



REPUBLIKA E SHQIPËRIË

**ENERGY REGULATOR AUTHORITY
BOARD**

DECISION

No. 369, Dated 26.12.2023

ON

**THE APPOINTMENT OF THE ROLE OF THE TRANSFER AGENT (SHIPPING
AGENT) FOR ALBANIA – KOSOVO ELECTRICITY MARKET COUPLING**

Based on article 16 of Law no. 43/2015 “On Power Sector”, as amended; article 5, letter “k” and article 6, letter “k” of the *Regulation on the requirements and procedures for designation of nominated electricity market operator (NEMO) as well as the roles and responsibilities of NEMO and the electricity transmission system operator in market coupling*, approved with Energy Regulator Authority (ERE) Board decision no.40, dated 06.03.2020; as well as article 15 of the *Regulation for ERE Organization, Operation and Procedures*, approved with ERE Board decision no. 96, dated 17.06.2016; ERE Board on their meeting dated 26.12.2023, after reviewing the report Protocol no. 2305/11, dated 21.12.2023 prepared by the Technical Directorates “On the appointment of the role of the Transfer Agent (Shipping Agent) for Albania-Kosovo electricity market coupling”,

Observed that:

- ALPEX company through official letter Protocol no. 400 dated 10.11.2023, protocolled at ERE with Protocol no. 2408 dated 15.11.2023, submitted the request with the subject: "On the assignment of the role of the Transfer Agent (shipping agent) for Albania and Kosovo electricity market coupling".
- ERE in order to carry out the public consultation process of the request submitted by ALPEX company for the assignment of the role of the transfer agent (shipping agent) for Albania-Kosovo electricity market coupling, published on the official website of ERE in the consultation section on 17.11.2023.
- In this consultation process, TSO company through official letter Protocol no. 6116 dated 30.11.2023, protocolled at ERE with Protocol no. 2408/1 dated 04.12.2023, with the subject: "*Regarding the request of ALPEX for the appointment of the role of the Transfer Agent (Shipping Agent) for Albania-Kosovo electricity market coupling* ", expressed that: "*From the experience of European countries as mentioned by ALPEX company in its official letter, this request has the full support of TSO company which expresses its agreement with the assumption of this role by ALPEX company for the*

Albania-Kosovo electricity market coupling "

- ERE, the Regulator of Kosovo (ERO) as well as the respective operators of the transmission network TSO company and KOSTT on 21.10.2021, signed the framework agreement "On Albania and Kosovo electricity markets coupling"
- ERE Board with decision no. 347, dated 27.12.2022, decided the approval of the Electricity Market Rules (ALPEX Rules, definitions, trading procedure as well as clearing and settlement procedure). These rules were simultaneously approved by the Regulator of Kosovo (ERO) as they serve for the operation of ALPEX in both countries.
- ERE Board with decision no. 228 dated 17.07.2023, decided on the determination of ALPEX company as the appointed operator of the electricity market in Albania and Kosovo market coupling, through a joint decision-making of the two regulators of Albania (ERE) and Kosovo (ERO). The Albanian Power Exchange - ALPEX company is a joint-stock company, jointly owned by the Transmission System Operators of Albania (TSO company) and Kosovo (KOSTT).
- The Energy Community Regulatory Board (ECRB) in the recommendation of the meeting dated 24.04.2019, among other things in point 1 letter (c) recommends the following: *Regarding the role of the Transfer Agent, the CACM Regulation evaluates: Usually Transfer Agents are NEMOs, but it is also possible for TSOs to perform this activity in accordance with Article 8 (I) of the CACM Regulation. Furthermore, in accordance with Article 68 (6.) of the CACM Regulation, a Transfer Agent may act as counterparty between different central parties for the exchange of energy, if the interested parties enter into a specific agreement for this purpose. It is also recommended for Energy Community Contracting Parties to refer to a NEMO (i.e. market operator) to align with the provisions of the CACM Regulation.*
- Council of Ministers with Decision no. 872, dated 27.12.2022 "On some amendments and additions to Decision no. 519, dated 13.7.2016, of the Council of Ministers, "On the approval of the electricity market model", in point 2 letter (b) has determined, among other things, that: *TSO shall make available to the organized market a minimum (50%) of available cross-border capacities, belonging to the respective market coupling.*
- In this context, the Regulation for the requirements and procedures to designate the Nominated Electricity Market Operator (NEMO) as well as NEMO roles and responsibilities and the electricity transmission system operators in market coupling, approved with ERE Board decision no. 40/2020, determines that NEMO shall act as the central counter party for the realization of the power exchange, which results from day-ahead and intraday market coupling, and shall realize the settlement process for the market participants in our two countries. In the specific case, the market coupling between Albania and Kosovo shall be realized with two bidding zones and to realize this coupling, a minimum amount of 50% of the available cross-border capacity shall be allocated.

- In cases where there shall be congestion in these bidding areas and there shall be a price difference between them, the secured incomes shall be collected by NEMO and shall be distributed to the transmission operators proportionally. Since NEMO shall carry out the settlement process for the participants of the market coupling, it shall also carry out the settlement for the transmission operators for the incomes generated by the congestion.

At the same time, the Commission Regulation (EU) 2015/1222, which establishes the relevant guidelines for Capacity Allocation and Congestion Management (CACM) in article 68 point (8) determines that: All central counter parties or shipping agents shall ensure that collected congestion incomes are transferred to the TSOs no later than two weeks after the date of settlement.

Under these conditions, ALPEX company which acts as NEMO and as a central counter party, and in this particular case as a transfer agent, must ensure that all incomes collected from congestion shall be transferred to the respective TSOs (TSO company and KOSTT) no later than two weeks after the settlement date. This element is also necessary for the purpose of guaranteeing the financial neutrality of the Transfer Agent in the process of collecting and transferring incomes that come from congestion at interconnection. Also, ERE shall continue to coordinate work with ERO after the latter completes the application review process.

For all of the above mentioned, ERE Board

Decided:

1. On the appointment of NEMO (ALPEX company) in the role of "Transfer Agent" (Shipping Agent), for the Albania and Kosovo electricity market coupling.
2. The Transfer Agent shall transfer the incomes collected from congestion to the respective TSOs no later than two weeks after the settlement date.
3. The legal effects of this decision-making came into force after the operationalization of the Albania-Kosovo electricity markets coupling.
4. Market Monitoring and Inspections Directory shall inform the interested parties about ERE Board decision.

This decision enters immediately into force.

Any party involved in this procedure may request from ERE, - within 7 calendar days from the date of the decision, to review the board decision if it has provided new evidence that could lead the board to obtain a decision different from the previous one or for material errors ascertained. This decision can be appealed in the Administrative Court of Tirana, within 30 calendar days from the day of publication in the Official Gazette.

This decision shall be published on the Official Gazette.

ERE CHAIRMAN
Petrit AHMETI