



REPUBLIC OF ALBANIA
ENERGY REGULATORY AUTHORITY

Board

DECISION

No. 239, dated 02.11.2018

ON

REVIEWING THE REGULATION ON THE PROCEDURES AND TERMS FOR LICENSE ISSUE, MODIFICATION, TRANSFERRING, RENEWAL OR LICENSE TERMINATION IN THE POWER SECTOR

Based on articles 16 and 39 of Law no. 43/2015 “*On power Sector*” as amended, article 19, point 1, letter “a” and article 26 of the “*Rules on ERE Organization, Operation and Procedures*”, approved with ERE Board Decision no. 96, dated 17.06.2016, ERE Board on their meeting dated 02.11.2018, after reviewing the report prepared by the Technical Directorates regarding the Review of the Regulation on the Procedures and Terms for License Issue, Modification, Transferring, Renewal or License Removal on Power Sector,

Observed that:

- ERE Board, implementing article 39 of Law no.43/2015 “*On Power Sector*”, with decision no. 109, dated 29.06.2016, has approved the “*Regulation on the Procedures and Terms for License Issue, Modification, Transferring Renewal or License Removal on Power Sector*”.
- Given that, the above mentioned Law was subject of some amendments with Law no. 7/2018 “*On some Amendments and Additions on Law no. 43/2015, “On Power Sector*”, regarding the Market Operator activity as well as the establishment of the Albanian Power Exchange, there was the necessity to reflect these amendments on the content of the “*Regulation on the Procedures and Terms for License Issue, Modification, Transferring, Renewal or License Removal on the Power Sector*”.
- On this Regulation shall be included even the provisions of point 8 of the Council of Minister Decision no. 519, dated 13.7.2016, “*On Approving the Electricity Market Model*” as well as point 8 of its Annex 2 where it is respectively provided that:
 - “8. *The organized market model, as defined on this text, shall be applicable at the moment when the Albanian Power Exchange is set into operation.*”
 - “*Anex 2, point 8. The respective minister for energy cooperates with ERE as well as the other ministries and the other public institutions for the establishment of the Albanian Power Exchange.*”

The Ministry shall coordinate the necessary steps even with the Energy Community Secretariat, IFC as well as other international financial institutions.”

- The proposed amendments are as follows:

- Anywhere in the regulation after the words, “*Law No 43/2015 “On Power Sector”*”, shall be added the word “*as amended*”.
- **Article 4 “Licenses”**, on point 1 shall be added letter “h” with the content: “Organized electricity market (Albanian Power Exchange), implementing article 3.5 of the Council of Minister Decision **No. 519, dated 13.07.2016** “On approving the electricity market model”.

Also in this article after point 2 shall be added point 3 with the content as follows:

3. To the extent permitted by the legislation in force in the Republic of Albania, shall not be required the license for electricity trading or electricity supply activity in case that an entity has a license issued from a regulatory authority of another country with which has been signed a mutual agreement, for mutual recognition of the licenses between ERE and the respective regulatory authority. As well as on the condition to deliver at ERE the information defined on article 9 (1) of these rules."

As above mentioned shall be added on the regulation following the Recommendation of Energy Community Secretariat as well as the Cooperation Memorandum.

And point 3 with the content “ *These entities on each case are obliged to respect the Market Model, the Market Rules and the Network Codes.*”, becomes point 4.

- **On article 5 “Duration and Validity of the License”**, has been added point 2 with the content: *2. For the applications in the electricity production activity, which are submitted at ERE later than the effective date of the contract, the calculation of the licensing term, shall be for the remaining period. This rule is valid even for the license modification cases.*
- **Article 8, “Submitting the application”**, shall be reworded as follows:
 1. *The application consists in completing the application form and the document defined on article 9 of this regulation, completed by the applicant according to the object of the activity that he is requiring to be licensed.*
 2. *The applicant at the moment of submitting the request for license, shall submit attach to the application documents, the payment invoice for the application according to Annex A of this regulation. Failure to liquidate the payment is a reason for not accepting the application by ERE.*
 3. *The application of the document submitted by the applicant shall be on the albanian language. It shall be submitted at ERE as an original copy or a notarized photocopy and an electronic copy on CD. All the certification and declarations issued from other*

bodies in support of the application, shall be issued not before than 3 months from the moment of submitting the application.

4. If the applicant has applied and is in process of getting other necessary permissions defined in the regulation, may present the application at ERE by submitting the information accompanied with justifying documentation issued from the relevant institution for the phase at which is the process for obtaining the permissions from the other institutions.
5. The technical documentation according to the type of license shall be drafted and signed by licensed experts (electric, civil engineers, mechanic engineers, accounting experts, hydro technical engineers etc)
(the underlined parts reflect the additions on this article.)
6. Point 6 of article 8 is removed and point 7 gets the numbering 6.

- **On article 9 “the form and documentation for application”**, it is added to the “Types of licenses” even the licence for participating in the electricity organized market (Power Exchange), implementing article point 3.5, letter “h”, and 4.5, of the Council of Minister Decision no. 519, dated 13.07.2016 “*On approving the electricity market model*”.
On this Application Form shall be added even the point on License Modification to reflect on the table the electricity quantities required to be modified with the model,
“was”: and “becomes”.
- **On article 9 point 2 “Legal, Administrative and Ownership documentation” on article “b”** after the word statute, it is added “...if drafted as a different/special document from the foundation act.
- **On article 9 point 2 “Legal, Administrative and Ownership documentation” on letter “e”** the words “*Construction and administrative operation structure of the company*” are replaced with the word “*Organisation chart*”
- **On article 9 point 2 “Legal, Administrative and Ownership documentation” on letter “f”**
After the word “*authorisation*” are added the words “...issued from the Responsible Ministry...”
- **On article 9 point 2 “Legal, Administrative and Ownership documentation” on letter “g”**
Before the word “*with companies*” are added the words “...private or state...”
- **On article 9, point 3, “Financial and Fiscal documentation” letter “d”** shall be reworded as follows: “*The certification for paying the registration fee for the application on ERE account shall be according to Annex A of this regulation.*”
- **On article 9, point 4.1.3, “Technical and Graphic documentation”, letter “d”**, before the word “*transmission*” are added the words “...of electricity...”.
- **On article 9, point 4.1.4, “Technical Economic documentation”** after the letter “c” technical appraisal of the project, it is added letter “d” with the content: “*Approval from the National Dam Committee*”;
- **On article 9, point 4.1.5 “Permissions from the other institutions”**, the word “*usage*” is substituted with the word “...*utilisation*...”

- **On article 9, point 4.3**, the title “*Technical Documentation for the Wind plants*” is substituted with the title “*Technical documentation of the plants for the electricity production from the wind*”, according to the provisions of Law no. 7/2017
- **On article 9 point 4.4**, the title “*Technical Documentation for the Solar plants*” is substituted with the title “*Technical documentation of the plants for electricity production from the sun (Photovoltaic)*”
- **On article 9 point 4.4.1** the title “*Technical data for the Solar plants*” is substituted with the title “*Technical data for the electricity production plants from the sun “Photovoltaic”*”
- **Also on this article point 4.4.1 on the Table**, it is removed the word “*Solar thermal*”, because it is not on ERE scope to license or to consideration such types of facilities/plants.
- **On article 9, point 4.4.4 Technical, economic documentation** (for the photovoltaics), on letter “c”, after the word “*project...*” are added the words “*performed by the National Agency of Natural Resources AKBN or by any licensed private entity*”.
- **On article 9 point 4.7 Technical documentation for the electricity supply activity**”, letter “b” is reworded as follows: “*Financial capital (expressed on monetary values) foreseen for the exercise of this activity, accompanied with a certification from the bank.*” **And it is added letter “g” with the content as follows** “*Documentation that certifies the ability of the supplier representative offices, for the services provided to the customers.*”
- **On article 9 point 4.7 Table a. “Data for the customers and supplied electricity”**, takes number 4.8 and this numbering follows even for the below points because there was repetition of numbering within point 4.7 creating confusion on the content of this article...
- **On article 9 point 4.7 letter “c” with the new numbering point 4.8 letter “c”** it is removed because it creates repetition.
- Article 9 point 4.9 with the new numbering, “**Technical documentation for the electricity trading activity**” letter “b” is reworded as follows: “*The financial capital (expressed in monetary values) foreseen for exercising this activity, is accompanied with the bank verification.*”
- **Article 9, after point 4.10 with the new numbering**, it is added point 4.11 with the content as follows:
 - 4.11 Technical documentation for licensing the Power Exchange**
 - a. List of the employees, their profession, education;
 - b. Evidence of having the necessary hardware and software for communicating with all the metering points and all the participants in the market, exchange and exchange operation.
 - c. List of Supervisory Board members.

Regarding this part there could be some other additions after opening of the procedure because the lack of our experience in licensing the Exchanges requires a qualified assistance from the World Bank and USAID.

- **On article 10 “Review of the Application”**, on point 7 after the words “...the new application...” are added the words “...*accompanied with the payment application ...*”
- **Article 10 “The Review of the Application”**, on point 8, after the words “*two days for the notification for ...*” are removed the words “*the submitted application*” and are added the words “*opening the procedure to review the application*”
- **On article 14, “Granting or Refusing the Application” on point 1** after the word “*production*” are added the words “*of electricity*”.
- **On article 15, “Modification of the License”, Point 4, letter “e”**, is reworded as follows: “*To have executed the application fees and regulatory ones at ERE.*”
- **On article 16, “License Renewal” point 7** after the word “*fee*” are added the words “*of the application and the one...*”
- **On article 17, “Full/partial transferring of the license” point 4:** at the beginning of the sentence point 4 it is added: “*In case of the request from the licensee for license transferring...*” and it is added letter “e” on point 4 article 17, with the content: “*e.Certification of application payment*”.
- **Article 18 “License Termination”, is reworded as follows:** On ERE initiative, the interested persons or license holders, as well as implementing a court decision, ERE opens the procedure for license termination implementing the provisions of the regulation of terminating a license approved by the ERE Board. (the underlined parts reflect the additions on this article.)
- **Article 20 “The Right to be Informed on the Register’s Content”, point 1** is reworded as follows: “*1. The Licenses Register is published on ERE website.*”
- **On article 22, the title “Amendments of the Regulation”** is substituted with “Amendment of the Regulation”
- **Annex A “Registration and proceeding fee of an application”**, it is added even the “Electricity Organized Market” (Albanian Power Exchange). The payments were unified with those of the Transmission System Operation activity.

For all of the above mentioned, ERE Board,

Decided:

1. To open the procedure of reviewing the “Regulation on the Procedures and Terms of License Issue, Modification, Transferring, Renewal or License Removal on Power Sector”, approved with ERE Board Decision no. 109, dated 29.06.2016.
2. The amendments on the “Regulation on the Procedures and Terms for License Issue, Modification, Transferring, Renewal or License Removal in the Power Sector are included on this decision
3. Legal and Customer Protection Directory shall inform the stakeholders for ERE Board Decision.

CHAIRMAN

PETRIT AHMETI