrative barriers in carrying out economic, commercial or professional activities necessary to protect public health, public safety, the environment, and the use of natural resources in the Republic of Kosovo. Another horizontal law generally governing the exercise of public authority, which most frequently applies to permissions, is the

Law on General Administrative Procedure (LGAP), the purpose of which is to ensure the effective exercise of public authority with a view to the public interest, guaranteeing at the same time under Article 1 the protection of the rights and legal interests of persons.

Below we will analyze some of the following key principles and rules provided in these laws and regulations as well as the specific criteria outlined in Law No. 05/L-084 on Energy Regulatory Office (LERO) and other laws regarding permits and licenses in ERO.

Furthermore, achieving the goal of simplifying permits and licenses issued by ERO requires an analysis of specific laws, particularly the Law on Railway and bylaws Issues the following ERO, in terms of permits and licenses granted for certain activities. In addition to the Law on ERO, the permit and license system in ZRRE is regulated, as far as necessary, by laws such as: **Law No. 05/L – 085 for Energy; Law No. 05/L – 085 on Electricity; Law No. 05/L-082 on Natural Gas; Law No. 05/L-052 on Thermal Energy.** However, these laws refer to licenses and other permits issued by ERO, only in the sense of clarifying a licensed legal or natural person, regulate as the system of permits and licenses, procedures, methods of issuance, criteria, etc., are regulated by the Law on ERO and bylaws issued by ERO such as: **Regulation on Licensing Energy Activities in Kosovo ERO/No. 07/2017; Rule No. 01/2020 on Fees; Rule - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects** etc.

In terms of designation, LSSL in Article 1 (1.3) uses the term *“Licensee - a natural person to whom a professional license has been issued”*, on the other side **Law No. 05/L-085 on Electricity**, in Article 1 (1.21) defines “Licensee – a person licensed for electricity activities in accordance with provisions of this law”, while in Article 1 (1.46), defines that: *“Electricity undertaking – any natural or legal person that performs one or more licensed activities in electricity generation, transmission, distribution, supply, trading, market organization”*. Unlike LPLS, as indicated in the special **Law No. 05/L-085 on Electricity**, the “licensee” refers to a natural person or an undertaking. On the other hand, the same Law in Article 28.1 stipulates: *“Energy activities shall, be carried out by energy enterprises on the basis of licenses granted by the Regulator”*, although in this case it refers only to undertakings (legal entities), as potential licensees. On the other hand, in paragraph 2 of Article 28 it is implied that this Article of LERO is applied in accordance with other laws depending on the requirements of the Law on Electricity, the Law on Natural Gas, and the Law on Thermal Energy, etc. However, the criteria for permits and licenses in this institution are focused and mainly based on the Law on ERO. According to the practice in ERO, authorizations such as types of permits and licenses can be issued to both natural and legal persons. This must be accurately emphasized by regulations, in the sense that it is specified when natural persons apply and when legal persons, always in accordance with the current legislation.

While LPLS in Article 5 has determined the types of permissions, such as: *notification, registration, permit, and professional license*, on the other hand, ERO recognizes and applies three types of permits and licenses named: *license, authorization, and activity licensing*. On the other hand, ERO, according to LERO, also recognizes permissions or activities for which a license is not required. These activities are related the generation of electricity in an energy location with a total capacity not exceeding five (5) MW; the generation of thermal energy generated by heaters for individual consumption or with a capacity not exceeding 1 MW; the generation of electric energy for individual consumption, where the generation establishment or electricity consumers are not connected to the transmission system or the distribution system, which as such deal with the energy generation. This is defined by Article 29 of the Law on ERO and the same are treated as specific requirements or permissions, through which, ERO approves the respective requests of natural or legal persons. It should be emphasized that the licensing system in ERO does not recognize the term “permit”, as LPLS does.

Within the system of permits and licenses issued by ERO, based on the Law on ERO and other applicable laws mentioned above, the issue of facilitating permits and licenses in this sector as mentioned will be considered based on some principles recognized by LPLS and LGAP. These principles aim to achieve

concrete recommendations, to facilitate the permits and licenses of ERO as well as their harmonization with the requirements and criteria of LPLS.

Extension of the terms of license. Article 32 of the Law on ERO has defined the duration of licenses within ERO, based on a categorization, which depends on the type of permit. According to the Law ERO law, a license validity period can last a maximum of 40 years depending on the categorization. Thus, 1. *For distribution of electricity, thermal energy, or natural gas, or the storage of natural gas with a maximum length of forty (40) years;* 2. *For the activities of the supply of electricity, thermal energy, or natural gas, or operator of an organized market with a maximum length of twenty-five (25) years;* 3. *For the activities of Transmission or Distribution System Operator with a maximum length of thirty (30) years;* 4. *For the activities of guaranteed supply of electricity, on the basis of the applicant's financial circumstances with a maximum length of three (3) years;* and 5. *For the activities of wholesale supply (trade) of electricity or natural gas not more than five (5) years and not less than one (1) year.* However, the assessment for the extension of the license period by ERO is discretionary and ERO, in determining the license period according to categories, takes into account: 1. *The lifespan of the relevant assets used to carry out the activity;*

2. *The financial condition of the applicant;* 3. *The financial circumstances of the requester.*

Non-discrimination. This principle is determined in Article 6 of LGAP and as such should also be applied by ERO, concerning the issuance of licenses and other permits it grants. Especially, this principle should be strictly determined when it comes to the extension of the license, which ERO evaluates and decides upon, based on the discretion criteria, relying on the minimum and maximum duration criteria of the extension period. The principle of non-discrimination in the administrative procedure should also be defined in the ERO regulations on the procedure for issuing licenses.

The right to appeal. This constitutes a constitutional obligation. The license review system in ERO as well as the procedures thereof, do not provide for the right of appeal in case of refusal. Article 34 of the Law on ERO defines only the new procedure for applying for a license after 60 days and not the right to appeal, after rejection. Such a thing is not even defined in the Regulation on Licensing of Energy Activities in Kosovo ERO/No. 07/ 2017. Therefore, ERO should look at the possibility of defining a non-licensing appeal procedure by means of regulations. The right to reject a license or permit is also defined in LPLS, specifically in Article 27. The ERO should establish a legal mechanism through regulations to address appeals for non-licensing. To fulfill this recommendation, ERO should establish an appeals commission that addresses the aspect of non-licensing and where parties have the right to appeal only when non-licensing occurs. This should be done by amending the applicable bylaws and regulations in force, **Regulation on Licensing of Energy Activities in Kosovo ERO/No. 07/2017; Rule No. 01/2020 on Fees; Rule - ERO/No. 03/2022 on the Authorization Procedure the Construction of Energy Projects**, where a special commission will be provided for complaints in case of non-licensing.

Payment of multiple fees. The LPLS determines a proportional tax, as far as necessary to cover the expenses incurred by the competent authority for administering the permit. On the other hand, LGAP determines the non-payment of the procedure, and according to this, this fee can only be made in cases where it is otherwise determined by law. In the case of ERO, Article 23 of the ERO law defines the types of fees: *fees for modifying and amending licenses and other license applications; initial and annual licensing fees; fee issuing certificates of origin; and review/revision of applications for authorization and licensing.*

Article 24.5 of the Law on ERO stipulates: ***“With the exception of annual fees, fees charged pursuant to this Article shall be calculated in accordance with the specific administrative expenses reasonably incurred in the processing of the acts to which such fees refer”.*** This implies that ERO is obliged to calculate these fees, especially those of the application, in proportion to administrative expenses. ERO calculates the annual fees as license maintenance fees, aiming to ensure ERO's financial stability, as licensed enterprises generate revenue from activities licensed by ERO. License review fees are paid at the

time of application review. However, to facilitate the issue of activities of both the licensed and licensees, ERO has created alternative forms of payment into their account, including the possibility of payment via E-Banking. However, to apply this form of payment, it is necessary to amend Article 13 of Regulation No.01/2020 on Fees, which determines the payment method and where electronic payments are also accepted. Additionally, ERO must make an accurate calculation of the proportionality of the application fee, taking into account the relevant expenses incurred by the party to the procedure and the final payment for the application fee. So far, such a calculation has been lacking.

The principle of one shop stop (Single Points of Contact) is a legal obligation defined both in LPLS, respectively Article 16, as well as in LGAP, Article 33. According to this principle, all formalities and procedures for issuing a permit and license must be carried out through SPCs (one stop shop). Both laws provide for SPCs to be established physically, electronically or combined. The main prerequisite for establishing SPCs are the points we mentioned above, especially the approach oriented towards the principle of administrative review ex officio. Within ERO, there is no type of SPC, allocation by each public body, meaning that the party itself performs all the formalities and procedures that, if an SPC was in place, could be carried out through it by the public body itself. So far, ERO lacks a Single Point of Contact, which would facilitate the administrative burden for applicants. ERO should act to establish such a mechanism.

The principle of applying administrative assistance. Article 34 of LGAP stipulates that a public authority may request assistance from another public authority, among other things, to become acquainted with facts, documents, or other means of evidence in the possession of the other authority. This principle can be used to facilitate the verification procedure of necessary documents. In the case of reviewing the procedures for licenses and permits, ERO does not apply the principle of legal assistance at all. The ERO is obliged to use the principle of administrative assistance more in the application and licensing process, seeking assistance from other bodies to provide information and verify certain specified documents, without requiring them to be requested by the party.

Consideration of conducting the procedure ex officio. This principle is allowed by Article 86 of LGAP. In fact, this principle, in light of easing the procedures for issuing licenses at ERO, should be combined with the principle of applying administrative assistance, based on how the licensing procedure is regulated at ERO. ERO does not apply at all the principle of conducting the procedure ex officio since for the completion of the application, in case the documents have not been submitted, based on the Regulation on the Licensing of Energy Activities in Kosovo ERO/No. 07/2017, Article 5, paragraphs 3 and 5 providing that the application should be completed, in case of missing documentation. Article 86.3 of LGAP, regarding this principle, stipulates: ***“Except when provided otherwise by a legal provision, documents that certify acts, facts, qualities or subjective situations, necessary to conduct an administrative investigation, shall be obtained ex officio by the public organ conducting administrative proceeding, whenever they are in its possession or in the possession of other organs. The public organ may request from parties only the necessary elements for the identification of documents.*** This implies that in some cases, when the documents and conditions of documentation for a license are not determined by law, then ERO in the specific case may request the party to only demonstrate that some documents exist and to verify them if they exist in public bodies. Thus, ERO should act according ex officio, to verify a certain number of documents.

The right to provide opinions, explanations and evidence: Article 94 of LGAP allows the party to provide evidence and clarify issues during the review and conduct of the procedure until the final decision is made. In the case of ERO, this principle is also not applied at all, because if the applicant does not submit the missing documents, then his/her application is rejected. Therefore, in the case of ERO, this principle can be easily applied by amending the Regulation on Licensing of Energy Activities in Kosovo ERO/No. 07/2017. The party under the regulations must be allowed to provide additional clarifications at any time, for the documentation it provides and the license application.

Conducting the electronic screening procedure. Article 14.2 of LPLS stipulates: “Each competent authority shall make it possible for a person to submit an application for a permission electronically”. This creates the opportunity for ERO to develop an electronic review procedure based on internal acts issued by ERO for licensing. This is possible because Article 17.2 of LPLS allows licensing application procedures to be conducted through bylaws, which in the case of ERO implies that there is no need for legislative amendments regarding the conduct of an electronic procedure. It should be noted that ERO receives applications electronically, but this should also be highlighted in the internal regulations, as a separate procedure from the physical application by amending the bylaws.

Specific conditions and criteria for granting licenses. ERO constitutes a case of operating with conditional licenses and other specific permits. Article 30 of the Law on ERO sets out the requirements for licenses issued by ERO. The specific requirements that are defined in Article 30, then have been concretized by the ERO Regulation on Licensing of Energy Activities in Kosovo ERO/No. 07/ 2017. In the case of ERO, the documents required for a license are quite specific because they also relate to *the protection of public health and safety; environment protection; land use and location; the use of public land; energy efficiency; the nature of primary energy sources; the special characteristics of the applicant such as: technical, economic and financial capacities*. Considering the specifics of ERO licenses, documentation is sometimes specific. Therefore, based on the analysis, the reduction of documentation has been sought on a case-by-case basis, based on two alternatives: 1. Verification of some facts through a statement under oath and 2. Identification by the party of some documents as well as the action of ERO, according to the principle of administrative assistance and conducting the procedure ex officio as defined in LGAP.

Submitting documentation in original form is a characteristic of ERO - In the context of permits approved by ERO, there is a phenomenon based on the CRPL, and this phenomenon concerns the submission of some documents in original, including those documents that constitute notary and even undisputed facts, such as the business registration certificate or other evidence of the establishment of the association or consortium (depending on the type of permit) or its statute, etc. Therefore, the establishment of this principle has been made with the aim of concretizing such a thing in specific recommendations, specified in the annex to this analysis.

3. Legal analysis regarding the permit and license harmonization with the LPLS criteria

Harmonizing under the scope of the purpose of this report implies a process of aligning the LPLS and in the specific case LERO, aiming to determine the permits and licenses issued by ERO based on LPLS. Regarding the aspect of harmonization, it is important to note the following issues:

Definition of permits and licenses by law. This principle is defined in Article 17.1 of LPLS and as such implies that the permit and license, even in terms of designation, is determined by law. In the case of ERO, the law follows a different logic, defining only the activities for which licenses are issued by ERO and the types of permits and licenses are not defined by law. Article 28 of the Law on ERO has defined the activities for which licenses issued by ERO are determined. Similarly, regarding authorizations for the construction of new capacities, which are licenses issued by ERO and recognized under Article 43, this law does not specify which types of authorizations can be issued by ERO. Therefore, in accordance with the principle that permits and licenses, according to their designation, should be determined by law, the possibility should be considered for the Law on ERO, respectively in Article 29 and Article 43, but also by introducing a new article, to specify the types of licenses and authorizations issued by ERO, with their designation, based on the activities currently allowed by the Law on ERO and other applicable laws enforced by ERO.

Designations of permits and licenses to be determined by law: This requires that all permits and licenses issued by ERO, such as licenses, authorizations and other approvals, be defined by the Law on ERO, according to their current names. For this, a legal basis should be established, following Article 30 of the LERO or a new article should be introduced that would include especially the harmonization of Articles 28, 30 and 43 of the LERO.

Designing ERO permits and licenses according to Article 5 of the LPLS: Article 5 of LPLS defines the types of permits, which are: notification, registration, professional permits and licenses. In this case, the designation of the permits made by ERO must also such records to tailored to this. This means that the articles of LERO, such as Articles 28, 30, 43, etc., must be harmonized with article 5 of LPLS. ERO, pursuant to this article, must categorize all permits and licenses, according to the risk level, based on Article 5 of LPLS. Articles 28, 30 and 43 of LERO should therefore be amended in their entirety, so that the designations are adapted to Article 5 of LPLS, taking into account the risk level.

Categorizing permits and licenses by risk: LRME should define a system for categorizing permits and licenses by risk, as stipulated in Article 19 of LPLS. Therefore, an article should be amended or a new article should be introduced in LERO, After Article 28.

4. Findings

1. The LPLS refers only to the “licensee” as a natural person, while the Law on ERO and other applicable laws, by “licensees” imply also undertakings as legal entities.
2. All ERO licenses are time-limited by categories, while LPLS does not regulate the issue of new licensing or license renewal.
3. No appeals procedure for non-licensing is established within ERO.
4. There is no Single Point of Contact in ERO regarding the application for licenses and other permits.
5. The principle of administrative assistance to facilitate the verification procedure of necessary documents submitted for licensing is not applied.
6. The principle of conducting the procedure ex officio for verifying documents identified by parties, held by public institutions, is not applied.
7. The applicant is not allowed to bring the additional documentation for his/her request, but the application for permit and license is only rejected, according to LGAP and ERO regulations.
8. The electronic procedure is not defined as a rule but only as an exception. This should be reflected in ERO regulations
9. Some documents that are notary and easily verifiable, in the case of applying for a license, are required to be submitted in original.
10. A number of documents required for general requirements category seem to increase the administrative burden on how they are requested.
11. ERO issues permits and licenses not explicitly defined by law, according to their current designation.

5. Key recommendations

1. Regulate more specifically, who can apply for a license and for which licenses (natural or legal person);
2. Establish a clear legal basis for existing ERO licenses;
3. Extend the deadline for license issuance by ERO, respectively determine a minimum deadline for license categories;
4. Harmonize the law for ERO, namely amend the Article 29 of Law with respect to designating licenses by ERO, for activities that do not require a license, based on Article 5 of LPLS.
5. Establish the appeals procedure in case of non-licensing;
6. Establish a SPC in ERO;
7. Develop an electronic procedure for application and review of licenses, so that it is not necessary to solely rely on hard copies for application;
8. Apply the principle of administrative assistance and conduct of the procedure ex officio, in terms of verifying some documents held by public institutions;
9. Renewal of licenses should be done ex officio;
10. Verify some necessary documents according to the statement under oath;

11. The initial review fees should be paid after the application is approved and the license review fee should be reviewed upon ERO's request;
12. Allow the party to provide additional evidence during the procedure review until the final decision deadline;
13. Exemption from fees should be granted in case of license modification initiated by ERO;
14. Harmonize LERO and LPLS according to the specified principles;
15. Apply a 45-day decision deadline for permit and license applications, according to LGAP.

6. Justification of the key recommendations

1. Regulate more specifically, who can apply for a license and for which licenses (natural or legal person). This recommendation is provided because the Law ERO does not specify the status of the licensee, whether it will be a natural or legal person. On the other hand, in Article 1.21 of the Law on Electricity, the "licensee" refers to an individual, while in Article 1.46, "electricity undertaking" refers to a natural or legal person that can undertake one or more activities requiring a license. In this sense, based on Article 17.2 of the LPLS, ERO should assess and clearly specify which permits, permissions and licenses it can issue to natural persons and which for legal entities, aiming for harmonization with the LPLS. The specification must be made through the amendment of the bylaws, namely: Regulation on Licensing Energy Activities in Kosovo ERO/No. 07/2017; Rule No. 01/2020 on Fees; Rule - ERO/No. 03/2022 on the Authorization Procedure the Construction of Energy Projects.

2. Establish a clear legal basis for existing ERO licenses. Based on Article 17.2 of LPLS, permits and licenses are determined solely by law. In the specific case of ERO, the activities requiring a license are specified. On the other hand, regarding authorizations for the construction of new capacities, such as permits, there is no specific legal basis for the permit or license, as per designation. Specific recommendations on this issue have been provided in the annex.

3. Extend the deadline for license issuance by ERO, respectively determine a minimum deadline for license categories. According to the Law on ERO, deadlines are categorized, and ERO usually determines them by assessing specific criteria, such as the lifespan of assets and the financial condition of the applicant. In this context, to ease the administrative burden on applicants, for some license categories, such as authorizations, the deadline extension should be increased, both for the minimum and maximum threshold. Similarly, ERO should establish a minimum extension for each case regarding the deadline, for example, in cases where the extension could be 40, 30 or 25 years, there should also be a minimum extension for these categories, which should be established by law. Further specific clarifications are provided in the annex of this report.

4. Cases where a license is not required should be named according to LPLS. Article 5 of LPLS specifies the types of permits. On the other hand, the Law on ERO defines the criteria for permits that do not require a license but still go through an approval procedure. Therefore, such matters should be addressed according to the designations set forth in Article 5 of LPLS, such as notification, permit registration, etc. For this purpose, an amendment and harmonization of Article 5 of LPLS and Article 28 of LERO are necessary.

5. Establish appeal procedure in case of non-licensing. Within the law and regulations applicable the relevant licensing procedures within ERO, a deadline for appeals regarding the rejection of licensing or license renewal has not been defined. To respect the rights of the party, an appeal mechanism must be established in accordance with the principles outlined in the LGAP, and this can be achieved through regulations approved by ERO. The Regulations on Licensing Energy Activities in Kosovo ERO/No. 07/2017; Rule No. 01/2020 on Fees; Rule - ERO/No. 03/2022 on Authorization Procedure the Construction of Energy Projects should be amended to establish an appeals mechanism in case of license refusals.

6. Establish a SPC in ERO. A one shop stop or Single Point of Contact should be established within ERO, regarding the application and review procedures of licenses and other permits issued by ERO. This Single Point of Contact will facilitate the procedure and concentrate reviewing capacities at this point. Such an approach will help applicants efficiently initiate and conclude the procedure, and also facilitate the reviewing process for the authority. SPC should also operate in cases of license or permit changes, as well as in appeal procedures during the review process, etc.

7. Develop an electronic procedure for application and review of licenses, so that it is not necessary to solely rely on hard copies for application. The electronic procedure for reviewing permits and licenses greatly facilitates the application and review of licenses and permits at ERO. With the creation of single points of contact, a database or electronic application form can also be created. ERO should apply the possibility that only the documents that are absolutely necessary for verification are sent by the party as in physical or original form. The electronic procedure can be determined by the ERO internal rules.

8. Apply the principle of administrative assistance and conduct of procedure ex officio in terms of verifying some documents held by public institutions. The ERO should apply the principle of administrative assistance throughout the procedure, combining it with the principle of conducting the procedure ex officio. Through the application of this principle, ERO will verify a number of evidence needed to be submitted by the party when submitting the application. By applying these principles, ERO will avoid the submission of some documents, in the case of applications for permits and licenses. This implies that the authority itself, namely ERO, should verify part of the documentation ex officio, without burdening the applying party.

9. Renewal of licenses should be done ex officio. In the case of license renewal, especially when requested by ERO, the verification procedure shall commence and be completed while complying the implementation of procedures ex officio. This principle would also apply to the renewal of the license as well as its modification. According to the recommendation, ERO should act ex officio and verify some documents, in order to ease the administrative burden on the parties.

10. Verify some necessary documents according to the statement under oath. Some necessary documents for applying for licenses and permits at ERO are recommended to be reduced to ease the administrative burden. The reduction of these documents can be done in a way that certain issues that should be part of the application are verified through a statement under oath, considering the fact that according to the Law on ERO, the license may be withdrawn if the applicant provides false information.

11. Payment of initial review fees shall be made after the approval of the application. Considering the payment of fees and the fact that these fees are calculated based on the principle of calculation in accordance with specific reasonable administrative expenses incurred in the processing of acts to which such taxes refer. To ease the administrative burden, the initial fee should be paid electronically and only after the applicant's request has been approved. ERO is obliged to make the estimation in relation to the expenses.

12. Allow the party to provide additional evidence during the procedure review until the final decision deadline. Based on the principle of hearing the party, to facilitate access for applicants, ERO should allow the supplementation of documentation for the applicant until the completion of the license review period. This will assist the party in having easier access to the application and the review of the license or permit issued by ERO.

13. Exemption from fees should be granted in case of license modification initiated by. In the case of license modification requested by ERO, it is an administrative burden for the party to pay a fee for the modification. Therefore, it should be stipulated that the regulation be amended in accordance with the principle of proportionality, so that the party is not burdened with tax payments in the event of modification initiated by ERO.

14. Harmonize LERO and LPLS according to specified principles. In some aspects, LPLS needs to be harmonized with ERO, based on the principles and respective findings of this report, according to the key findings regarding harmonization as well as special findings and recommendations.

15. The 45-day decision deadline for permit and license requests should be implemented in accordance with LGAP-ERO in all decision-making instances. ERO applies a decision-making deadline of 90 days for permit and license requests. With the aim of facilitating the procedure and administrative burden, ERO should apply the 45-day deadline for decision-making for permit and license applications, in accordance with the requirements of the LGAP. Applying the 45-day deadline would reduce the time for decision-making and increase efficiency, as well as ease the administrative burden on the parties involved. This only applies to licenses where the applicable term is 60 days.

7. Implementation of general and specific recommendations

Within the report, as mentioned, general and specific recommendations have been given, presented in the annex for each license. It should be noted that due to the fact that LERO recognizes two categories of permits at, respectively licenses and authorizations, the specific recommendations in the annex for licenses and authorizations have turned out to be same. Such a matter has come to light due to the fact that all licenses in ERO are issued based on the same legal basis, with approximate duration deadlines and necessary documents for their issuance being similar. The same thing is expressed with authorizations, as a category of permissions in ERO.

The implementation of general and specific recommendations, according to the annex, can be done in two ways: 1. Through amendments and supplementations of LERO, and 2. Through amendments and supplementations of ERO's internal regulations for regulating the procedures for issuing licenses and authorizations by ERO.

ANNEX

The annex includes the permits and licenses issued by ERO, according to the CRPL order

1. AUTHORIZATION FOR THE CONSTRUCTION OF NEW CAPACITIES FROM WIND

1. Key findings

1.1 Legal basis for issuing the permit/license:

Article 15 of Law No. 05/L-084 on the Energy Regulator defines the tasks of this regulator, inter alia: “1. ***To meet its duties, the Regulator shall have the authority and responsibility as follows: 1.15. to facilitate access to the network for new production capacities, in particular removing barriers that could prevent access for new market entrants from renewable energy sources.*** Pursuant to Article 15 para. 1.15 of Law No. 05/L-084 on Energy Regulator, this type of license, entitled authorization, is related to the scope of the energy regulator for the construction of new generation capacities. The specific legal basis for issuing this authorization (license) is presented in Article 43 of Law No. 05/L-084 on Energy Regulator. This article recognizes the granting of authorizations as permits, for the construction of new capacities. Article 43.1 of Law No. 05/L-084 on the Energy Regulator defines the tasks of this regulator, inter alia: “***1. Construction of new generation capacities, new systems for the transmission and distribution of gas, including interconnectors, and direct electricity lines and direct pipelines or the transmission of natural gas shall be undertaken in line with authorization procedures as described in this law, except where paragraph 1 of Article 44 of this Law specifically permits the use of a tendering procedure***”. However, only the first part of Article 23 refers to the concrete legal basis, so it is recommended that the basis for this type of permit be more specific and concrete, according to the designation and the purpose for which it is issued.

1.2 The activity for which the permit/license is issued:

The purpose of this procedure is to build new capacities for the generation of electricity from renewable sources.

1.3 Validity period of the permit/license:

From the practice of issuing this type of authorization (e.g. the case of the decision: V 1211, 2.11.2019), this type of authorization was issued according to the dynamic application plan, respectively for 3 years and four months.

1.4 Payment for obtaining the permit/license:

License fee is 1000 Euro. For review, modification and authorization, the fee is 500 Euro.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the administrative burden, according to the LGAP</i>
1. The business certificate issued by the Kosovo Business Registration Agency, including the company board's decision on the authorized representative for the Application	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document

2. Evidence of the financial capacities of the Applicant and the parent company, including financial reports as required by the Law on Accounting, Financial Reporting and Auditing, depending on the classification of the undertaking;	To be submitted by the party
3. Evidence of financial capacity according to Article 8, paragraph 1, subparagraph 1.2 indicating that the Applicant possesses at least ten percent (10%) of the investment value. This evidence must be supported by bank statements issued no later than five (5) days from the Application date.	To be submitted by the party
4. The solvency certificate of the Applicant's business, including the solvency certificate of the parent company's business, issued by the competent court, indicating that the Applicant or the parent company is not in bankruptcy;	ERO should this document from KJC, based on the principle of administrative assistance and ex officio action. The party only needs to confirm that they possess this document.
5. Evidence from tax authorities that the Applicant, including the parent company, has no tax liabilities;	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
6. Evidence of ownership rights and legal ownership of the property where the New Generating Capacities will be constructed;	It should be submitted by the party.
7. Feasibility study, both technical and financial, for projects with installed capacity above 1 MW;	This document must be submitted by the party.
8. A pre-contract or Contract for Design, Procurement and Construction (EPC);	This document must be from the party.
9. A business plan containing the technical parameters of the project and the financial plan describing the financing method, including the total investment cost and financing method; economic and financial assessment of the project including financial statements; static and dynamic investment assessment (PBP, NPV, IRR and BP);	This document must be from the party.
10. The municipal act confirming that the proposed Energy Project is permitted according to	This document must be from the party.

the development or spatial plans of the Municipality;	
11. The connection agreement with the relevant system operator;	This document must be from the party.
12. Environmental Consent issued by the relevant authority, if required for the project concerned;	ERO should request this document from the Ministry of Environment, Spatial Planning and Infrastructure (MESPI), based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
13. Water rights if a water permit is required for the project concerned based on the Law on Waters of Kosovo;	This document must be submitted by the party.
14. The construction permit issued by the Ministry responsible for construction or by the relevant Municipality, depending on the authority that issues the permit according to the Law on Construction.	Ministry of Environment, Spatial Planning and Infrastructure (MESPI) or the Municipality, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.

2. Recommendations

1. Amend Article 43 of the Law on Energy Regulatory Office to specify this type of authorization explicitly.
2. Extend the deadline for this type of authorization.
3. Some necessary documents for applying for this authorization need to be verified according to the principle of administrative assistance and ex officio action identified according to a statement under oath.
4. The authorization fee is paid in case of approval of the application and issuance of the decision for approval.
5. Determine exactly whether natural persons can apply for this authorization.
6. Publish the notice according to Article 13 of the Rule - ERO/No. 03/2022, published by ERO on the website.
7. Submission of clarifications by the party should be done until the moment of the final decision, within the maximum 90-day review period, amending Article 14.2 of the Rule - ERO/No. 03/ 2022.
8. Amend Articles 9 and 10 of the Rule - ERO/No. 03/2022, because the types of licenses must be determined by law.

3. Justification of recommendations

1. In terms of Article 43 of the Law on ERO, the designation of this type of authorization as Authorization for the construction of new wind capacities is not defined by law. Article 43 of the Law on ERO only defines the possibility of building new capacities, without specifying the types of renewable energy, even

though they are mentioned in special laws. However, in the Law on ERO, the full name of the types of authorizations issued by ERO should be defined, based on the special laws applied by ERO, such as: Law No. 05/L – 085 for Energy; Law No. 05/L – 085 on Electricity; Law No. 05/L-082 on Natural Gas; Law No. 05/L-052 on Thermal Energy. To have a concrete legal basis, Article 43 of the Law on ERO should be amended or another article should be added to define the types of authorizations, based on the areas of renewable energy in which it is issued.

2. The issue of the term and duration of these types of authorization should be clarified. Article 17 of the Rule - ERO/No. 03/2022 on Authorization Procedure the Construction of Energy Projects stipulates the duration of the authorization for 24 months and the possibility that this type of authorization can be extended for another 12 months, if it is proven that the circumstances were not under the control of the applicant. However, in practice (e.g. the case of the decision: V 1211, 2.11.2019), this type of authorization is issued for 3 years and 4 months. Considering the importance of the duration of these types of authorizations for the parties involved, the possibility of extending the duration of these authorizations to up to five (5) years, with a minimum duration of 3 years, should be explored. Such a thing can be determined by a rule issued by ERO or the amendment of the regulation, to determine a longer period of validity of the authorizations, in order to have a more flexible and facilitating approach to the parties regarding this type of authorization.

3. Regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath. Referred to Tables 1.5.

4. Regarding the fee, ERO should make efforts to enable the parties to pay the initial fee after the procedure is completed and their request is approved. This would ease the administrative burden of the parties and implement the principle recognized by LGAP, for conducting a procedure without financial burdens for the party. The license review fee, when requested by ERO according to Article 36.2, is recommended to be waived.

5. According to Article 1 of the Rule - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects, the term “Applicant” is defined as follows: “any natural or legal person, established as limited liability company or shareholder, willing to construct an Energy Project and applying at the ERO for Authorization”. For this reason, ZRRE should specify in a separate article of the regulation for the authorization procedure who has the right to apply for this type of authorization and whether it can be done by natural persons or only legal entities.

6. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 13 of Rules - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects.

7. To facilitate the party’s access within this type of authorization, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of authorization, based on Article 94 of LGAP. This requires an amendment to Article 14 and other articles of RULE - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects, based on Article 94 of LGAP.

8. Considering that Article 17 of LPLS stipulates that permits and licenses must be provided only by law, this also affects the matter of Articles 9 and 10 of Rule - ERO/No. 03/2022 on Authorization Procedure for

Construction of Energy Projects, because as stated in the first recommendation, the types of these authorizations must be determined only by law.

2. AUTHORIZATION FOR THE CONSTRUCTION OF NEW CAPACITIES FROM BIOMASS

1. Legal basis for issuing the permit/license:

Article 15 of Law No. 05/L-084 on the Energy Regulator defines the tasks of this regulator, inter alia: “1. To meet its duties, the Regulator shall have the authority and responsibility as follows: ***1.15. to facilitate access to the network for new production capacities, in particular removing barriers that could prevent access for new market entrants from renewable energy sources.*** Pursuant to Article 15 para. 1.15 of Law No. 05/L-084 on Energy Regulator, this type of license, entitled authorization, is related to the scope of the energy regulator for the construction of new generation capacities. The specific legal basis for issuing this authorization is presented in Article 43 of Law No. 05/L-084 on Energy Regulator. This article recognizes the granting of authorizations as permits, for the construction of new capacities. Article 43.1 of Law No. 05/L-084 on the Energy Regulator defines the tasks of this regulator, inter alia: “***1. Construction of new generation capacities, new systems for the transmission and distribution of gas, including interconnectors, and direct electricity lines and direct pipelines or the transmission of natural gas shall be undertaken in line with authorization procedures as described in this law, except where paragraph 1 of Article 44 of this Law specifically permits the use of a tendering procedure***”. However, only the first part of Article 43 refers to the legal basis, so it is recommended that the basis for this type of permit be more specific under the law.

1.2 The activity for which the permit/license is issued:

This authorization is issued for construction of new generation capacity from biomass. The activity for which this license is issued can be a generation activity, as is the case with decision V 1194/2019, 27.11.2019. This license is also issued for the construction of generating capacities for the consumers themselves and for the construction of energy infrastructure.

1.3 Validity period of the permit/license:

According to Article 19 of the Rule - ERO/No. 03/2022 as well as according to practice under decision V 1194/2019, this license is issued for 2 years.

1.4. Necessary payment fee

Payment for review of authorization applications: A1. Authorization for construction of new capacity 1000 Euro. 500 € Review and modification of authorization.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the administrative burden, according to the LGAP</i>
1. The business certificate issued by the Kosovo Business Registration Agency, including the company board's decision on the authorized representative for the Application	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document

2. Evidence of the financial capacities of the Applicant and the parent company, including financial reports as required by the Law on Accounting, Financial Reporting and Auditing, depending on the classification of the undertaking;	To be submitted by the party
3. Evidence of financial capacity according to Article 8, paragraph 1, subparagraph 1.2 indicating that the Applicant possesses at least ten percent (10%) of the investment value. This evidence must be supported by bank statements issued no later than five (5) days from the Application date.	To be submitted by the party
4. The solvency certificate of the Applicant's business, including the solvency certificate of the parent company's business, issued by the competent court, indicating that the Applicant or the parent company is not in bankruptcy;	ERO should this document from KJC, based on the principle of administrative assistance and ex officio action. The party only needs to confirm that they possess this document.
5. Evidence from tax authorities that the Applicant, including the parent company, has no tax liabilities;	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
6. Evidence of ownership rights and legal ownership of the property where the New Generating Capacities will be constructed;	It should be submitted by the party.
7. Feasibility study, both technical and financial, for projects with installed capacity above 1 MW;	This document must be submitted by the party.
8. A pre-contract or Contract for Design, Procurement and Construction (EPC);	This document must be from the party.
9. A business plan containing the technical parameters of the project and the financial plan describing the financing method, including the total investment cost and financing method; economic and financial assessment of the project including financial statements; static and dynamic investment assessment (PBP, NPV, IRR and BP);	This document must be submitted by the party.
10. The municipal act confirming that the proposed Energy Project is permitted according to	This document must be submitted by the party.

the development or spatial plans of the Municipality;	
11. The connection agreement with the relevant system operator;	This document must be submitted by the party.
12. Environmental Consent issued by the relevant authority, if required for the project concerned;	ERO should request this document from the Ministry of Environment, Spatial Planning and Infrastructure (MESPI), based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
13. Water rights if a water permit is required for the project concerned based on the Law on Waters of Kosovo;	This document must be submitted by the party.
14. The construction permit issued by the Ministry responsible for construction or by the relevant Municipality, depending on the authority that issues the permit according to the Law on Construction.	Ministry of Environment, Spatial Planning and Infrastructure (MESPI) or the Municipality, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.

2. Recommendations:

1. Amend Article 43 of the Law on Energy Regulatory Office to specify this type of authorization explicitly.
2. Extend the validity period from 3-5 years.
3. Some necessary documents for applying for this authorization need to be verified according to the principle of administrative assistance and ex officio action or prior statement under oath submitted by the party.
4. The authorization fee is paid in case of approval of the application and issuance of the decision for approval.
5. Determine exactly whether natural persons can apply for this authorization.
6. Publish the notice according to Article 13 of the Rule - ERO/No. 03/2022, published by ERO on the website.
7. Submission of clarifications by the party should be done until the moment of the final decision, within the maximum 45-day review period, amending Article 14.2 of the Rule - ERO/No. 03/ 2022.
8. Amend Articles 9 and 10 of the Rule - ERO/No. 03/ 2022.

3. Justification of recommendations

1. In terms of Article 43 of the Law on ERO, the designation of this type of authorization as Authorization for the construction of new biomass capacities is not defined by law. Article 43 of the Law on ERO only defines the possibility of building new capacities, without specifying the types of renewable energy, even though they are mentioned in special laws. However, in the Law on ERO, the full name of the types of

authorizations issued by ERO should be defined, based on the special laws applied by ERO, such as: Law No. 05/L – 085 for Energy; Law No. 05/L – 085 on Electricity; Law No. 05/L-082 on Natural Gas; Law No. 05/L-052 on Thermal Energy. To have a concrete legal basis, Article 43 of the Law on ERO should be amended or another article should be added to define the types of authorizations, based on the areas of renewable energy in which it is issued.

2. The issue of the term and duration of these types of authorization should be clarified. According to Article 17 of the Rule - ERO/No. 03/2022 on Authorization Procedure the Construction of Energy Projects stipulates the duration of the authorization for 24 months and the possibility that this type of authorization can be extended for another 12 months, if it is proven that the circumstances were not under the control of the applicant. According to the practice and issued decisions, this type of authorization is issued for 2 years. Considering the importance of the duration of these types of authorizations for the parties involved, the possibility of extending the duration of these authorizations to up to five (5) years, with a minimum duration of 3 years, should be explored. Such a thing can be determined by a rule issued by ERO or the amendment of the regulation, to determine a longer period of validity of the authorizations, in order to have a more flexible and facilitating approach to the parties regarding this type of authorization.

3. Regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath. This recommendation is addressed in point 1.5.

4. Regarding the fee, ERO should make efforts to enable the parties to pay the initial fee after the procedure is completed and their request is approved. This would ease the administrative burden of the parties and implement the principle recognized by LGAP, for conducting a procedure without financial burdens for the party. The license review fee, when requested by ERO according to Article 36.2, is recommended to be waived.

5. According to Article 1 of the Rule - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects, the term “*Applicant*” is defined as follows: “*any natural or legal person, established as limited liability company or shareholder, willing to construct an Energy Project and applying at the ERO for Authorization*”. For this reason, ZRRE should specify in a separate article of the regulation for the authorization procedure who has the right to apply for this type of authorization and whether it can be done by natural persons or only legal entities.

6. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 13 of Rules - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects.

7. To facilitate access within this type of authorization, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of authorization, based on Article 94 of LGAP. This requires an amendment to Article 14 and other articles of RULE - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects, based on Article 94 of LGAP.

8. Considering that Article 17 of LPLS stipulates that permits and licenses must be provided only by law, this also affects the matter of Articles 9 and 10 of Rule - ERO/No. 03/2022 on Authorization Procedure for

Construction of Energy Projects, because as stated in the first recommendation, the types of these authorizations must be determined only by law.

3. LICENSING OF PUBLIC THERMAL ENERGY SUPPLY ACTIVITY

1. Legal basis for issuing the permit/license:

The legal basis of this license is in Article 28.10 of the Law on ERO, which stipulates that activities for the supply of electricity, thermal energy or natural gas, including transit, import or export of electricity or natural gas, need a license. Also, in terms of this license, Article 18 of the Law on Thermal Energy No. 05/L -052, recognizes public supply as a category. Article 3 para. 1.9 defines “*Public supplier – a thermal energy enterprise licensed by the Energy Regulatory Office to carry out the activity of public supply*”. This law also defines the meaning of license as a document issued by ERO to exercise activities in the energy sector

1.2 The activity for which the permit/license is issued:

This license is issued for public supply of thermal energy by the enterprise licensed by ERO, based on the Law on ERO as well as the applicable Law on Thermal Energy. The purpose of this license is only the activity of supply by public enterprises, which are licensed to carry out this activity.

1.3 Validity period of the permit/license:

According to Article 32, paragraph 2.2, the maximum term of this license which is issued by ERO is 25 years.

1.4. Payment of fees

2,000 € (eight thousand Euro). Initial payment: 500 Euro (five hundred Euro) - Payment for review or modification/changes or extension, and license transfer.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
1. Copy of the Registration Certificate, issued by the Kosovo Business Registration Agency, where the applicant is required by law to register the business in Kosovo;	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Company charger or an agreement for establishing a business organization;	This document should be submitted by the party.

3. The applicant's business plan on energy activities to be covered by the license, for at least the next three (3) years;	This document should be submitted by the party.
4. Applicant's annual financial statements for the last three (3) years. These financial statements must be audited by licensed and independent financial auditors. The applicant shall submit the report of the auditors separately from the financial statement, and the newly created enterprise shall submit a financial statement and information on the experience of its partners or shareholders, if any, in the performance of similar energy activities;	This document should be submitted by the party.
5. Evidence from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee for the applicant or parent company, or similar evidence of the availability of sufficient funds to fund the activity for which the license is requested);	This document should be submitted by the party.
6. Certificate by the competent body that the applicant fulfills the legal obligations related to tax payment (Certificate of Tax Administration of Kosovo);	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
9. Biographies (CVs) of the applicant's management staff and other senior personnel, along with their qualifications;	The party only needs to declare this through a statement under oath.
10. Information on the organizational structure (management and professional staff) of the applicant;	The party only has to declare this through a statement under oath, as these are in the charter of the holder. This document must be eliminated.
11. Proof of payment of the applicable licensing fee (in accordance with Article 4 paragraph 5 of this Rule);	This document should be submitted by the party.
12. Evidence of publication of the Notice in two (2) daily newspapers with wide circulation in Kosovo (in accordance with Article 6 of the this rule).	This announcement should be made by the body and not by the party. This requires amending the regulations.

2. Recommendations:

1. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;

2. Certain documents shall be avoided, and those shall be verified according to the principle of the conducting the procedure ex officio, or the principle of legal assistance of the authorities or through a statement under oath;
3. Reapplication for a license shall be made by an action of the ERO ex officio;
4. The publication of the application notice should be done by ERO;
5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO.

3. Justification of recommendations

1. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: “the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization”. However, through this internal regulation, to make it easier for the parties, the matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw by ERO.

2. With the aim of facilitating and reducing the administrative burden for the party, regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath. Referred to Tables 1.5.

3. In the case of license renewal, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. To enable such a change, Article 6 of Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate access of this type of license, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.

4. ELECTRICITY AND HEAT CO-GENERATION ACTIVITY LICENSE

1. Legal basis for issuing the permit/license:

The legal basis of licenses is defined in the Law on ERO, namely Article 28, paragraph 2. However, in terms of the specific activity under the designation of this license, paragraph 2 does not define “*co-generation of electricity and heat*”. The only co-generation defined in this article, for the activities that require a license, is the co-production of *electricity and thermal energy*. Likewise, the only article that refers to co-generation, linking the activity of electricity and heating generation, is Article 8 of Law No. 05/L-085 on Electricity, however, the respective article does not refer to the issuance of a license. Therefore, this license has no concrete legal basis.

1.2 The activity for which the permit/license is issued:

This license, according to the designation, is issued for the electricity and heat co-production activities. The purpose of this license is to include both activities, the energy and heat generation as a joint activity.

1.3 Validity period of the permit/license:

Pursuant to Article 32, paragraph 2.1, the maximum term for the electricity co-production activities.

1.4. Payment of fees

1,000.00 Euro - Initial payment: (one thousand Euro). 500 EUR (five hundred EUR) - Payment for review or modification/changes or extension, and license transfer.

1.5 Documents required for application:

According to CRPL, the documentation remains to be determined by a separate bylaw. While Rule ERO/No. 07/2017 on Licensing Energy Activities in Kosovo, Article 8, defines the general documents.

2. Recommendations:

1. The license is determined by law;
2. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;
3. The reapplication for a license shall be made ex officio by the ERO;
4. The publication of the application notice should be done by ERO;
5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO.

2. Justification of recommendations

1. The license and its issuance lack a concrete legal basis, according to the clarifications on the legal basis of this license. Therefore, the relevant article of the Law on ERO should also define the electricity and heating co-production activity as a joint activity. To achieve this, at a minimum, Article 28 of the Law on ERO must be amended, in accordance with Article 17 of LPLS, which stipulates that the license must be determined by law.

2. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: “the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business

organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization”. However, through this internal regulation, to make it easier for the parties, the matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw.

3. In the case of license renewal, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. To enable such a change, Article 6 of Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate access of this type of license, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.

5. HEAT OR NATURAL GAS DISTRIBUTION ACTIVITY LICENSE

1. Legal basis for issuing the permit/license:

The legal basis of this license is defined in Article 28, paragraph 2.8, which includes the thermal energy and natural gas distribution. As such, the legal basis for the licensing of this activity is clear and concrete under ZRRE.

1.2 The activity for which the permit/license is issued:

This license aims at the heat and natural gas distribution and is related to the distribution activity.

1.3 Validity period of the permit/license:

Depending on the lifespan of the assets used for performing the relevant activity, duration can not exceed a period of forty (40) years.

1.4. Payment of fees

1,000.00 Euro - Initial payment: (one thousand Euro). 500 EUR (five hundred EUR) - Payment for review or modification/changes or extension, and license transfer.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
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1. Copy of the Registration Certificate, issued by the Kosovo Business Registration Agency, where the applicant is required by law to register the business in Kosovo;	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Company charger or an agreement for establishing a business organization;	This document should be submitted by the party.
3. The applicant's business plant on energy activities to be covered by the license, for at least the next three (3) years;	This document should be submitted by the party.
4. Applicant's annual financial statements for the last three (3) years. These financial statements must be audited by licensed and independent financial auditors. The applicant shall submit the report of the auditors separately from the financial statement, and the newly created enterprise shall submit a financial statement and information on the experience of its partners or shareholders, if any, in the performance of similar energy activities;	This document should be submitted by the party.
5. Evidence from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee for the applicant or parent company, or similar evidence of the availability of sufficient funds to fund the activity for which the license is requested);	This document should be submitted by the party.
6. Certificate by the competent body that the applicant fulfills the legal obligations related to tax payment (Certificate of Tax Administration of Kosovo);	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
9. Biographies (CVs) of the applicant's management staff and other senior personnel, along with their qualifications;	The party only needs to declare this through a statement under oath.
10. Information on the organizational structure (management and professional staff) of the applicant;	The party only has to declare this through a statement under oath, as these are in the charter of the holder. This document must be eliminated.

11. Proof of payment of the applicable licensing fee (in accordance with Article 4 paragraph 5 of this Rule);	This document should be submitted by the party.
12. Evidence of publication of the Notice in two (2) daily newspapers with wide circulation in Kosovo (in accordance with Article 6 of the this rule).	This announcement should be made by the body and not by the party. This requires amending the regulations.

Rule ERO/No. 07/2017, Article 12 defines the specific documents of the distribution operator:

1. A description of the relevant characteristics of the distribution system or systems, along with their technical characteristics and territory for the electricity, thermal energy and natural gas distribution.
2. Evidence related to the ownership or legal right to use the system elements;
3. Indicators for the system development, as defined in Article 10 of the Law on Energy, Article 15, paragraph 3, subparagraph 3.2 of the Law on Thermal Energy, and Article 22 of the Law on Natural Gas, as appropriate;
4. Evidence regarding the expected number and structure of connected and potential consumers;
5. Evidence of the capability and availability of the necessary hardware and software system, along with all necessary financial, human and technical resources for the applicant to fulfill the tasks specified in Article 16 of the Law on Electricity and Article 18 of the Law on Natural Gas, as appropriate.
6. Indicators for measuring the quality of energy supply (duration, frequencies, number of interruptions, interruptions expressed in minutes per consumer, etc.) and services in the operation of the system (general information, agreements for meter reading, connection time, failures, restoration of the energy system after failures, etc.);
7. Technical specifications and characteristics of measuring devices of the distribution system; and
8. Agreement for connection to the transmission system.

2. Recommendations:

1. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;
2. Certain documents shall be avoided, and those shall be verified according to the principle of the conducting the procedure ex officio, or the principle of legal assistance of the authorities or through a statement under oath;
3. The reapplication for a license shall be made ex officio by the ERO;
4. The publication of the application notice should be done by ERO;
5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO.

3. Justification of recommendations

1. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: “the natural or legal person applying for the licensing of the energy activity in

accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization”. However, through this internal regulation, to make it easier for the parties, the matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw.

2. With the aim of facilitating and reducing the administrative burden for the party, regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio duty. For this, we must refer to Table 1.5. Other specific evidence must be submitted by the party.

3. In the case of license renewal, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. To enable such a change, Article 6 of Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate access of this type of license, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.

6. AUTHORIZATION FOR THE CONSTRUCTION OF NEW CAPACITIES FROM SOLAR ENERGY

1 Legal basis for issuing the permit/license:

Article 15 of Law No. 05/L-084 on the Energy Regulator defines the tasks of this regulator, inter alia: “1. To meet its duties, the Regulator shall have the authority and responsibility as follows: ***1.15. to facilitate access to the network for new production capacities, in particular removing barriers that could prevent access for new market entrants from renewable energy sources.*** Pursuant to Article 15 para. 1.15 of Law No. 05/L-084 on Energy Regulator, this type of license, entitled authorization, is related to the scope of the energy regulator for the construction of new generation capacities. The specific legal basis for issuing this authorization is presented in Article 43 of Law No. 05/L-084 on Energy Regulator. This article recognizes the granting of authorizations as permits, for the construction of new capacities. Article 43.1 of Law No. 05/L-084 on the Energy Regulator defines the tasks of this regulator, inter alia: “***1. Construction of new generation capacities, new systems for the transmission and distribution of gas, including interconnectors, and direct electricity lines and direct pipelines or the transmission of natural gas shall be undertaken in line with authorization procedures as described in this law, except where paragraph 1***

of Article 44 of this Law specifically permits the use of a tendering procedure”. However, only the first part of Article 43 refers to the legal basis, so it is recommended that the basis for this type of authorization/permit be more specific under the law. The basis of this authorization is solely in the bylaws and according to the Rule - ERO/No. 03/2022, this authorization is issued for construction of new generation capacities from biomass.

1.2 The activity for which the permit/license is issued:

This authorization is issued for construction of new generation capacities from solar energy. In practice, ERO has issued such authorizations, i.e. decision no. 906/2017, dated 31.03.2023 or decision no. 1639/2022, dated 29.12.2022.

1.3 Validity period of the permit/license:

According to Article 19 of the Rule - ERO/No. 03/2022 as well as according to practice under decision V 1194/2019, this license is issued for 2 years.

1.4. Necessary payment fee

Authorization for construction of new capacity 1000 Euro. For review, modification and authorization, the fee is 500 Euro.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
1. The business certificate issued by the Kosovo Business Registration Agency, including the company board’s decision on the authorized representative for the Application	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Evidence of the financial capacities of the Applicant and the parent company, including financial reports as required by the Law on Accounting, Financial Reporting and Auditing, depending on the classification of the undertaking;	To be submitted by the party
3. Evidence of financial capacity according to Article 8, paragraph 1, subparagraph 1.2 indicating that the Applicant possesses at least ten percent (10%) of the investment value. This evidence must be supported by bank statements issued no later than five (5) days from the Application date.	To be submitted by the party
4. The solvency certificate of the Applicant’s business, including the solvency certificate of the parent company’s business, issued by the competent court, indicating that the	ERO should this document from KJC, based on the principle of administrative assistance and ex

Applicant or the parent company is not in bankruptcy;	officio action. The party only needs to confirm that they possess this document.
5. Evidence from tax authorities that the Applicant, including the parent company, has no tax liabilities;	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
6. Evidence of ownership rights and legal ownership of the property where the New Generating Capacities will be constructed;	It should be submitted by the party.
7. Feasibility study, both technical and financial, for projects with installed capacity above 1 MW;	This document must be submitted by the party.
8. A pre-contract or Contract for Design, Procurement and Construction (EPC);	This document must be from the party.
9. A business plan containing the technical parameters of the project and the financial plan describing the financing method, including the total investment cost and financing method; economic and financial assessment of the project including financial statements; static and dynamic investment assessment (PBP, NPV, IRR and BP);	This document must be submitted by the party.
10. The municipal act confirming that the proposed Energy Project is permitted according to the development or spatial plans of the Municipality;	This document must be submitted by the party.
11. The connection agreement with the relevant system operator;	This document must be submitted by the party.
12. Environmental Consent issued by the relevant authority, if required for the project concerned;	ERO should request this document from the Ministry of Environment, Spatial Planning and Infrastructure (MESPI), based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
13. Water rights if a water permit is required for the project concerned based on the Law on Waters of Kosovo;	This document must be submitted by the party.
14. The construction permit issued by the Ministry responsible for construction or by the relevant Municipality, depending on the authority	Ministry of Environment, Spatial Planning and Infrastructure (MESPI) or the Municipality, based on the principle of administrative assistance and ex

that issues the permit according to the Law on Construction.	officio duty. The party only needs to confirm that they possess this document.
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2. Recommendations:

1. Amend Article 43 of the Law on Energy Regulatory Office to specify this type of authorization explicitly.
2. Extend the validity period from 3-5 years.
3. Some necessary documents for applying for this authorization need to be verified according to the principle of administrative assistance and ex officio action or prior statement under oath submitted by the party.
4. The authorization fee is paid in case of approval of the application and issuance of the decision for approval.
5. Determine exactly whether natural persons can apply for this authorization.
6. Publish the notice according to Article 13 of the Rule - ERO/No. 03/2022, published by ERO on the website.
7. Submission of clarifications by the party should be done until the moment of the final decision, within the maximum 90-day review period, amending Article 14.2 of the Rule - ERO/No. 03/ 2022.
8. Amend Articles 9 and 10 of the Rule - ERO/No. 03/ 2022.

3. Justification of recommendations

1. In terms of Article 43 of the Law on ERO, the designation of this type of authorization as Authorization for the construction of new wind capacities is not defined by law. Article 43 of the Law on ERO only defines the possibility of building new capacities, without specifying the types of renewable energy, even though they are mentioned in special laws. However, in the Law on ERO, the full name of the types of authorizations issued by ERO should be defined, based on the special laws applied by ERO, such as: Law No. 05/L – 085 for Energy; Law No. 05/L – 085 on Electricity; Law No. 05/L-082 on Natural Gas; Law No. 05/L-052 on Thermal Energy. To have a concrete legal basis, Article 43 of the Law on ERO should be amended or another article should be added to define the types of authorizations, based on the areas of renewable energy in which it is issued.

2. The issue of the term and duration of these types of authorization should be clarified. Article 17 of the Rule - ERO/No. 03/2022 on Authorization Procedure the Construction of Energy Projects stipulates the duration of the authorization for 24 months and the possibility that this type of authorization can be extended for another 12 months, if it is proven that the circumstances were not under the control of the applicant. According to the practice and issued decisions, this type of authorization is issued for 2 years. Considering the importance of the duration of these types of authorizations for the parties involved, the possibility of extending the duration of these authorizations to up to five (5) years, with a minimum duration of 3 years, should be explored. Such a thing can be determined by a rule issued by ERO or the amendment of the regulation, to determine a longer period of validity of the authorizations, in order to have a more flexible and facilitating approach to the parties regarding this type of authorization.

3. Regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath. For this, we can refer to Section 1.5.

4. Regarding the fee, ERO should make efforts to enable the parties to pay the initial fee after the procedure is completed and their request is approved. This would ease the administrative burden of the parties and implement the principle recognized by LGAP, for conducting a procedure without financial burdens for the party. The license review fee, when requested by ERO according to Article 36.2, is recommended to be waived.

5. According to Article 1 of the Rule - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects, the term “Applicant” is defined as follows: “any natural or legal person, established as limited liability company or shareholder, willing to construct an Energy Project and applying at the ERO for Authorization”. For this reason, ZRRE should specify in a separate article of the regulation for the authorization procedure who has the right to apply for this type of authorization and whether it can be done by natural persons or only legal entities.

6. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 13 of Rules - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects.

7. To facilitate access within this type of authorization, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of authorization, based on Article 94 of LGAP. This requires an amendment to Article 14 and other articles of RULE - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects, based on Article 94 of LGAP.

8. Considering that Article 17 of LPLS stipulates that permits and licenses must be provided only by law, this also affects the matter of Articles 9 and 10 of Rule - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects, because as stated in the first recommendation, the types of these authorizations must be determined only by law.

7. THERMAL ENERGY GENERATION ACTIVITY LICENSE

1. Legal basis for issuing the permit/license:

The legal basis of this license is defined in Article 28, paragraph 2.2. This article defines the thermal energy generation activity.

1.2 The activity for which the permit/license is issued:

This license aims at thermal energy generation and is issued to enterprises or natural persons who are not obliged to be provided with a license, according to Article 29, paragraph 1.2 of the Law on ERO.

1.3 Validity period of the permit/license:

Depending on the lifespan of the assets used for performing the relevant activity, duration can not exceed a period of forty (40) years.

1.4. Payment of fees

1,000.00 Euro - Initial payment: (one thousand Euro). 500 EUR (five hundred EUR) - Payment for review or modification/changes or extension, and license transfer.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
1. Copy of the Registration Certificate, issued by the Kosovo Business Registration Agency, where the applicant is required by law to register the business in Kosovo;	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Company charter or an agreement for establishing a business organization;	This document should be submitted by the party.
3. The applicant's business plan on energy activities to be covered by the license, for at least the next three (3) years;	This document should be submitted by the party.
4. Applicant's annual financial statements for the last three (3) years. These financial statements must be audited by licensed and independent financial auditors. The applicant shall submit the report of the auditors separately from the financial statement, and the newly created enterprise shall submit a financial statement and information on the experience of its partners or shareholders, if any, in the performance of similar energy activities;	This document should be submitted by the party.
5. Evidence from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee for the applicant or parent company, or similar evidence of the availability of sufficient funds to fund the activity for which the license is requested);	This document should be submitted by the party.
6. Certificate by the competent body that the applicant fulfills the legal obligations related to tax payment (Certificate of Tax Administration of Kosovo);	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
9. Biographies (CVs) of the applicant's management staff and other senior personnel, along with their qualifications;	The party only needs to declare this through a statement under oath.

10. Information on the organizational structure (management and professional staff) of the applicant;	The party only has to declare this through a statement under oath, as these are in the charter of the holder. This document must be eliminated.
11. Proof of payment of the applicable licensing fee (in accordance with Article 4 paragraph 5 of this Rule);	This document should be submitted by the party.
12. Evidence of publication of the Notice in two (2) daily newspapers with wide circulation in Kosovo (in accordance with Article 6 of the this rule).	This announcement should be made by the body and not by the party. This requires amending the regulations.

Rule ERO/No. 07/2017, Article 9 defines the specific documents for generation license.

1. Information on the main and auxiliary energy facilities, their type, technical specifications, and data on the location of energy facilities;
2. Evidence of fuel procurement and/or the preliminary or final fuel supply contract (where applicable);
3. Environmental permit, issued by the competent institution (where applicable);
4. Evidence of thermal efficiency (where applicable).

The environmental permit document can be requested ex officio from MESPI by ERO, while other specific documents must be provided by the party.

2. Recommendations:

1. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;
2. Certain documents shall be avoided, and those shall be verified according to the principle of the conducting the procedure ex officio, or the principle of legal assistance of the authorities or through a statement under oath;
3. The reapplication for a license shall be made ex officio by the ERO;
4. The publication of the application notice should be done by ERO;
5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO.

3. Justification of recommendations

1. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: “the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization”. However, through this internal regulation, to make it easier for the parties, the matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw.

2. With the aim of facilitating and reducing the administrative burden for the party, regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath. For this recommendation, we can refer to Section 1.5.

The other evidence prescribed for this license must remain the same, due to the importance they have to prove the specific elements required for this license.

3. In the case of license renewal or reapplication, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. To enable such a change, Article 6 of Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate access of this type of license, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.

8. NATURAL GAS STORAGE ACTIVITY LICENSE

1. Legal basis for issuing the permit/license:

The legal basis of this license is defined in Article 28, paragraph 2.9. This article defines the natural gas storage. The legal basis of this license is clear.

1.2 The activity for which the permit/license is issued:

This license is aims at ensuring eligibility for storage of natural gas in Kosovo and allowing such storage only if the applicant meets the conditions and criteria for such activity, since it is considered a dangerous activity that affects the public health and safety.

1.3 Validity period of the permit/license:

Depending on the lifespan of the assets used for performing the relevant activity, duration can not exceed a period of forty (40) years.

1.4. Payment of fees

Not specified by ERO.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
1. Copy of the Registration Certificate, issued by the Kosovo Business Registration Agency, where the applicant is required by law to register the business in Kosovo;	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Company charger or an agreement for establishing a business organization;	This document should be submitted by the party.
3. The applicant's business plan on energy activities to be covered by the license, for at least the next three (3) years;	This document should be submitted by the party.
4. Applicant's annual financial statements for the last three (3) years. These financial statements must be audited by licensed and independent financial auditors. The applicant shall submit the report of the auditors separately from the financial statement, and the newly created enterprise shall submit a financial statement and information on the experience of its partners or shareholders, if any, in the performance of similar energy activities;	This document should be submitted by the party.
5. Evidence from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee for the applicant or parent company, or similar evidence of the availability of sufficient funds to fund the activity for which the license is requested);	This document should be submitted by the party.
6. Certificate by the competent body that the applicant fulfills the legal obligations related to tax payment (Certificate of Tax Administration of Kosovo);	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
9. Biographies (CVs) of the applicant's management staff and other senior personnel, along with their qualifications;	The party only needs to declare this through a statement under oath.

10. Information on the organizational structure (management and professional staff) of the applicant;	The party only has to declare this through a statement under oath, as these are in the charter of the holder. This document must be eliminated.
11. Proof of payment of the applicable licensing fee (in accordance with Article 4 paragraph 5 of this Rule);	This document should be submitted by the party.
12. Evidence of publication of the Notice in two (2) daily newspapers with wide circulation in Kosovo (in accordance with Article 6 of the this rule).	This announcement should be made by the body and not by the party. This requires amending the regulations.

2. Recommendations:

1. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;
2. Certain documents shall be avoided, and those shall be verified according to the principle of the conducting the procedure ex officio, or the principle of legal assistance of the authorities or through a statement under oath;
3. The reapplication for a license shall be made ex officio by the ERO;
4. The publication of the application notice should be done by ERO;
5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO.

3. Justification of recommendations

1. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: “the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization”. However, through this internal regulation, to make it easier for the parties, the matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw.

2. When defining the necessary documents for this license by a bylaw, recommendations should be considered for several of these documents for ERO to act according to the ex officio principle or the principle of assistance from authorities, or some documents to be eliminated through a statement under oath submitted by the party, as recommended in section 1.5.

3. In the case of license renewal, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would

help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 6 of Rules - ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate the party's access within this type of authorization, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.

9. NATURAL GAS TRANSMISSION LICENSE

1. Legal basis for issuing the permit/license:

The legal basis of this license is defined in Article 28, paragraph 2.5. This article defines the natural gas transmission.

1.2 The activity for which the permit/license is issued:

This license aims at allowing licensed entities to operate in the gas transmission market in Kosovo only if they meet the conditions and criteria for such activities in conformity with the applicable legislation and ensuring public health.

1.3 Validity period of the permit/license:

Depending on the lifespan of the assets used for performing the relevant activity, duration can not exceed a period of forty (40) years.

1.4. Payment of fees

Not specified by ERO.

1.5 Documents required for application:

Not defined by ERO.

2. Recommendation:

1. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;
2. Certain documents shall be avoided, and those shall be verified according to the principle of the conducting the procedure ex officio, or the principle of legal assistance of the authorities or through a statement under oath;
3. The reapplication for a license shall be made ex officio by the ERO;
4. The publication of the application notice should be done by ERO;

5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO.

3. Justification of recommendations

1. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: “the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization”. However, through this internal regulation, to make it easier for the parties, the matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw.

2. When defining the necessary documents for this license by a bylaw, recommendations should be considered for several of these documents for ERO to act according to the ex officio principle or the principle of assistance from authorities, or some documents to be eliminated through a statement under oath submitted by the party. Certain documents that are likely to be redacted must be acted upon in such a way that those documents are authenticated ex officio.

3. In the case of license renewal, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 6 of Rules - ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate access to this type of license, the application should not be rejected if the applicant does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.

10. ELECTRICITY, HEAT AND NATURAL GAS SUPPLY ACTIVITY LICENCE

1. Legal basis for issuing the permit/license:

The legal basis of this license is established in Article 28, paragraph 2.10. This subparagraph of Article 28.2 refers to the supply of electricity, thermal energy or natural gas, including transit, import or export of electricity or natural gas.

1.2 The activity for which the permit/license is issued:

This license is aimed at allowing licensed entities to operate in the energy market in Kosovo only if they meet the conditions and criteria for such activities.

1.3 Validity period of the permit/license:

Subject to the financial situation of the applicant with maximum duration of twenty-five (25) years

1.4. Payment of fees

2,000 € (eight thousand Euro). Initial payment: 500 Euro (five hundred Euro) - Payment for review or modification/changes or extension, and license transfer.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
1. Copy of the Registration Certificate, issued by the Kosovo Business Registration Agency, where the applicant is required by law to register the business in Kosovo;	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Company charger or an agreement for establishing a business organization;	This document should be submitted by the party.
3. The applicant's business plan on energy activities to be covered by the license, for at least the next three (3) years;	This document should be submitted by the party.
4. Applicant's annual financial statements for the last three (3) years. These financial statements must be audited by licensed and independent financial auditors. The applicant shall submit the report of the auditors separately from the financial statement, and the newly created enterprise shall submit a financial statement and information on the experience of its partners or shareholders, if any, in the performance of similar energy activities;	This document should be submitted by the party.
5. Evidence from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee for the applicant or parent company, or similar evidence of the availability of sufficient funds to fund the activity for which the license is requested);	This document should be submitted by the party.

6. Certificate by the competent body that the applicant fulfills the legal obligations related to tax payment (Certificate of Tax Administration of Kosovo);	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
9. Biographies (CVs) of the applicant's management staff and other senior personnel, along with their qualifications;	The party only needs to declare this through a statement under oath.
10. Information on the organizational structure (management and professional staff) of the applicant;	The party only has to declare this through a statement under oath, as these are in the charter of the holder. This document must be eliminated.
11. Proof of payment of the applicable licensing fee (in accordance with Article 4 paragraph 5 of this Rule);	This document should be submitted by the party.
12. Evidence of publication of the Notice in two (2) daily newspapers with wide circulation in Kosovo (in accordance with Article 6 of the this rule).	This announcement should be made by the body and not by the party. This requires amending the regulations.

Rule ERO/No. 07/2017, Article 13 defines the specific documents for the supply license, as follows:

1. Data on material resources owned by the applicant, including information on billing and the information system, as well as the software available for performing activities;
2. Information related to the applicant's billing system;
3. The form(s) of contracts that the applicant intends to use for supplying consumers with electricity, thermal energy and natural gas; and
4. Statement if the applicant is willing, in principle, act as a Last Chance Supplier under Article 39 of the Electricity Law or Article 19 of the Law on Thermal Energy, as the case may be, and if so, how much is the number or categories of customers that can be handled by the billing system and the administration of the applicant.

2. Recommendations:

1. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;
2. Certain documents shall be avoided, and those shall be verified according to the principle of the conducting the procedure ex officio, or the principle of legal assistance of the authorities or through a statement under oath;
3. The reapplication for a license shall be made ex officio by the ERO;
4. The publication of the application notice should be done by ERO;
5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO.

3. Justification of recommendations

1. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: “the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization”. However, through this internal regulation, to make it easier for the parties, the matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw.

2. With the aim of facilitating and reducing the administrative burden for the party, regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath. For documents and recommendations thereof, we refer to Section 1.5. Other specific documents must be submitted by the party.

The other evidence prescribed for this license must remain the same, due to the importance they have to prove the specific elements required for this license.

3. In the case of license renewal, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 6 of Rules - ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate access to this type of license, the application should not be rejected if the applicant does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.

11. AUTHORIZATION FOR THE CONSTRUCTION OF NEW CAPACITIES FROM WATER

1 Legal basis for issuing the permit/license:

Article 15 of Law No. 05/L-084 on the Energy Regulator defines the tasks of this regulator, inter alia: “1. To meet its duties, the Regulator shall have the authority and responsibility as follows: ***1.15. to facilitate access to the network for new production capacities, in particular removing barriers that could prevent access for new market entrants from renewable energy sources.*** Pursuant to Article 15 para. 1.15 of Law No. 05/L-084 on Energy Regulator, this type of license, entitled authorization, is related to the scope of the

energy regulator for the construction of new generation capacities. The specific legal basis for issuing this authorization is presented in Article 43 of Law No. 05/L-084 on Energy Regulator. This article recognizes the granting of authorizations as permits, for the construction of new capacities. Article 43.1 of Law No. 05/L-084 on the Energy Regulator defines the tasks of this regulator, inter alia: “***1. Construction of new generation capacities, new systems for the transmission and distribution of gas, including interconnectors, and direct electricity lines and direct pipelines or the transmission of natural gas shall be undertaken in line with authorization procedures as described in this law, except where paragraph 1 of Article 44 of this Law specifically permits the use of a tendering procedure***”. However, only the first part of Article 43 refers to the legal basis, so it is recommended that the basis for this type of authorization/permit be more specific under the law.

1.2 The activity for which the permit/license is issued:

This authorization is issued for construction of new capacities from water. In practice, ERO has issued such authorizations, namely: Decision, V-1517/2022, 24.06.2022.

1.3 Validity period of the permit/license:

According to Article 19 of the Rule - ERO/No. 03/2022 as well as according to practice under decision V 1194/2019, this license is issued for 2 years.

1.4. Necessary payment fee

Authorization for construction of new capacity 1000 Euro A2. 500 € Review and modification of authorization

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
1. The business certificate issued by the Kosovo Business Registration Agency, including the company board’s decision on the authorized representative for the Application	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Evidence of the financial capacities of the Applicant and the parent company, including financial reports as required by the Law on Accounting, Financial Reporting and Auditing, depending on the classification of the undertaking;	To be submitted by the party
3. Evidence of financial capacity according to Article 8, paragraph 1, subparagraph 1.2 indicating that the Applicant possesses at least ten percent (10%) of the investment value. This evidence must be supported by bank statements	To be submitted by the party

issued no later than five (5) days from the Application date.	
4. The solvency certificate of the Applicant's business, including the solvency certificate of the parent company's business, issued by the competent court, indicating that the Applicant or the parent company is not in bankruptcy;	ERO should this document from KJC, based on the principle of administrative assistance and ex officio action. The party only needs to confirm that they possess this document.
5. Evidence from tax authorities that the Applicant, including the parent company, has no tax liabilities;	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
6. Evidence of ownership rights and legal ownership of the property where the New Generating Capacities will be constructed;	It should be submitted by the party.
7. Feasibility study, both technical and financial, for projects with installed capacity above 1 MW;	This document must be submitted by the party.
8. A pre-contract or Contract for Design, Procurement and Construction (EPC);	This document must be from the party.
9. A business plan containing the technical parameters of the project and the financial plan describing the financing method, including the total investment cost and financing method; economic and financial assessment of the project including financial statements; static and dynamic investment assessment (PBP, NPV, IRR and BP);	This document must be submitted by the party.
10. The municipal act confirming that the proposed Energy Project is permitted according to the development or spatial plans of the Municipality;	This document must be submitted by the party.
11. The connection agreement with the relevant system operator;	This document must be submitted by the party.
12. Environmental Consent issued by the relevant authority, if required for the project concerned;	ERO should request this document from the Ministry of Environment, Spatial Planning and Infrastructure (MESPI), based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.

13. Water rights if a water permit is required for the project concerned based on the Law on Waters of Kosovo;	This document must be submitted by the party.
14. The construction permit issued by the Ministry responsible for construction or by the relevant Municipality, depending on the authority that issues the permit according to the Law on Construction.	Ministry of Environment, Spatial Planning and Infrastructure (MESPI) or the Municipality, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.

2. Recommendations

1. Amend Article 43 of the Law on Energy Regulatory Office to specify this type of authorization explicitly.
2. Extend the deadline for this type of authorization.
3. Some necessary documents for applying for this authorization need to be verified according to the principle of administrative assistance and ex officio action identified according to a statement under oath.
4. The authorization fee is paid in case of approval of the application and issuance of the decision for approval.
5. Determine exactly whether natural persons can apply for this authorization.
6. Publish the notice according to Article 13 of the Rule - ERO/No. 03/2022, published by ERO on the website.
7. Submission of clarifications by the party should be done until the moment of the final decision, within the maximum 90-day review period, amending Article 14.2 of the Rule - ERO/No. 03/ 2022.
8. Amend Articles 9 and 10 of the Rule - ERO/No. 03/2022, because the types of licenses must be determined by law.

3. Justification of recommendations

1. In terms of Article 43 of the Law on ERO, the designation of this type of authorization as Authorization for the construction of new wind capacities is not defined by law. Article 43 of the Law on ERO only defines the possibility of building new capacities, without specifying the types of renewable energy, even though they are mentioned in special laws. However, in the Law on ERO, the full name of the types of authorizations issued by ERO should be defined, based on the special laws applied by ERO, such as: Law No. 05/L – 085 for Energy; Law No. 05/L – 085 on Electricity; Law No. 05/L-082 on Natural Gas; Law No. 05/L-052 on Thermal Energy. To have a concrete legal basis, Article 43 of the Law on ERO should be amended or another article should be added to define the types of authorizations, based on the areas of renewable energy in which it is issued.

2. The issue of the term and duration of these types of authorization should be clarified. Article 17 of the Rule - ERO/No. 03/2022 on Authorization Procedure the Construction of Energy Projects stipulates the duration of the authorization for 24 months and the possibility that this type of authorization can be extended for another 12 months, if it is proven that the circumstances were not under the control of the applicant. Considering the importance of the duration of these types of authorizations for the parties involved, the

possibility of extending the duration of these authorizations to up to five (5) years, with a minimum duration of 3 years, should be explored. Such a thing can be determined by a rule issued by ERO or the amendment of the regulation, to determine a longer period of validity of the authorizations, in order to have a more flexible and facilitating approach to the parties regarding this type of authorization.

3. Regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath. Regarding the documents, we refer to Section 1.5.

4. Regarding the fee, ERO should make efforts to enable the parties to pay the initial fee after the procedure is completed and their request is approved. This would ease the administrative burden of the parties and implement the principle recognized by LGAP, for conducting a procedure without financial burdens for the party. The license review fee, when requested by ERO according to Article 36.2, is recommended to be waived.

5. According to Article 1 of the Rule - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects, the term “Applicant” is defined as follows: “any natural or legal person, established as limited liability company or shareholder, willing to construct an Energy Project and applying at the ERO for Authorization”. For this reason, ZRRE should specify in a separate article of the regulation for the authorization procedure who has the right to apply for this type of authorization and whether it can be done by natural persons or only legal entities.

6. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 13 of Rules - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects.

7. To facilitate access within this type of authorization, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of authorization, based on Article 94 of LGAP. This requires an amendment to Article 14 and other articles of RULE - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects, based on Article 94 of LGAP.

8. Considering that Article 17 of LPLS stipulates that permits and licenses must be provided only by law, this also affects the matter of Articles 9 and 10 of Rule - ERO/No. 03/2022 on Authorization Procedure for Construction of Energy Projects, because as stated in the first recommendation, the types of these authorizations must be determined only by law.

12. ELECTRICITY OR NATURAL GAS TRANSIT, IMPORT OR EXPORT ACTIVITY LICENSE

1. Legal basis for issuing the permit/license:

The legal basis of this license is defined in Article 28, paragraph 2.10. This subparagraph of Article 28.2 refers to the supply of electricity, thermal energy or natural gas, including transit, import or export of electricity or natural gas.

1.2 The activity for which the permit/license is issued:

This license is aimed at allowing licensed entities to operate in the energy market in Kosovo solely if they meet the conditions and criteria for such activities related to transport, export and import of energy.

1.3 Validity period of the permit/license:

Depending on the financial situation of the applicant, but not more than five (5) years and not less than one (1) year.

1.4. Payment of fees

€ 1,000 (One thousand EUR). Initial payment: 500 Euro (five hundred Euro)– Payment for review or modification/changes or extension, and license transfer.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
1. Copy of the Registration Certificate, issued by the Kosovo Business Registration Agency, where the applicant is required by law to register the business in Kosovo;	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Company charger or an agreement for establishing a business organization;	This document should be submitted by the party.
3. The applicant's business plan on energy activities to be covered by the license, for at least the next three (3) years;	This document should be submitted by the party.
4. Applicant's annual financial statements for the last three (3) years. These financial statements must be audited by licensed and independent financial auditors. The applicant shall submit the report of the auditors separately from the financial statement, and the newly created enterprise shall submit a financial statement and information on the experience of its partners or shareholders, if any, in the performance of similar energy activities;	This document should be submitted by the party.
5. Evidence from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee for the applicant or parent company, or similar evidence of	This document should be submitted by the party.

the availability of sufficient funds to fund the activity for which the license is requested);	
6. Certificate by the competent body that the applicant fulfills the legal obligations related to tax payment (Certificate of Tax Administration of Kosovo);	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
9. Biographies (CVs) of the applicant's management staff and other senior personnel, along with their qualifications;	The party only needs to declare this through a statement under oath.
10. Information on the organizational structure (management and professional staff) of the applicant;	The party only has to declare this through a statement under oath, as these are in the charter of the holder. This document must be eliminated.
11. Proof of payment of the applicable licensing fee (in accordance with Article 4 paragraph 5 of this Rule);	This document should be submitted by the party.
12. Evidence of publication of the Notice in two (2) daily newspapers with wide circulation in Kosovo (in accordance with Article 6 of the this rule).	This announcement should be made by the body and not by the party. This requires amending the regulations.

2. Recommendations:

1. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;
2. Certain documents shall be avoided, and those shall be verified according to the principle of the conducting the procedure ex officio, or the principle of legal assistance of the authorities or through a statement under oath;
3. The reapplication for a license shall be made ex officio by the ERO;
4. The publication of the application notice should be done by ERO;
5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO;
7. Extend the deadline for this License.

3. Justification of recommendations

1. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: "the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization". However, through this internal regulation, to make it easier for the parties, the

matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw.

2. With the aim of facilitating and reducing the administrative burden for the party, regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath. Regarding documents, we refer to Section 1.5.

3. In the case of license renewal, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 6 of Rules - ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate access of this type of license, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.

7. With the aim of facilitating and reducing administrative burden, the minimum duration of this license should be extended, requiring an amendment to Article 32 of the Law on ERO to modify the minimum duration of this license to one year.

13. ELECTRICITY DISTRIBUTION ACTIVITY LICENSE

1. Legal basis for issuing the permit/license:

The legal basis of this license is defined in Article 28, paragraph 2.6, which determines the electricity distribution, including the distribution system operation.

1.2 The activity for which the permit/license is issued:

This license aims at allowing licensed entities to operate in the energy market in Kosovo only if they meet the conditions and criteria for electricity distribution activity.

1.3 Validity period of the permit/license:

Depending on the lifespan of the assets used for performing the relevant activity, duration can not exceed a period of forty (40) years.

1.4. Payment of fees

1,000.00 Euro - Initial payment: (one thousand Euro). 500 EUR (five hundred EUR) - Payment for review or modification/changes or extension, and license transfer.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
1. Copy of the Registration Certificate, issued by the Kosovo Business Registration Agency, where the applicant is required by law to register the business in Kosovo;	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Company charger or an agreement for establishing a business organization;	This document should be submitted by the party.
3. The applicant's business plant on energy activities to be covered by the license, for at least the next three (3) years;	This document should be submitted by the party.
4. Applicant's annual financial statements for the last three (3) years. These financial statements must be audited by licensed and independent financial auditors. The applicant shall submit the report of the auditors separately from the financial statement, and the newly created enterprise shall submit a financial statement and information on the experience of its partners or shareholders, if any, in the performance of similar energy activities;	This document should be submitted by the party.
5. Evidence from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee for the applicant or parent company, or similar evidence of the availability of sufficient funds to fund the activity for which the license is requested);	This document should be submitted by the party.
6. Certificate by the competent body that the applicant fulfills the legal obligations related to tax payment (Certificate of Tax Administration of Kosovo);	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.

9. Biographies (CVs) of the applicant's management staff and other senior personnel, along with their qualifications;	The party only needs to declare this through a statement under oath.
10. Information on the organizational structure (management and professional staff) of the applicant;	The party only has to declare this through a statement under oath, as these are in the charter of the holder. This document must be eliminated.
11. Proof of payment of the applicable licensing fee (in accordance with Article 4 paragraph 5 of this Rule);	This document should be submitted by the party.
12. Evidence of publication of the Notice in two (2) daily newspapers with wide circulation in Kosovo (in accordance with Article 6 of the this rule).	This announcement should be made by the body and not by the party. This requires amending the regulations.

Rule ERO/No. 07/2017, Article 12 defines the specific documents for the distribution system operators, as follows:

1. A description of the relevant characteristics of the distribution system or systems, along with their technical characteristics and territory for the electricity, thermal energy and natural gas distribution.
2. Evidence related to the ownership or legal right to use the system elements;
3. Indicators for the system development, as defined in Article 10 of the Law on Energy, Article 15, paragraph 3, subparagraph 3.2 of the Law on Thermal Energy, and Article 22 of the Law on Natural Gas, as appropriate;
4. Evidence regarding the expected number and structure of connected and potential consumers;
5. Evidence of the capability and availability of the necessary hardware and software system, along with all necessary financial, human and technical resources for the applicant to fulfill the tasks specified in Article 16 of the Law on Electricity and Article 18 of the Law on Natural Gas, as appropriate.
6. Indicators for measuring the quality of energy supply (duration, frequencies, number of interruptions, interruptions expressed in minutes per consumer, etc.) and services in the operation of the system (general information, agreements for meter reading, connection time, failures, restoration of the energy system after failures, etc.);
7. Technical specifications and characteristics of measuring devices of the distribution system; and
8. Agreement for connection to the transmission system.

All specific documents must be submitted by the party.

2. Recommendations:

1. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;
2. Certain documents shall be avoided, and those shall be verified according to the principle of the conducting the procedure ex officio, or the principle of legal assistance of the authorities or through a statement under oath;
3. The reapplication for a license shall be made ex officio by the ERO;
4. The publication of the application notice should be done by ERO;

5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO.

3. Justification of recommendations

1. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: “the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization”. However, through this internal regulation, to make it easier for the parties, the matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw.

2. With the aim of facilitating and reducing the administrative burden for the party, regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath, based on Section 1.5.

The other evidence prescribed for this license must remain the same, due to the importance they have to prove the specific elements required for this license.

3. In the case of license renewal, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 6 of Rules - ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate the party's access within this type of authorization, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.

14. ELECTRICITY OR NATURAL GAS OPERATOR ACTIVITY LICENSE

1. Legal basis for issuing the permit/license:

The legal basis of this license is defined in Article 28, paragraph 2.12, which determines the electricity or natural gas market operation.

1.2 The activity for which the permit/license is issued:

This license is aims at allowing licensed entities to operate in the energy market in Kosovo only if they meet the conditions and criteria for such activities.

1.3 Validity period of the permit/license:

For activities of organized market operator, depending on the financial situation of the applicant, maximum duration of twenty-five (25).

1.4. Payment of fees

1,000.00 Euro - payment: (one thousand Euro). 500 Euro (five hundred Euro) - Payment for review or modification/changes or extension, and license transfer.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
1. Copy of the Registration Certificate, issued by the Kosovo Business Registration Agency, where the applicant is required by law to register the business in Kosovo;	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Company charger or an agreement for establishing a business organization;	This document should be submitted by the party.
3. The applicant's business plant on energy activities to be covered by the license, for at least the next three (3) years;	This document should be submitted by the party.
4. Applicant's annual financial statements for the last three (3) years. These financial statements must be audited by licensed and independent financial auditors. The applicant shall submit the report of the auditors separately from the financial statement, and the newly created enterprise shall submit a financial statement and information on the experience of its partners or shareholders, if any, in the performance of similar energy activities;	This document should be submitted by the party.

5. Evidence from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee for the applicant or parent company, or similar evidence of the availability of sufficient funds to fund the activity for which the license is requested);	This document should be submitted by the party.
6. Certificate by the competent body that the applicant fulfills the legal obligations related to tax payment (Certificate of Tax Administration of Kosovo);	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
9. Biographies (CVs) of the applicant's management staff and other senior personnel, along with their qualifications;	The party only needs to declare this through a statement under oath.
10. Information on the organizational structure (management and professional staff) of the applicant;	The party only has to declare this through a statement under oath, as these are in the charter of the holder. This document must be eliminated.
11. Proof of payment of the applicable licensing fee (in accordance with Article 4 paragraph 5 of this Rule);	This document should be submitted by the party.
12. Evidence of publication of the Notice in two (2) daily newspapers with wide circulation in Kosovo (in accordance with Article 6 of the this rule).	This announcement should be made by the body and not by the party. This requires amending the regulations.

Rule ERO/No. 07/2017, Article 11 defines the specific documents for the market operator license, as follows:

1. Evidence of possession of hardware and software necessary for communication with all measurement points, with all market participants, and
2. The statement that the applicant is aware of the obligations to develop and implement the Market Rules

The specific documents must be submitted by the party.

2. Recommendations:

1. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;
2. Certain documents shall be avoided, and those shall be verified according to the principle of the conducting the procedure ex officio, or the principle of legal assistance of the authorities or through a statement under oath;
3. The reapplication for a license shall be made ex officio by the ERO;
4. The publication of the application notice should be done by ERO;

5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO.

3. Justification of recommendations

1. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: “the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization”. However, through this internal regulation, to make it easier for the parties, the matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw.

2. With the aim of facilitating and reducing the administrative burden for the party, regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath, according to Section 1.5.

The other evidence prescribed for this license must remain the same, due to the importance they have to prove the specific elements required for this license.

3. In the case of license renewal, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 6 of Rules - ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate access to this type of license, the application should not be rejected if the applicant does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.

15. LICENSE FOR ELECTRICITY TRANSMISSION SYSTEM OPERATOR ACTIVITY

1. Legal basis for issuing the permit/license:

The legal basis of this license is defined in Article 28, paragraph 2.4, which defines the electricity transmission, including the transmission system operation.

1.2 The activity for which the permit/license is issued:

This license is aims at allowing licensed entities to operate in the energy market in Kosovo only if they meet the conditions and criteria for such activities.

1.3 Validity period of the permit/license:

For activities of the transmission system operator, depending on the lifespan of the assets used for performing the relevant activity, maximum duration is thirty (30) years.

1.4. Payment of fees

1,000.00 Euro - payment: (one thousand Euro). 500 Euro (five hundred Euro) - Payment for review or modification/changes or extension, and license transfer.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
1. Copy of the Registration Certificate, issued by the Kosovo Business Registration Agency, where the applicant is required by law to register the business in Kosovo;	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Company charger or an agreement for establishing a business organization;	This document should be submitted by the party.
3. The applicant's business plant on energy activities to be covered by the license, for at least the next three (3) years;	This document should be submitted by the party.
4. Applicant's annual financial statements for the last three (3) years. These financial statements must be audited by licensed and independent financial auditors. The applicant shall submit the report of the auditors separately from the financial statement, and the newly created enterprise shall submit a financial statement and information on the experience of its partners or shareholders, if any, in the performance of similar energy activities;	This document should be submitted by the party.
5. Evidence from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee for the applicant or parent company, or similar evidence of	This document should be submitted by the party.

the availability of sufficient funds to fund the activity for which the license is requested);	
6. Certificate by the competent body that the applicant fulfills the legal obligations related to tax payment (Certificate of Tax Administration of Kosovo);	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
9. Biographies (CVs) of the applicant's management staff and other senior personnel, along with their qualifications;	The party only needs to declare this through a statement under oath.
10. Information on the organizational structure (management and professional staff) of the applicant;	The party only has to declare this through a statement under oath, as these are in the charter of the holder. This document must be eliminated.
11. Proof of payment of the applicable licensing fee (in accordance with Article 4 paragraph 5 of this Rule);	This document should be submitted by the party.
12. Evidence of publication of the Notice in two (2) daily newspapers with wide circulation in Kosovo (in accordance with Article 6 of the this rule).	This announcement should be made by the body and not by the party. This requires amending the regulations.

Rule ERO/No. 07/2017, Article 10 defines the specific documents for the transmission system operator license, as follows:

1. Description of all transmission systems owned and/or operated by the applicant, along with information on ownership rights to use system elements, within Kosovo;
2. The system development plan, defined in Article 10 of the Law on Energy or Article 18, subparagraph 6.1 of the Law on Natural Gas;
3. Information on current and planned cross-border capacities;
4. Evidence of the capability and availability of the necessary hardware and software system, along with all necessary financial, human and technical resources for the applicant to fulfill the tasks specified in Article 16 of the Law on Electricity and Article 18 of the Law on Natural Gas, as appropriate.
5. Technical specifications and characteristics of measuring devices in the electricity dispatching points; and
6. Statement that the applicant will develop and implement all technical codes, as defined in the Law on Electricity and the Law on Natural Gas.

All specific documents must be submitted by the party.

2. Recommendations:

1. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;
2. Certain documents shall be avoided, and those shall be verified according to the principle of the conducting the procedure ex officio, or the principle of legal assistance of the authorities or through a statement under oath;
3. The reapplication for a license shall be made ex officio by the ERO;
4. The publication of the application notice should be done by ERO;
5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO.

3. Justification of recommendations

1. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: “the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization”. However, through this internal regulation, to make it easier for the parties, the matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw.

2. With the aim of facilitating and reducing the administrative burden for the party, regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath, based on Section 1.5.

The other evidence prescribed for this license must remain the same, due to the importance they have to prove the specific elements required for this license.

3. In the case of license renewal, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 6 of Rules - ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate the party's access within this type of authorization, the application should not be rejected if the party does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.

16. ELECTRICITY GENERATION ACTIVITY LICENSE

1. Legal basis for issuing the permit/license:

The legal basis of this license is defined in Article 28, paragraph 2.1, which determines the electricity generation.

1.2 The activity for which the permit/license is issued:

This license aims at allowing the licensed entities to operate in the energy market in Kosovo only if they meet the conditions and criteria for such an activity, based on special laws on electricity generation.

1.3 Validity period of the permit/license:

Depending on the lifespan of the assets used for performing the relevant activity, duration can not exceed a period of forty (40) years.

1.4. Payment of fees

1,000.00 Euro - payment: (one thousand Euro). 500 Euro (five hundred Euro) - Payment for review or modification/changes or extension, and license transfer.

<i>1.5 Documents required for application:</i>	<i>Recommendations for reducing the burden, according to the LGAP</i>
1. Copy of the Registration Certificate, issued by the Kosovo Business Registration Agency, where the applicant is required by law to register the business in Kosovo;	It must be verified by KBRA, upon request by ERO, following the principle of ex officio action and administrative assistance. The party only needs to confirm that they possess this document.
2. Company charger or an agreement for establishing a business organization;	This document should be submitted by the party.
3. The applicant's business plant on energy activities to be covered by the license, for at least the next three (3) years;	This document should be submitted by the party.
4. Applicant's annual financial statements for the last three (3) years. These financial statements must be audited by licensed and independent financial auditors. The applicant shall submit the report of the auditors separately from the financial	This document should be submitted by the party.

statement, and the newly created enterprise shall submit a financial statement and information on the experience of its partners or shareholders, if any, in the performance of similar energy activities;	
5. Evidence from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee for the applicant or parent company, or similar evidence of the availability of sufficient funds to fund the activity for which the license is requested);	This document should be submitted by the party.
6. Certificate by the competent body that the applicant fulfills the legal obligations related to tax payment (Certificate of Tax Administration of Kosovo);	ERO should this document from the Tax Administration, based on the principle of administrative assistance and ex officio duty. The party only needs to confirm that they possess this document.
9. Biographies (CVs) of the applicant's management staff and other senior personnel, along with their qualifications;	The party only needs to declare this through a statement under oath.
10. Information on the organizational structure (management and professional staff) of the applicant;	The party only has to declare this through a statement under oath, as these are in the charter of the holder. This document must be eliminated.
11. Proof of payment of the applicable licensing fee (in accordance with Article 4 paragraph 5 of this Rule);	This document should be submitted by the party.
12. Evidence of publication of the Notice in two (2) daily newspapers with wide circulation in Kosovo (in accordance with Article 6 of the this rule).	This announcement should be made by the body and not by the party. This requires amending the regulations. Publication on website

Rule ERO/No. 07/2017, Article 9 defines the specific documents for generation license.

1. Information on the main and auxiliary energy facilities, their type, technical specifications, and data on the location of energy facilities;
2. Evidence of fuel procurement and/or the preliminary or final fuel supply contract (where applicable);
3. Environmental permit, issued by the competent institution (where applicable);
4. Evidence of thermal efficiency (where applicable).

All specific documents must be submitted by the party, except for the environmental permit, which must be requested from the MESPI ex officio by ERO, in order to reduce the administrative burden on the party.

2. Recommendations:

1. Determine whether a natural person or only a legal person (enterprise) applies for this license, defining the term applicant;

2. Certain documents shall be avoided, and those shall be verified according to the principle of the conducting the procedure ex officio, or the principle of legal assistance of the authorities or through a statement under oath;
3. The reapplication for a license shall be made ex officio by the ERO;
4. The publication of the application notice should be done by ERO;
5. The party is given the opportunity to provide additional evidence, until the final decision on the license is made;
6. The application fee shall be paid upon approval of the application, and the license review fee shall be waived when requested by the ERO.

3. Justification of recommendations

1. Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in Article 2 defines the term Applicant as follows: “the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization”. However, through this internal regulation, to make it easier for the parties, the matter of application for citizens should be specified by determining for which licenses individuals can apply and for which legal entities. This can be achieved through amending and supplementing the bylaw.

2. With the aim of facilitating and reducing the administrative burden for the party, regarding the respective documents that the party must submit, upon application, some of them can be verified according to the principle of legal assistance between authorities as well as the principle of ex officio conduct of the procedure or through a statement under oath, according to Section 1.5.

The other evidence prescribed for this license must remain the same, due to the importance they have to prove the specific elements required for this license.

3. In the case of license renewal, the ERO should act ex officio and inform the party as well as request the provision of information from the party, as needed for the renewal of the license. This can be done by amending the rules established by bylaws regulating the license review procedure by the ERO.

4. The publication of the notice after the application should not be done by the party in the relevant newspapers. This should be done by ERO. ERO, according to the principle of conducting the procedure ex officio, should publish the notice for the application of this type of authorization. Such an approach would help the party and reduce its administrative burden. The party must be informed of the respective publication according to Article 6 of Rules - ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, for which the party must be notified.

5. To facilitate access to this type of license, the application should not be rejected if the applicant does not fully meet the documentation requirements. In this case, ERO should allow for clarification until the final decision is made for this type of license, based on Article 94 of LGAP. This requires an amendment to relevant articles of the Rule ERO/No. 07/2017 on Licensing of Energy Activities in Kosovo, in order to enable the party to submit evidence and clarifications, until the end of the deadline for decision.

6. With the aim of reducing the administrative burden for the parties, the application fee should be paid at the end, upon approval of the decision. While the modification fee for the license requested by the ERO should be waived. To achieve this, internal regulations governing the license review procedure and the respective regulations for fees need to be amended.