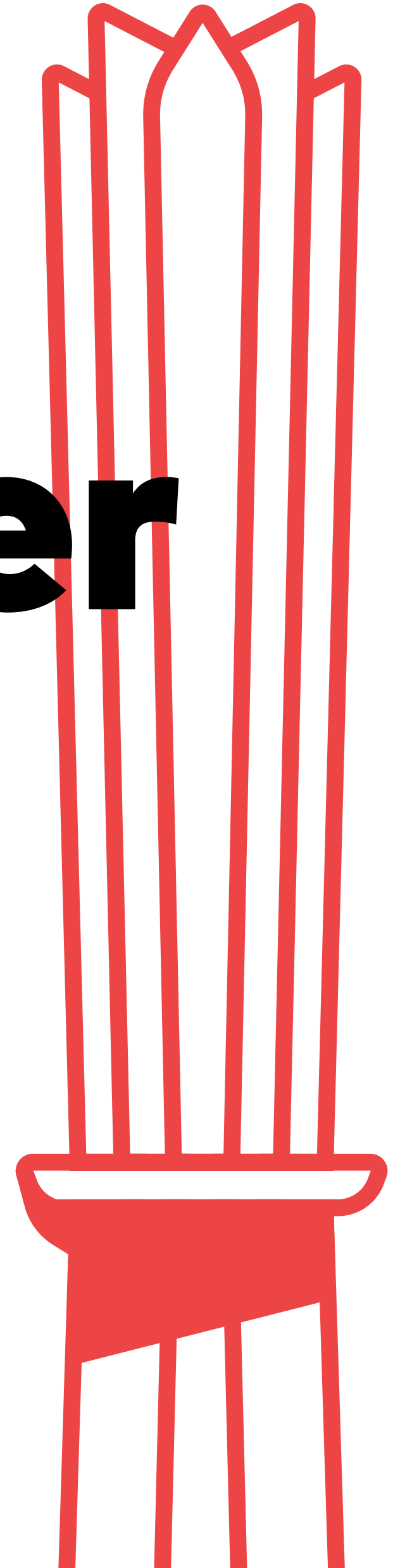


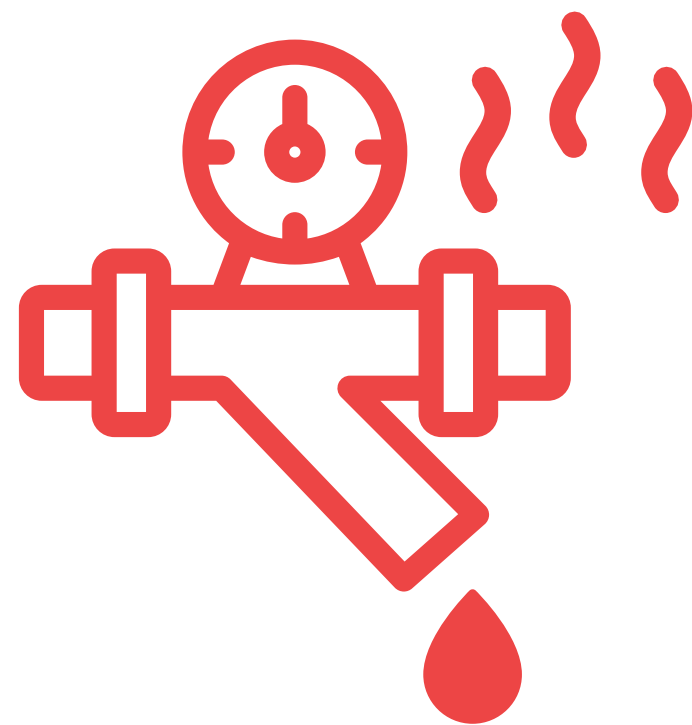
Prishtina HeatSave Donor and Stakeholder Consultation



THE PROJECT BACKGROUND

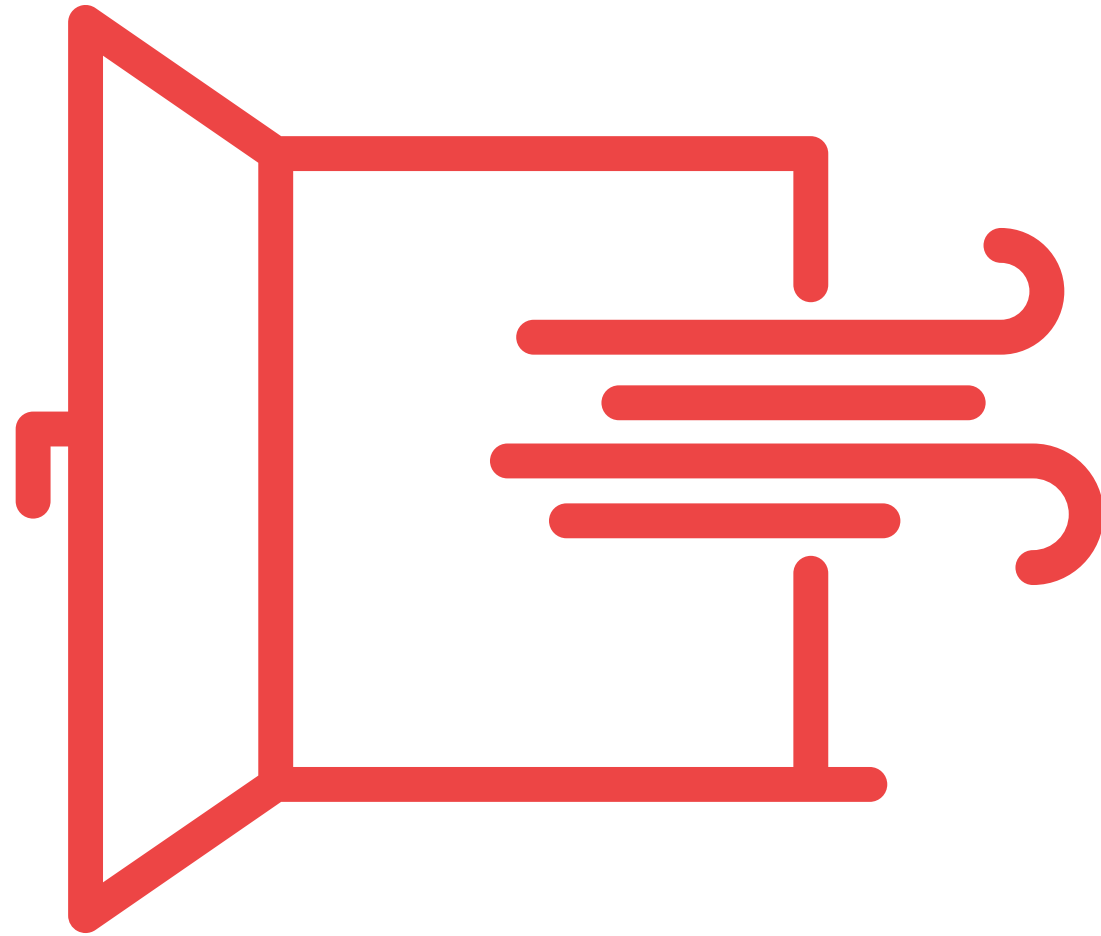
District heating service in Prishtina is provided by Termokos, which is an enterprise owned by the Municipality of Prishtina. Termokos provides service for approximately 14,000 apartments in Prishtina through distribution of piped hot water heat from a central plant. This number is permanently increasing.

14,000



Reasons why district heating presently is not cost-effective are that:

1. Individual households cannot control the heating flow in their own heating system
2. Its use is billed based on surface area (m²) rather than on actual consumption



THE PROJECT AIM

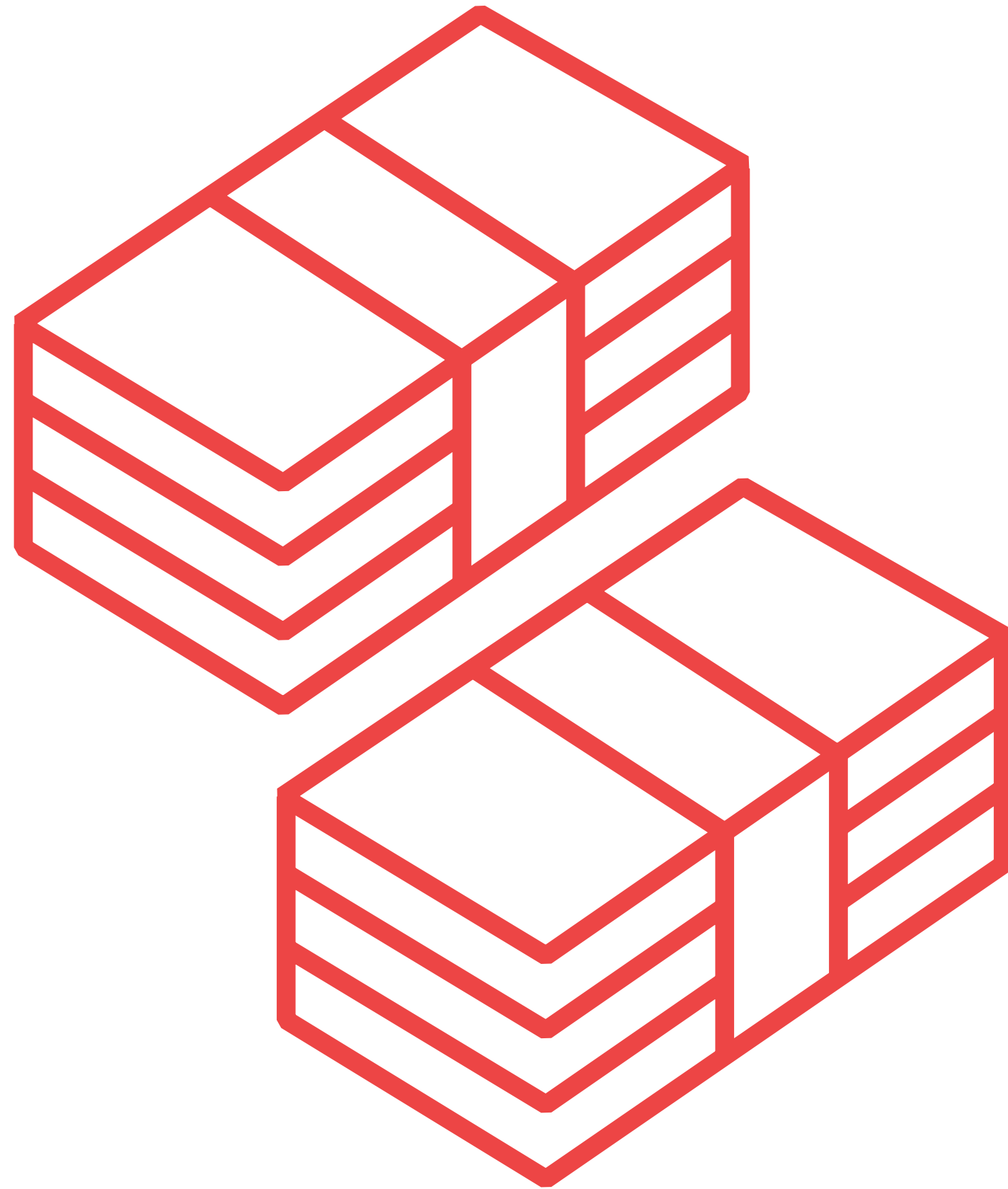
- To change the mindset of use of the “open-window” technique to regulate temperature and help testing the cost-effectiveness by charging households for the actual energy they use
- To facilitate energy savings to allow for expansion of the district heating network and service in Prishtina

THE PROJECT OBJECTIVES

The overall project objectives are outlined and specified in MFK/MCC Contract Agreement and more detailed in till now approved deliverables, and mainly defined to identify barriers and implement solutions for:

- Switching to Consumption Based Billing (CBB) as Energy Efficiency (EE) model for Kosovo's economy

- Developing a tariff model where consumer bills reflect individual consumption
- Develop strategies and policies that promote inclusion of women and socially excluded group by promoting employment, increasing their involvement in decision making, develop policies to address needs of individual consumers from a gender perspective by also targeting socially excluded group members.

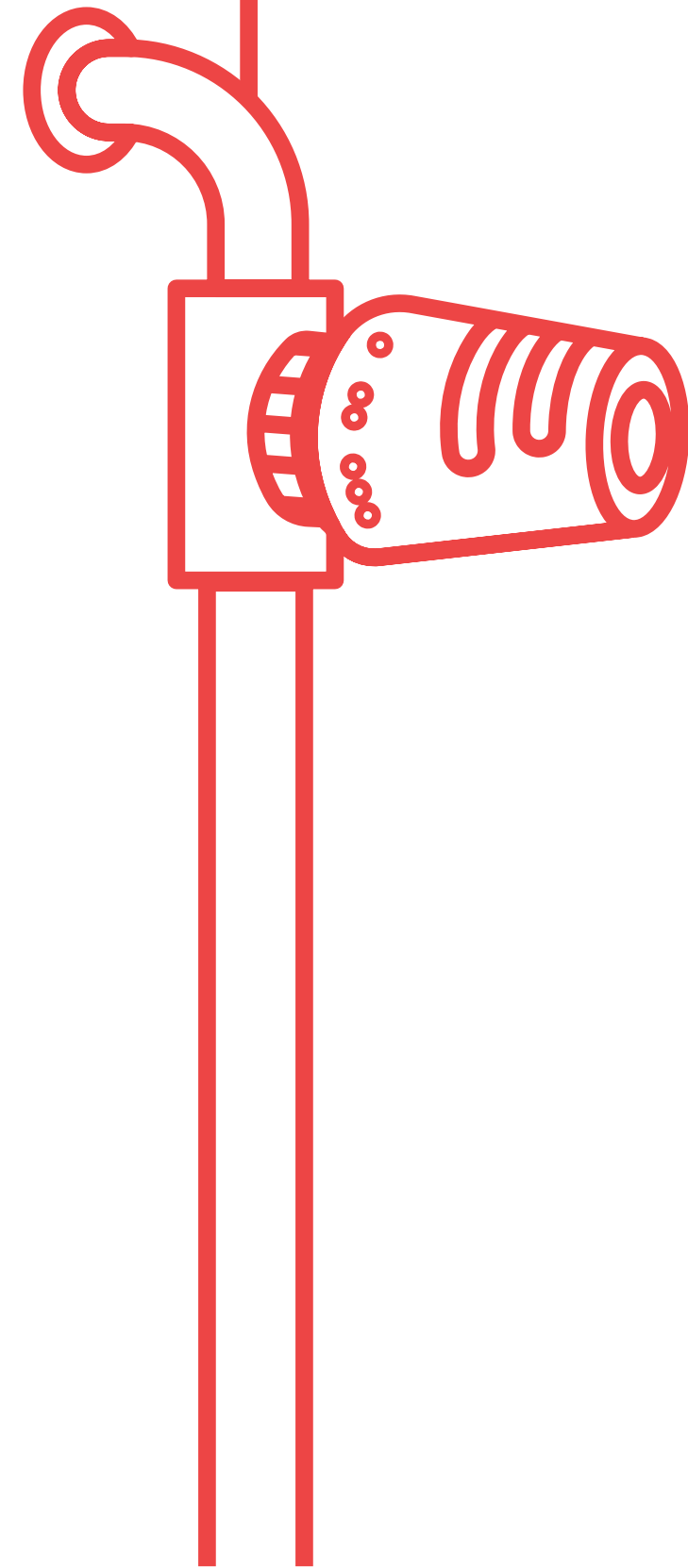


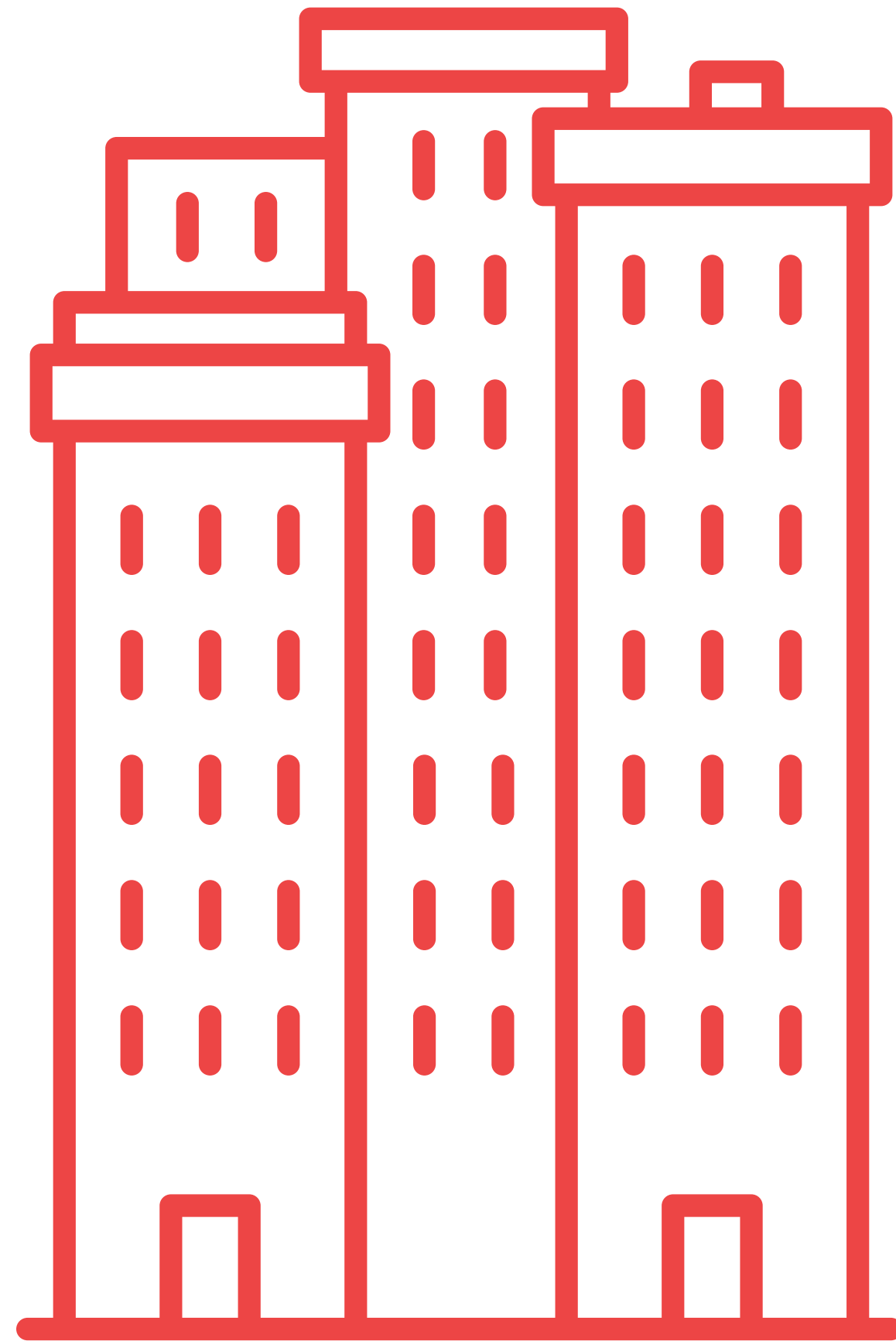
THE PROJECT IMPORTANCE

- The demand for energy-based metering is of critical importance for increasing the efficient use of district heating resources, contributing to energy efficiency and to socially-efficient outcomes through adoption of tariffs which aim to emulate a situation where the marginal cost of the unit consumed equals the marginal benefit of the customers.
- Subject to adequate metering being available, it is possible for ERO to adopt capacity and energy charges to customers. This is ongoing activity!

THE PROCUREMENT PROCESS — TENDER PUBLISHING

- MFK has recently, on 11th of March, published the Specific Procurement Notice for Supply, Installation, Maintenance of relevant equipment and services for the introduction of consumption-based heat metering and thermostatic heating valves in District Heating, Prishtina.
- Pre-Bid Conference — is planned for next Tuesday, 23rd of March

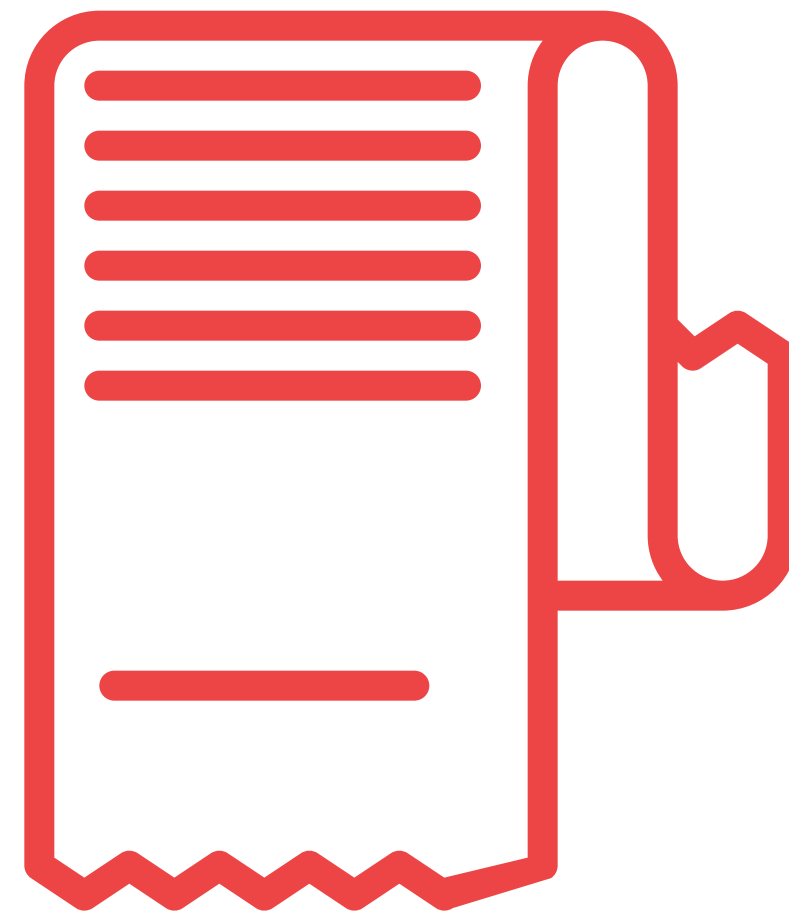




BASELINE BUILDINGS TECHNICAL STUDY

- Baseline Study was conducted with the main purpose to identify actual status of the selected MAB's as part of DHM project, as a prerequisite to prepare accurate BD and to define correct limits of delivery of goods and services.
- The Baseline Study was implemented in pre-determined households/building, including the profile of participating HHs based on DH secondary system typology.

2.740 Apartments



BASELINE STUDY RESULTS

- From in total 287 buildings (residential, mixed residential/commercial usage) which are within the scope of DHM project, 53 buildings have been selected for the building surveys thus are included in the baseline study report.
- This represents about 18% of the buildings or 2.740 apartments.
- The baseline heat demand of all 287 buildings is about 118 GWh.
- The expected saving potential resulting from consumption-based billing compared to flat-rate billing is considered being about 20% in average, respectively 24 GWh (=118GWh*20%)

SCOPE AND LIMITS OF GOODS AND SERVICES

Investment from approx. 8 million USD

- Around 72,000 thermostatic valves by approx. 14,500 costumers
- Around 4,300 heat meters and 50,000 Heat Cost Allocators (HCA)

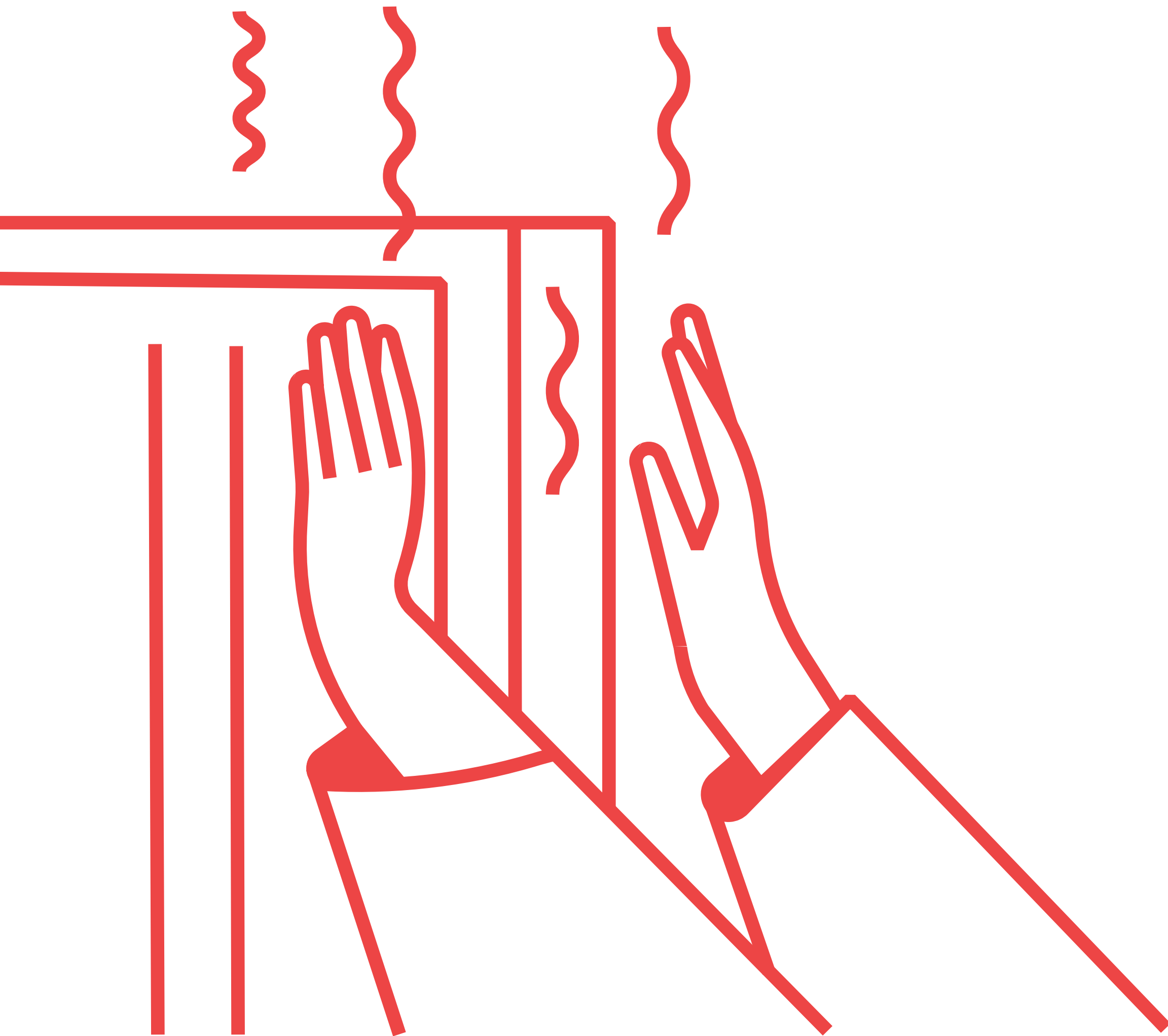
**up to
10 million \$**



- Heat distribution equipment
- Heat control equipment
- Heat metering and billing system



- Heat Extended Support period (optimization of metering and billing software)



THE PROJECT SPECIFIC TASKS —BEHAVIOUR CHANGE & OUTREACH

- The BC&O campaign is seen as very important task of enabling success of the DHM.
- The role of this campaign is to raise public awareness of possibilities and advantages of carrying out energy saving measures in the MAB sector and individual houses, and to help customers see District Heat Metering and demand-side energy efficiency investments, affecting end-consumers behavior, as a viable solution to reducing heating bills.

THE PROJECT SPECIFIC TASKS —HOUSEHOLD SURVEY

- A very comprehensive Household Survey is conducted to collect required information for the conception of the BC&O campaign.
- The overall objective of the survey was to provide insight on the level of satisfaction with the provision of district heating services in Prishtina. The sample size was 1,200 HH, that is, 10 % of the households concerned by the project.





THE PROJECT SPECIFIC TASKS—HH SURVEY

- The survey gives us valuable information for the conception of the BC&O campaign:
- Perceived value and satisfaction with district heat
- Space heating preferences, source preferences
- Energy use behaviours
- Role of gender in space heating practices
- Demographics and socio-economic features of the households

HH SURVEY KEY FINDINGS

72.3 % of the apartments are owned by the dwellers, whereas 27.7 % are tenants.

The average size of an apartment is 72 m², with 1.8 bedrooms, and each room normally has got its radiator.

Only in very rare cases radiators are not used for the purpose to save costs: Most HH wouldn't save costs by not heating, because for most this is not yet possible!

About 12 % of HHs do have a temperature control system and also use it, so the system is not completely unknown.

90 % answer that they'd be INTERESTED or VERY INTERESTED (66.4 %) in making savings by heat controlling.

47 %

70 %

HH SURVEY KEY FINDINGS

47 % of the HH get too warm from time to time, and this is regulated in 70 % of the cases by opening the windows.

People are not used to making complaints about their heating system.

- Haven't ever had a reason to complain (47 %),
- Choose not to complain – only 0.4 %
- Didn't complain because they didn't know where to complain (99.4 % of those who did complain addressed Termokos).
- Apparently, they believe a complaint wouldn't solve the problem.



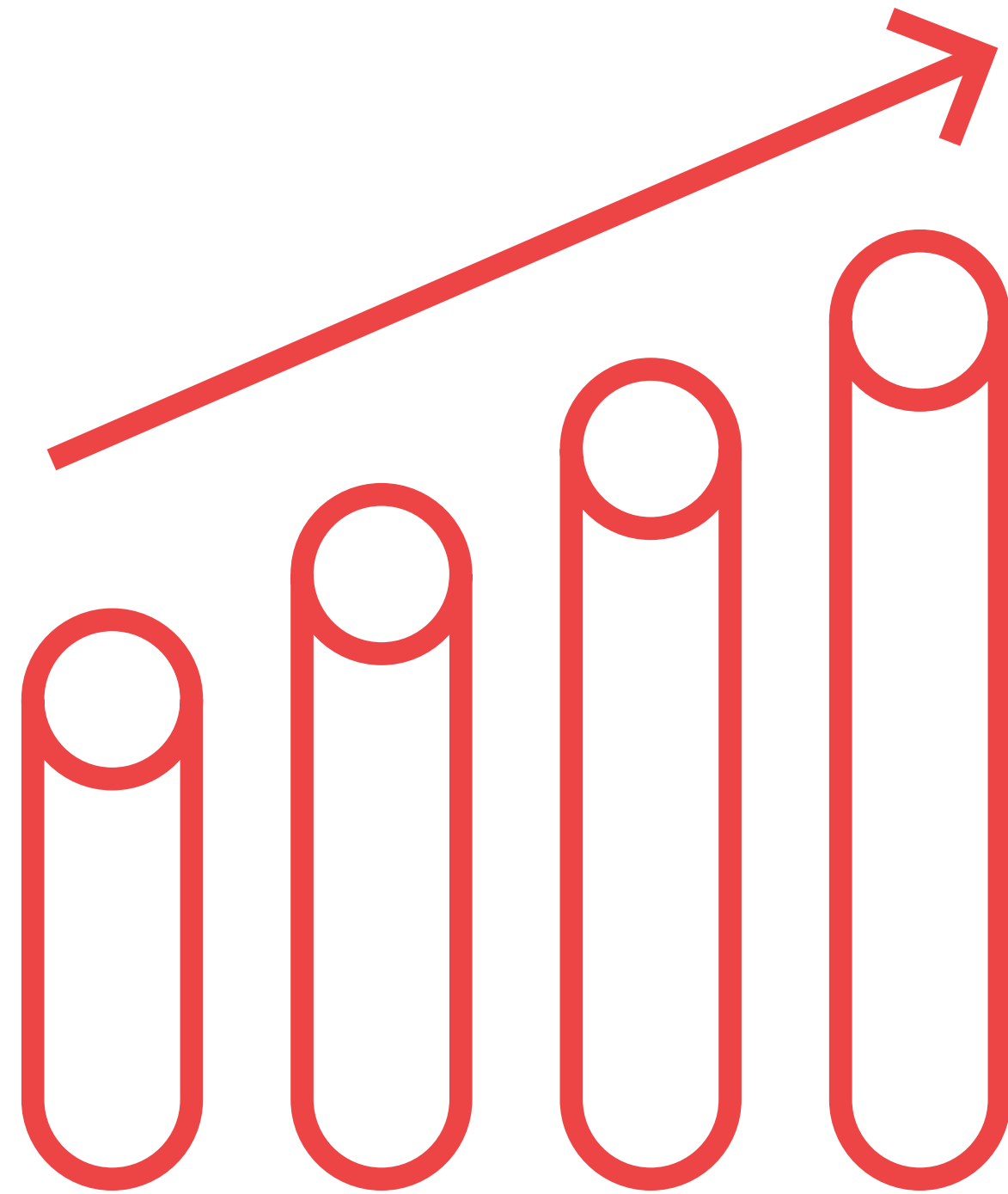
HH SURVEY KEY FINDINGS

Out of the 14 % who have ever made a complaint

— Only 42 % were satisfied with the handling of the problem

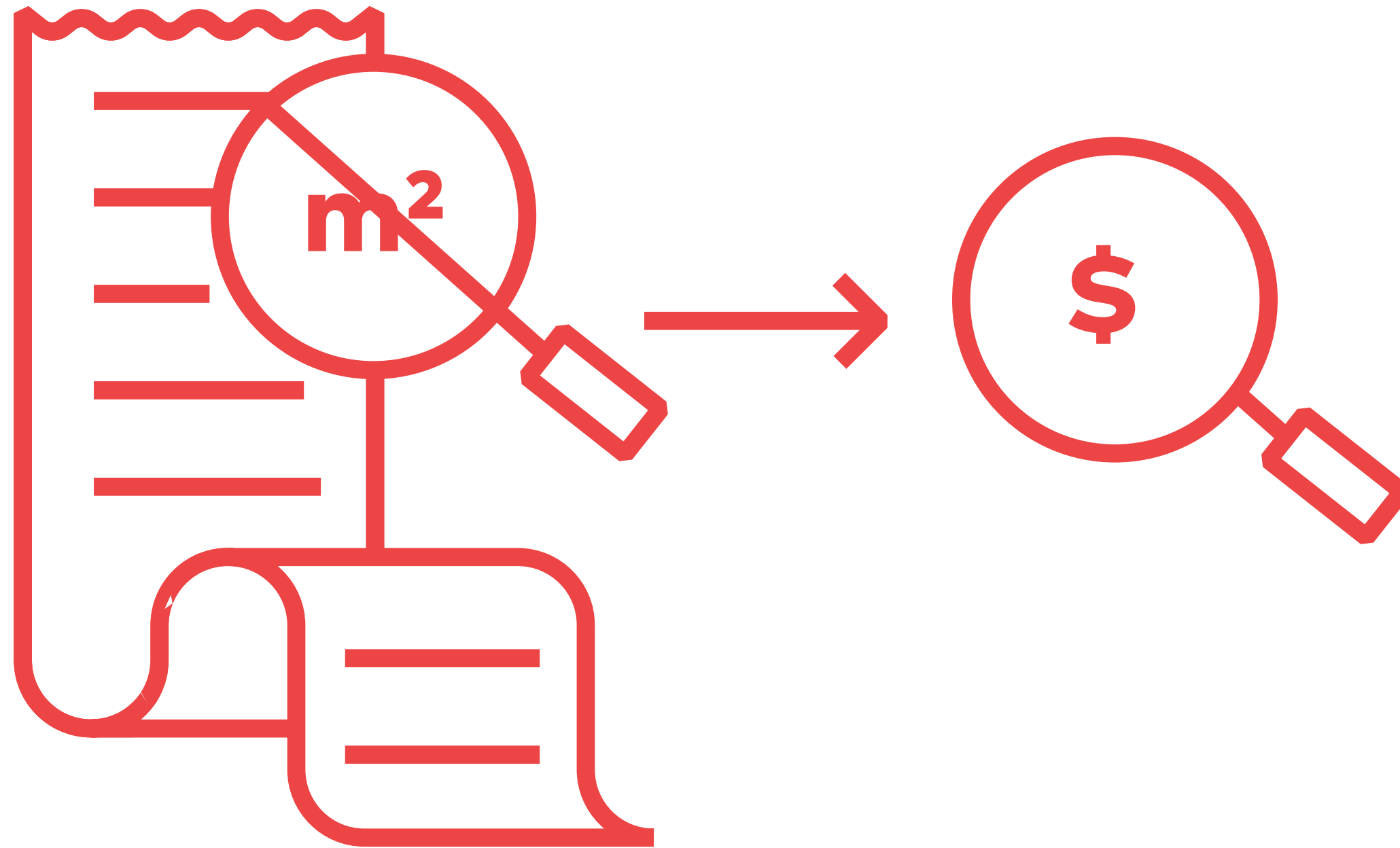
Exactly half of the interrogees believe that the price they pay for heating is fair, and about half of them say they have a bit of a struggle to pay the heating bill.

Actually, 22 % admit having had difficulties to pay the bill during the last 12 months, and 9 % missed a payment!



THE PROJECT SPECIFIC TASKS — MONITORING & EVALUATION

- Identification of the key indicators to M&E of the DHM activities is also considered task with very high impact.
- For M&E Plan, quality review and Reporting, seven project areas will be treated.
- For each of these areas, progress and performance indicators were identified and are subject for data collection and monitoring



THE PURPOSE OF THE TECHNICAL ASSISTANCE TO TERMOKOS AND ERO

- Through implementation of the institutional, organizational and regulatory measures and improvements it is foreseen empowerment of Termokos and ERO .
- This includes technical assistance for Termokos in preparing of different plans, capacity buildings, trainings to O&M staff internal M&E process etc.
- Support ERO in the design of tariffs for consumption based billing with active participation of Termokos assessing the needs of the Termokos billing system to support the transition from m² based billing to billing based on actual consumption.

THE PROJECT TIME SCHEDULE

Implementation of District Heating Metering Measures



Thank You Questions?

