



REPUBLIKA E SHQIPËRIË

## ENERGY REGULATORY AUTHORITY

### BOARD

### DECISION

No. 270, dated 28.12.2020

**“ON LETTING INTO FORCE ERE BOARD DECISION NO. 94, DATED 08.06.2020 “ON THE APPLICABLE PRICE FOR THE EXISTING PRIORITY PRODUCERS FOR 2020, IMPLEMENTING THE AMENDMENTS APPROVED WITH COUNCIL OF MINISTERS DECISION NO.396, DATED 13.05.2020”**

Based on article 16, of Law No. 43/2015 “On Power Sector” as amended; article 10, of Law No.7/2017 “*On promoting the use of energy from the renewable resources*”, Council of Ministers Decision no. 687 dated 22.11.2017 “*On approving the methodology for defining the annual electricity purchase price that shall be paid to existing priority producers*” reviewed with Council of Ministers Decision no. 396, dated 13.05.2020 “On some amendments in Council of Ministers Decision no. 687, dated 22.11.2017 “*On approving the methodology for defining the annual electricity purchase price that shall be paid to existing priority producers*”; article 15;article 12;article 22 of the "*Rules on ERE Organization, Operation and Procedures*", approved with ERE Board Decision, no. 96, dated 17.06.2016, the Energy Regulatory Authority Board (ERE), on their meeting dated 28.12.2020, after reviewing the report Protocol no. 142/13, dated 24.12.2020, prepared by the Tariff and Prices Directory, regarding the “Annual electricity purchase price that shall be paid to existing priority producers for 2020”,

#### **Observed that:**

- Based on article 10 of Law no. 7/2017 "On promoting the use of energy from the renewable resources ",ERE is the authority responsible for determining the electricity purchase price from hydropower sources, in accordance with the methodology approved by the Council of Ministers.
- Council of Ministers Decision no. 687, dated 22.11.2017, approved the " Methodology for defining the annual electricity purchase price that shall be paid to existing priority producers ", reviewed with Council of Ministers Decision no. 396, dated 13.05.2020 " On some amendments in Council of Ministers Decision no. 687, dated 22.11.2017 “On approving the methodology for defining the annual electricity purchase price that shall be paid to existing priority producers”;
- The formula for calculating this price, according to the methodology approved with Council of Ministers Decision no. 687, dated 22.11.2017, mentioned above, is the Annual Purchase Price (ALL) / kWh) = average annual price of the day ahead market (HUPX / DAM) for electricity in the baseload for the respective year of the Hungarian Power Exchange (HUPX in EUR cent/kWh, bonus coefficient for the promotion of renewable resources on **1.2 X** measure and the average exchange rate EUR/ALL for the last year.”

- From the preliminary data published in the official website of the Hungarian Power Exchange (<https://hupx.hu/en/market-data/dam/regular-reports>), resulted an average annual price of the day ahead market (HUPX/DAM) for electricity in the base load for 2020 of about 37.30 Euro/MWh.
- According to the " Methodology for defining the annual electricity purchase price that shall be paid to existing priority producers "with the average exchange rate of the last year, shall mean the average annual exchange rate euro / (ALL), published by the Bank of Albania for 2020. From the data published so far by the Bank of Albania on the exchange rate, it results that the average exchange rate for the 11 months, already closed for 2020 (January - November), turns out to be 123.79 (ALL) / euro.
- From the preliminary data it results that the annual purchase price shall be 5.5403 (ALL) / kWh.
- The minimum and maximum price limits for electricity purchase from the existing priority producers, are determined according to letters "ç" and "d" of point 2 of Council of Ministers Decision no. 687, dated 22.11.2017, where the minimum limit is the price approved by ERE for 2016 for these producers (floor price) and the maximum is 15% higher than the price approved the ERE for 2016 for these producers (ceiling price).
- In case the purchase price shall result according to preliminary data, for 2021, this price shall be according to the minimum limit (floor price), ie the one set by ERE for 2016 of about 7,448 (ALL)/ kWh.
- ERE, according to the above methodology, as long as the fiscal year 2020 is not closed, there is no possibility to adjust / correct the components of the formula presented above.
- ERE Board Decision no.7, dated 16.01.2020, approved the annual electricity purchase price that shall be paid to existing priority producers for 2020, which based on the methodology for defining the annual electricity purchase price that shall be paid to existing priority producers, approved with Council of Ministers Decision no. 687, dated 22.11.2017, it results 8.0532 (ALL) / kWh.
- ERE Board Decision no. 94, dated 08.06.2020, decided that the applicable price for the existing priority producers, shall be 7.448 (ALL) / kWh, based on the amendments approved with Council of Ministers Decision no. 396, dated 13.5.2020 "On some amendments in Council of Ministers Decision no. 687, dated 22.11.2017 "On approving the methodology for defining the annual electricity purchase price that shall be paid to existing priority producers".
- Due to the fact that the annual report of the Hungarian Power Exchange (HUPX) and the Bank of Albania is published at the beginning of the following year, it is necessary to let into force ERE Board Decision no. 94, dated 08.06.2020 "On the applicable price for the existing priority producers for 2020, implementing the amendments approved with council of ministers decision no.396, dated 13.05.2020"

For all of the above mentioned ERE Board,

**Decided:**

1. To let into force ERE Board Decision no. 94, dated 08.06.2020 "On the applicable price for the existing priority producers for 2020, implementing the amendments approved with

council of ministers decision no.396, dated 13.05.2020” “until the approval of a price by ERE, based on the publication of the annual report of the Hungarian Power Exchange (HUPX), as well as the publications of the Bank of Albania on the exchange rate (ALL) / EUR.

2. The Tariff and Prices Directory, shall inform the interested parties about ERE Board Decision.

This decision enters immediately into force.

This decision may be complained on Tirana Administrative Court within 30 calendar days from the day of its publication on the Official Gazette.

This decision shall be published on the Official Gazette

**ERE CHAIRMAN**

**Petrit AHMETI**