



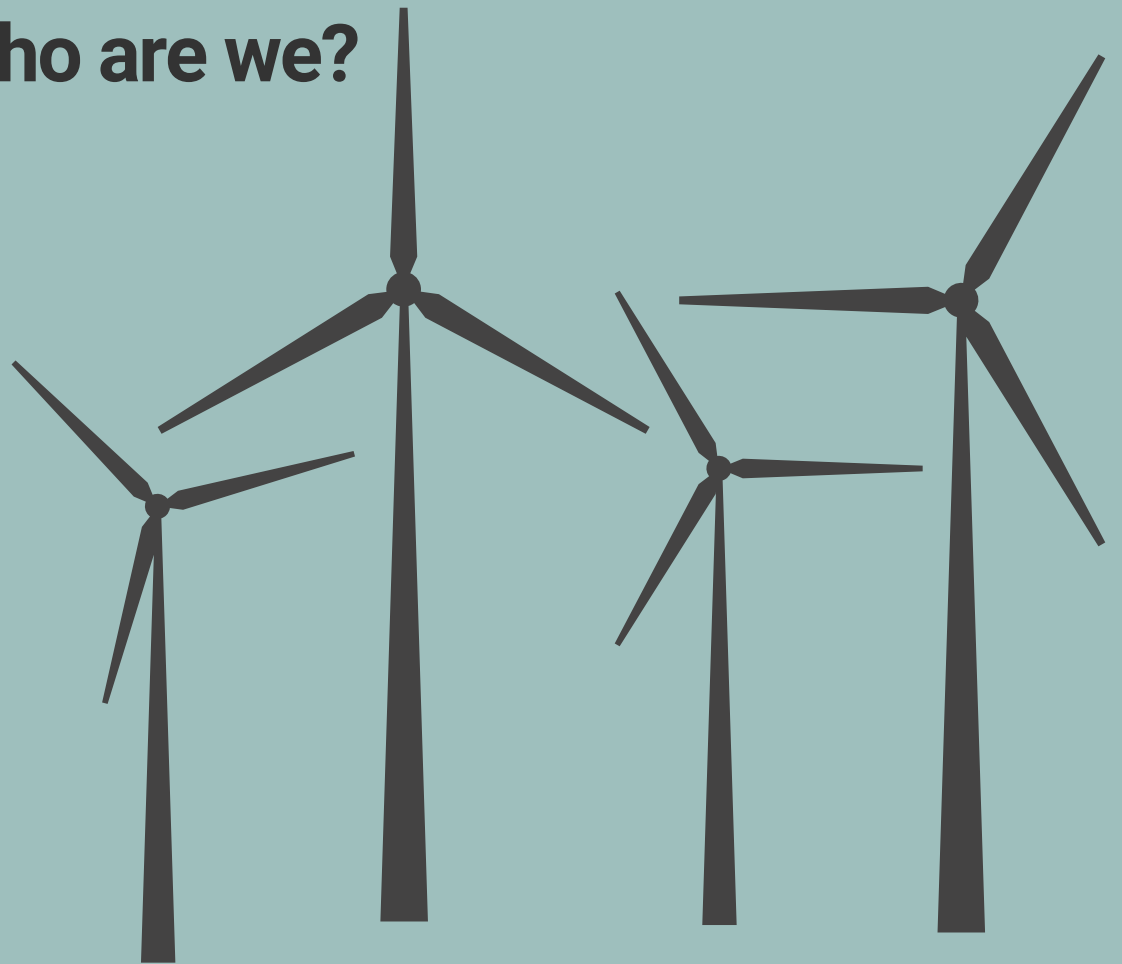
KOSOVO ENERGY STORAGE

PROJECT INFORMATION

MORE INFO

MORE INFORMATION: www.mcakosovo.org

Who are we?



The Millennium Challenge Corporation (MCC) is an independent U.S. government agency working to reduce global poverty through economic growth.

Created in 2004, MCC provides time-limited grants and assistance to countries that meet rigorous standards for good governance, fighting corruption and respecting democratic rights.

Its investments in infrastructure, policy, and institutional reforms have benefitted more than 380 million people across 48 countries.

With cost-effective, transparent projects, a lean staff, and an evidence-based approach, MCC ensures American taxpayer dollars are effectively spent in countries that share its values.

The Millennium Challenge Account – Kosovo (MCA-K) is the implementing entity for the MCC Compact. MCA Kosovo is the outcome of a collaborative partnership between the United States of America and the Republic of Kosovo, formalized through the signing of the Compact Agreement in July 2022, and effective from April 2024.

MCA-K's organizational mandate is to implement the Compact, a transformative program that reflects MCC's commitment to driving sustainable development, economic growth, and social empowerment in Kosovo.

The Compact is designed to propel Kosovo towards sustainable energy practices, inclusivity, and economic diversification.

The Compact Program is supported by a \$202 million MCC grant and around \$35 million contribution from the Government of Kosovo through MCA-K.

MCA-Kosovo BESS Projects

The Energy Storage Project under the MCC Compact encompasses two Battery Energy Storage System (BESS) projects. The first facility, associated with Frequency Restoration Response (FRR) Activity is designed to fulfil domestic automatic frequency restoration reserve requirements and managing system imbalances. The second facility, associated with the Multi-Function Energy Storage (MFES) Activity, is designed to deliver a range of services, including balancing services, ancillary services, energy arbitrage, and other services typically provided by BESS systems.

The integration of these two BESS facilities will significantly support the country's commitment to energy transition. Detailed information regarding these projects is provided in the table below.

ITEM	FRR PROJECT DETAILS	MFES PROJECT DETAILS
BESS Technology	Lithium-Ion Battery Energy Storage	
Project Status	Project Design and Tendering Documents	
Capacity*	45 MW (90 MWh)	125 MW (250 MWh)
Connection	KOSTT Ferizaj 2- 400/110 kV Substation via underground cable	KOSTT Peja 3 - 400/110 kV Substation via underground cable
BESS Site Location	42°22'56"N 21°13'59"E	42°45'41.77"N 20°34'39.57"E
Overall Activity Budget* (BESS, TSO Connection Infrastructure, Consultancies, etc.)	\$ 46 Million	\$ 125 Million
Issuing Invitations for Bid	July 2025	
Construction Start	May 2026	
COD	August 2028	
Operational Duties	Provision of aFRR services within the Albania-Kosovo (AL-KS) Control Block	Provision of ancillary services, balancing services, and energy arbitrage.

*Note: Cost and capacity figures throughout this document are preliminary and are subject to update as the Design & Supervision Consultant complete the studies

Key Highlights



Finalized Project Plans - With Compact funding and MCA-K management, comprehensive project preparation studies will be conducted for each site. These studies will include preliminary ESIA, geology, geotechnics and seismic analysis, grid integration and connection, as well as other necessary technical analyses.



Project Design - Consultants are preparing base technical designs, bidding documents in accordance with best international standards, aimed to provide flexibility for detailed design to be provided by offerors.



Fully Funded - The MCC Compact and the Government of Kosovo will provide all the funds for the design-build contractor. The design-build contractor faces minimal financial risk, as the funds are fully committed by both parties.



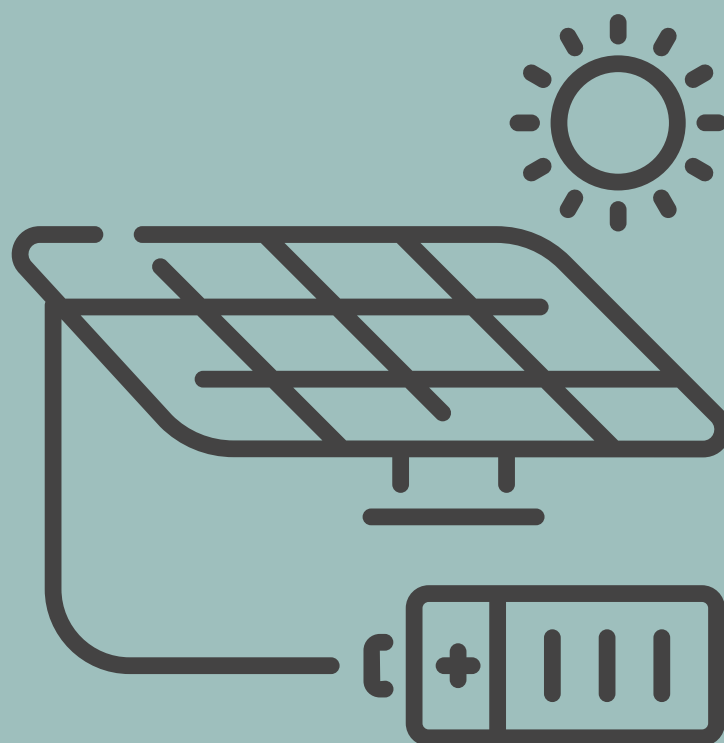
First of a Kind project both for the MCC and the region providing design-build contractors with potentially invaluable experience.



Commitment from the Government of Kosovo to support and facilitate the construction permitting process.



Project sites are green fields with easy road access and favorable flat terrain, and in very close proximity to the connection point/transmission network.



MCC Compact with Kosovo

The Compact was signed in 2022 and entered into force in April 2024. It represents the culmination of close collaboration between the Government of Kosovo and the United States to drive sustainable development, economic growth, and social empowerment in Kosovo.

The Compact totals \$236.6 million, with a \$34.6 million contribution from the Government of Kosovo. The Compact focuses on three areas of investment:



The Energy Storage Project: Will implement two lithium-ion Battery Energy Storage Systems (BESS):

- a. 45MW (90MWh) built on a design-build basis contracted by MCA-K for KOSTT (Kosovo TSO)
- b. 125MW (250MWh) built on a design-build basis by MCA-K for ESCorp (a Publicly Owned Enterprise in the Republic of Kosovo)

Additionally, the Energy Storage Project encompasses the Energy and Climate Policy Support Activity, which aims to support technical and administrative capacity building for Kosovo's energy and climate regulators along with policy and institutional reforms (PIR) required to ensure the operating environment for energy storage in Kosovo.



Just and Equitable Transition Acceleration Project:

The JETA Project aims to equip Kosovans, especially women, with the skills necessary to pursue careers in the energy sector through equitable access to quality education, training, and other opportunities. This project also aims to equip Kosovo for the future by building a diverse and skilled energy sector labor force



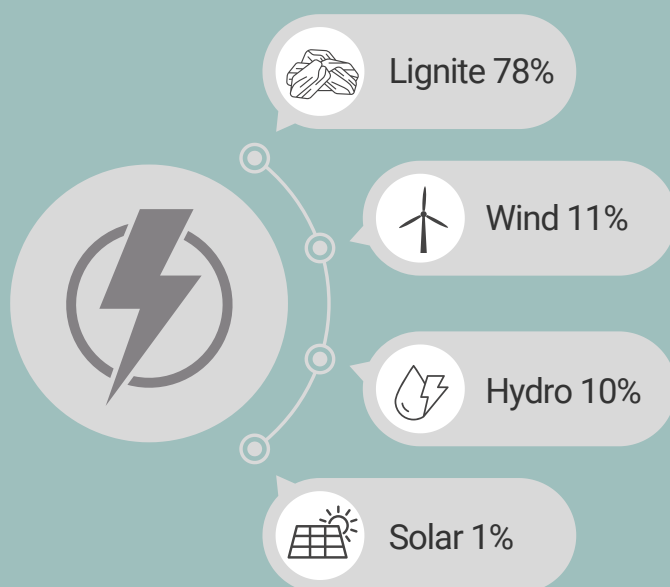
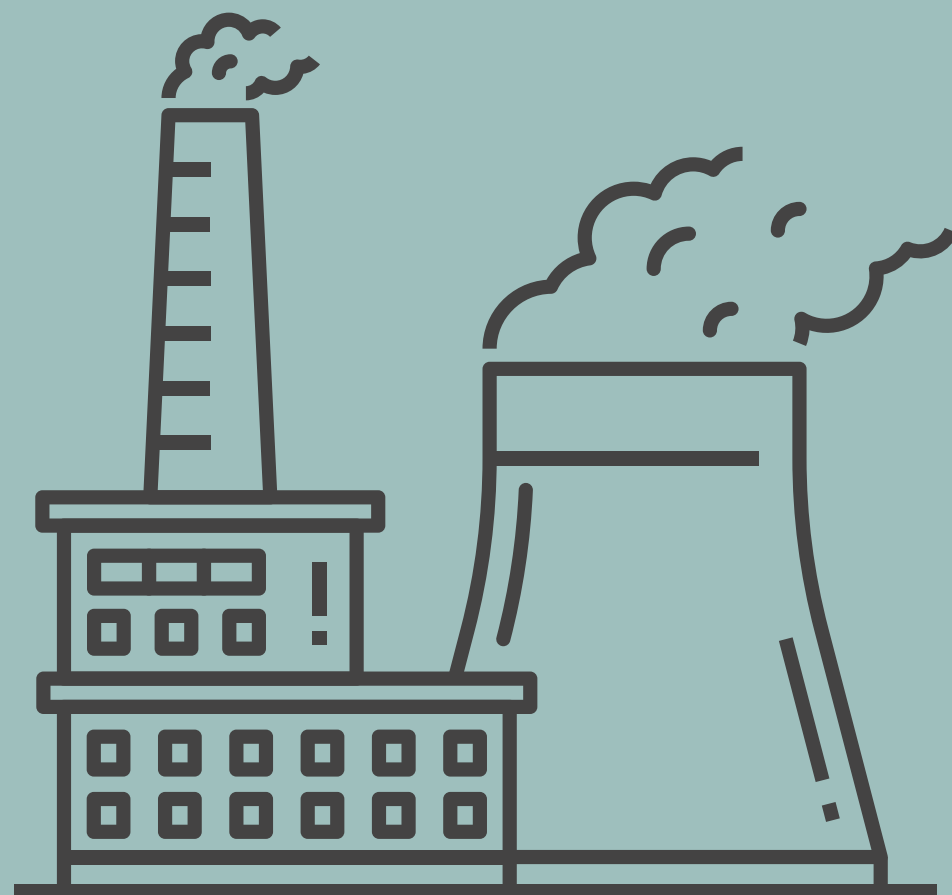
The American Catalyst Facility for Development Project:

The ACFD Project aims to promote additional private sector investments in Kosovo's energy sector in collaboration with the U.S. International Development Finance Corporation (DFC), creating a stronger environment for innovation and growth throughout the green economy.

The Compact Program is expected to advance Kosovo's sustainable energy practices, inclusivity, and economic diversification.

Kosovo Electricity Sector

Kosovo has approximately 1.6 million inhabitants and a GDP of 9.4 billion EUR. The country's power generation is currently heavily reliant on lignite, provided by Kosovo A and B near Pristina. The total installed capacity is 1,236 MW, including wind, solar and hydro.



To meet future demand, generation capacity is expected to increase to around 1,450 MW by 2030.

Kosovo's energy strategy aims to source 35% of its total energy from renewables by 2031. The Kosovo Energy Strategy 2022-2031 objective is to install approximately 1,320 MW of new capacity, including 600 MW of wind, 600 MW of solar PV, 20 MW of biomass power, and 100 MW of "prosumer" power.[1] This increase in renewable power will enhance intermittency, necessitating the deployment of BESS for reserves and ancillary services.

[1] Energy-Strategy-of-the-Republic-of-Kosovo-2022-2031-1-1.pdf (rks-gov.net)

[1] ERO Annual Report 2023 (ero-ks.org)



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MCC Webpage: www.mcc.gov

Kosovo Compact Program: [Kosovo Compact \(mcc.gov\)](http://Kosovo Compact (mcc.gov))

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