



DECISION

No. 79, of date 07.06.2016

ON

APPROVING THE “AGREEMENT FOR ENSURING THE ANCILLARY AND THE BALANCING SERVICES OF THE ELECTRICITY SYSTEM FOR 01.01.2016 – 30.06.2016 PERIOD” BETWEEN TSO AND KESH COMPANIES

Based on articles 16; 20 letter “h” and 110, of Law no. 43/2015, “*On Power Sector*”; Chapter V, of the *Albanian Electricity Market Rules*, approved with ERE Board of Commissioners Decision, no. 68, of date 23.06.2008, as amended and Council of Ministers Decision no. 244, of date 30.03.2016, “On approving the conditions to impose public service obligation, that shall be implemented to the licensee on power sector, which perform the electricity generation, transmission, distribution and electricity supply activity”, ERE Board on their 07.06.2016 meeting, after reviewing the report of the Technical Directorates regarding “The agreement for ensuring the ancillary and balancing services of the electricity system for 01.01.2016 – 30.06.2016 period between TSO and KESH companies,

Observed that:

- The parties of this agreement are legitimate legal entities to sign this agreement “*for ensuring the ancillary and balancing services of the electricity system for 01.01.2016- 30.06.2016 period between TSO and KESH companies*” having in consideration that the license of TSO company, in electricity transmission activity is renewed with ERE Board of Commissioners Decision, No. 24, of date 26.03.2009 and KESH company license in electricity generation activity is renewed with ERE Board of Commissioners Decision, No. 23, of date 25.03.2009.
- According to the provisions of Chapter “V”, of the *Albanian Electricity Market Rules*, approved with ERE Board of Commissioners Decision, no. 68, of date 23.06.2008, as amended, the relation between KESH and OST companies results to be a regulated relation.

- Being that “*The agreement for ensuring the ancillary and the balancing services of the electricity system between TSO and KESH companies*” regulates 01.01.2016 - 30.06.2016 period, it is worth clarifying that the legal basis on which it finds the support for 01.01.2016 – 30.03.2016 period, are the articles 51, letters “b” and “d”; 56 letter “f”, of Law No 43/2015 "On Power Sector"; the provisions of the *Electricity Market Model* approved with Council of Ministers Decision no. 338 of date 19.03.2008, as amended and the *Market Rules* approved with ERE Board decision no. 68, of date 23.06.2008, as amended.

From the entry into force of the Council of Ministers Decision no. 244, of date 30.03.2016, “On approving the conditions to impose the public service obligation, that shall be implemented to the licensee on power sector, which exercise the electricity generation, transmission, distribution and electricity supply activity”, the definitions of the Electricity Market Model approved with Council of Ministers Decision no. 338 of date 19.03.2008, as amended, are not implemented any more, by imposing the obligation to approve this agreement according to the above mentioned Council of Ministers Decision.

The Council of Ministers Decision no. 244, of date 30.03.2016 “On approving the conditions to impose public service obligation that shall be implemented to the licensee on power sector, which perform the electricity generation, transmission, distribution and electricity supply activities”, do not have retroactive effect and as such may not regulate all the past period where the agreement for electricity sale-purchase to cover the technical losses in the transmission system has extended its effects. The effects began from the entry into force of the Council of Ministers Decision.

For all of the above mentioned ERE Board,

Decided:

1. To approve the agreement “for ensuring the ancillary and balancing services of the electricity system between TSO and KESH company”, for 01.01.2016 - 30.06.2016 period.
2. Legal and Customer Protection Directory shall inform KESH and TSO companies for ERE Board decision.

This decision enters immediately into force.

This decision is published in the Official Gazette.

ERE CHAIRMAN
Petrit AHMETI