Kosovo electric vehicle policy

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The primary barriers to electric vehicle (EV) adoption in Kosovo are cost and charging infrastructure (Electric Mobility, 2023). In terms of cost, EVs are priced on average EUR 10,000

Additional resources are needed to ensure that targets for the energy-efficient renovation of public, commercial and residential buildings are reached, the adoption of electric vehicles progresses and large infrastructure projects, such as the electrification of Kosovo''s railways and the Kosovo-Albania rail link can be realised.

On 22 May 2024, the KUSA Energy and Environment Team held an Alumni Talk in which they presented their position paper on the adoption of electric vehicles (EVs) in Kosovo. The presentation highlighted the environmental and economic benefits of EVs, including reduced emissions and potential job creation.

In this paper new approach of Integrating EV in a (Re) evolutionary way in the Power System of Kosovo is presented. In order to have the most efficient use of energy during the switch to EV, we proposed that charging of the EV to be done at night where there is a surplus of electricity.

In March this year, Kosovo has adopted its long-awaited new Energy Strategy, followed by an Implementation Programme in September. With this new strategy, Kosovo outlines its energy policy ambitions for the upcoming decade (2022-2031).

The strategy marks a turning point in Kosovo''s energy policy, making clear that the country is aiming at reducing its heavy reliance on outdated, lignite-based generation capacities, which constituted more than 90% of electricity production in 2021. This includes setting aside previous plans for a new lignite power plant. Instead, the strategy focuses on increasing generation capacities from renewable sources.

In addition, the strategy foresees steps towards reducing lignite-based electricity generation capacities upon which the country is still heavily depending. To this end, one or two of the operational lignite units of power plant Kosovo A are planned to be decommissioned, while the remaining one or two units (opened in 1970/71) shall serve as a strategic reserve. The two units of power plant Kosovo B (opened in 1983/84) are designated for extensive retrofitting to comply with air pollution regulation requirements.

To reach these envisioned targets, the corresponding Implementation Programme – adopted in September this year – outlines a series of policy measures.

The targets and measures foreseen in the strategy are ambitious, especially given the timeframe covered by strategy. Still, as modelling results by the German Economic Team show, a successful implementation of the capacity volumes planned until 2031 is sufficient to achieve a RES share in gross final energy consumption of over 35%. However, achieving this requires quick and effective implementation to ensure that a solid regulatory framework for RES investments is in place to allow the initiation of the construction of the planned solar PV and wind parks as well as storage capacities.

Aside from the speed of implementation, securing sufficient financial means for the ambitions outlined in the Energy Strategy is another key condition for successful implementation. Some of the measures outlined above have already secured financing through Kosovo"s government budget and/or donors and international financial institutions (IFIs). Important examples include the EPC tenders for solar PV and solar thermal district heating as well as the battery storage.

To secure the necessary financial means, more funding needs to be committed from the government budget. To this end, the government could reduce quasi-fiscal energy subsidies through its state-owned companies (KEK and KOSTT) and repurpose the freed-up resources for grid investments and targeted support to renewable energy and energy efficiency.

Kosovo is on course for a renaissance in energy sector investments. The new Energy Strategy is ambitious, but its targets can be achieved if implementation is followed through quickly and efficiently and backed with sufficient additional financial resources.

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