



REPUBLIC OF ALBANIA
ENERGY REGULATORY AUTHORITY

ANNUAL REPORT

The Situation of the Power Sector and ERE Activity during 2018

Tirana, 2019

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ERE Chairman Speech

Honoured Chair of the Parliament,

Honoured Ladies and Gentleman Member of the Parliament

On behalf of the Energy Regulatory Authority, I have the pleasure to present the Annual Report on the situation of the power sector and ERE activity for 2018.

On this report our target is to submit a full and detailed representation over the situation of the power and natural gas sector in our country as well as the difficulties or the challenges and the achievements with which these sectors are confronted during 2018. Also part of this report is an updated information on the activity of the companies that operate on both sectors.

Let me point out that 2018 has been a year full of challenges and important efforts and to handle them in any case are taken into consideration the fundamental principles of customer protection, transparency, balancing the customers interests, private investors and state principles, as well as the engagements undertaken from the Albanian State in the regional and international field.

Honoured Members of the Parliament,

I want to inform that during 2018, the Power Sector has been sustainable in the electricity production, transmission and distribution activity maintaining and keeping sustainable operation parameters and good financial results, although there is much to be done in terms of the diversification of the generation resources and the handle of the issues as well as efficient settling regarding the support of renewable generation resources development.

During 2018 there is increased the number of the renewable generation resources about 32 % of our generation resources in total.

Also even the natural gas Sector marked efficient developments regarding its structure and normal operation where an important part is the investment progress of TAP project, realized within the defined terms to set it into operation.

Following the certification procedures and then Albgaz company licensing, it is worked closely with this last one mentioned to implement the Permanent High Level Group (PHLG) Decisions of Energy Community, including above all the establishment of the Network Code for the Allocation mechanism, of the interconnection capacities, of the capacities in natural gas transmission systems, on the establishment of the Network Code harmonizing the tariff structures of gas transmission.

The Energy Regulatory Authority developed its activity being supported on Law no. 43/2015, "On Power Sector", as amended and Law No.102/2015 "On Natural Gas Sector", as amended.

Implementation of the organizational and operational independence of the institution has been and continues to be the main and continuous objective of our Institution which has increased the demand

for a higher professional qualification and higher responsibility in decision taking but also the eminent need to expand the technical supporting staff to realize the goals and challenges that bring engagements within the integration in the regional market.

During 2018, we tried to combine the experience and professionalism of our experts with the best experience of regional and PanEuropean organizations in many of which we are full right members, a fruitful cooperation and I am convinced that shall continue to give results even in the future but also in exchanging experiences and improving the technical capacities of our staff increasing the active role of ERE in the region and wider.

In the framework of the objectives for cooperation and qualification of ERE staff, at the beginning of 2019, by the best experiences in the international level thanks to the continuous work during 2018, ERE was granted the Observer status at the European Commission of Energy Regulators (CEER). Through CEER, the regulators cooperate to exchange the best practices regarding the regulation challenges.

Honoured Madams and Sirs,

Albania is on her safe path toward membership at the European Union, so the main purpose of our work is the development of the power and natural gas sectors in conformity with the regulatory and legislative requirements which shall be fully aligned with those of the EU.

These developments require ERE to be developed as an institution with sufficient technical capacities and the appropriate expertise to be confronted with the challenges of the sector in Albania and beyond.

For this reason we give special attention to the draft of ERE organizational chart as well as operational independence of its staff to successfully confront the challenges of the sector to comply with the obligations emerging from the implementation of the Parliament Resolution, the obligations emerging to the establishment of the regional Markets in SouthEast Europe and beyond in the Power and Natural Gas Sector and the increase of ERE financial independence as one of the main EU requirements within the measures to implement the Stabilization and Association Agreement.

Analysing some of the main indicators of the power sector during 2018, such as Electricity production, shall be emphasized that 2018 marked an increase of the Electricity production where above all I shall underline;

- (i) During 2018 are added 11 new HPP-s with an installed capacity 38.3 MW which produced 19 GWh
- (ii) of Electricity.
- (iii) The general production of the country has been 8.5 TWh, the highest since 1985 about which only 68.31% is produced from the public generation Association, the other part is produced from the private plants concession or not.
- (iv) 2018 has been an exporting year for our country reaching the value 913 MWh creating to the public generation company additional revenues except of the revenues regarding the electricity sale of the Universal Service Supplier.

- (v) The losses in the Electricity distribution system was at the level 23.96% compared with one year before level of about 26.41 %.
- (vi) The consumption increased by 2.7% compared with 2017, reaching the values over 7.6 TWh.

The good hydro power year and the implementation of some of the sector reforms influenced in the improve on the quality and secure of electricity supply of the customers for the previous year.

The main mission of ERE was to perform secure and reliable services for the customers based on right and reasonable costs for the licensee. This is reflected on the decisions taken for defining the electricity tariffs and prices.

Regarding Natural Gas continued the cooperation with the two Regulatory Entities on which TAP project crosses, with Greece and Italy and it is licensed TAP that was a preliminary condition to set it into operation.

Considering that there is still a lot of work to the regulatory framework, with the by-legal acts defined on the Laws regulating the power and natural gas sector, for the next year ERE objectives shall continue to be oriented to the completion of the legislation with the respective acts, which is closely connected even with the support of further liberalization of the Electricity Market, the establishment and efficient operation of the Power Exchange for that part under ERE competence and its supervision to increase efficiency and transparency and mitigation of the effects to the end use customers at the initiation of its operation, further development of the Regulatory framework for natural gas sector as an opportunity granted to our country from the set into operation of TAP project.

In this regard, ERE is fully engaged for a closer cooperation with Energy Community Secretariat in Vienna, as one of the main partners in drafting the primary and secondary legislation, with the Ministry of Infrastructure and Energy, the Competition Authority as well as other shareholders of the Power Sector in the country and beyond. This cooperation is very essential for the development of this Sector in the future and to confront with the challenges ahead in the framework of the Coupling with the Regional Markets within the engagements currently undertaken from the Government.

Despite of the achievements or improvements described on this report our work shall be focused on issues regarding (i) the opening of the Power Sector market for the end use customers, (ii) legal unbundling of OSHEE company according to the provisions of the Law, (iii) reducing the risk from the hydro power situation in the country to enable the prevention of the security risk for electricity supply of the people during a relatively dry year, (iv) the draft of the secondary legislation to precede the ability to establish a Natural Gas market in Albania and utilize the spaces created by the completion of TAP project to realize other regional projects such as Ionian Adriatic Pipeline etc.

An important and priority place in our work is placed to the transparency of the sector, for this we managed to establish the conditions to increase the transparency to enable the balance of end use customer's interests, public companies and private investors in the sectors regulated by our part. In

the framework of transparency, this Annual Report shall be available to all the institutions, investors but even interested customers on ERE official website.

Lastly on this occasion I want to thank ERE staff as well as all the respective Institutions for their support and cooperation and especially the Albanian Parliament but even the Albanian customers, which at any case had secure access on the practices reviewed and approved by ERE to take their opinion, that are submitted even by the customer protection associations as well as constant cooperation with the Competition Authority that I would like to thank and express my conviction to continue this fruitful cooperation even in the future.

Thank you for your attention,

KRYETARI
Petrît AHMETI



Introduction

The Energy Regulatory Entity is the regulatory authority in Power and Natural Gas Sector, which operates pursuant to Law no. 43/2015 “On Power Sector”, as amended, Law no. 102/2015 “On Natural Gas Sector” as well as other approved legal acts implementing them.

ERE exercises its activity to guarantee the comply of market operators obligations for a sustainable and secure electricity supply of the customers. Taking into consideration the customers interests, the security for electricity supply quality of service and the requirements for environmental protection, monitors the electricity market, drafts the regulatory framework, reviews carefully the applications for the tariffs and prices and by its decision making authority as well as implementing the law, acts by expressing its will through the Board decisions.

ERE Board, is the decision making body for all the issues under ERE jurisdiction and competence. ERE Board is composed from the Chairman and 4 Board Members, which are appointed by the Parliament for a 5 year period.

According to the requirements of Power Sector and Natural Gas Sector Laws this report is submitted at the Parliament.

On this report are submitted the data for the progress of Power and Natural Gas Sectors for 2018 as well as the comparisons with the previous years.

Regarding Electricity shall be emphasized that 2018 has been a very good hydrological year as result of some main reforms of the sector, the financial performance of the licensed operators in Electricity production as well as public or private (concessionar or not) Operators has been satisfactory.

The annual Electricity Production has been over 8.5 TWh, an increase of more than 3,7 GWh or about 1.77 times compared with the multi year average calculated from 1985 and over 1.88 times compared with 2017.

As consequence of a very good hydrological year resulted that Albania was an Electricity exporter with a quantity of about 0.9 TWh compared with an import of about 3 TWh of 2017. Throughout the years except 2010 and few quantities in 2016, this is the third year in the last 12 years that the country results to be an exporter.

In this quantity of production over 5.8 TWh or about 68.4% of the quantity belongs to the public association of generation, KESH company while the other part of about, 2.7 TWh or about 31.6 % belongs to independent Electricity producers thus marking an increase of these producers during 2018.

Shall be emphasized that during 2018 it started the photovoltaic plants production which mainly started by the end of 2018. The quantity produced from them shall be reflected in the electricity statement of OSHEE company beginning from 2019 and as follows.

An increasing trend during 2018, as it was expected due to the good hydrological year, was also the production from private priority HPP-s or those issued in concession (up to 15 MW), as well as from Ashta HPP.

Currently during 2018 only one production Photovoltaic plant of UKKO (Water Supply Sewerage of Korca) with an installed capacity of about 1 MW produced for its supply needs and signed a Electricity Network agreement with OSHEE company by which it is reconciled the produced and the consumed quantity. The producer in question is very interesting as it opens the way to a new category of customers which are spread very much on West Europe countries called *Prosumers* that produce Electricity for their own needs and may sale an Electricity quantity in the market. The technical and regulatory acts of their absorbtion in the market are being processed by OSHEE and the Ministry as well as by our institution.

At this point even the consumption had an increase of about 2.7% compared with one year before marking the value 7.6 TWh during 2018.

The general losses reported from the Company for 2018, reached 23.96% compared with the 26.41 value of a year before.

The total level of the collections reported from OSHEE company was 101.9 % to the Electricity invoiced for 2018, which included even the overdue collections of the 2007 – 2017 period in an amount of about 7.6 Milliard ALL.

Private customers account 39% of total OSHEE consumption also an important part of the total Electricity consumption in occupied by budgetary and non budgetary customers about 12 % of the total OSHEE company invoice, shall be mentioned that these customers continue to have problems regarding the payment of Electricity invoices, collecting a debt for OSHEE company setting this last one mentioned on financial difficulties.

In our country the household consumption regarding the total invoiced consumption for the tariff customers for 2018 is about 49% of the consumption.

Regarding the tariffs for the end use customers for 2018 there was not an increase and the tariffs remained according to the following table:

Also there was a decrease in the price calculated and approved by Electricity priority producers from the hydro power plants for 2004 - 2019 period:

In the framework of customer protection it is approved the metering plan for OSHEE company and are handled on each case by ERE the complaints regarding the general conditions of supply.

2018 has been the year where the joint work with the Italian and Greek regulators for TAP project continued and gave concrete and significant results. During 2018 initiated the procedures for licensing TAP – AG as an Independent Operator.

The Albanian Regulator Authority together with the Regulatory Authorities of Greece and Italy took joint decisions regarding TAP – AG project. These decisions are taken in full compliance with the European Parliament and of the Council Directive 2009/73/EC, Regulation no. 715/2009 (EC), of the

Ministerial Council Decision no. D/2011/02/MC-EnC, as well as Law no. 102/2015 “On Natural Gas Sector”, which has currently reflected all European Union requirements.

Despite the achievements and good performance of the Power sector even in the plan for preparing the secondary and regulatory legislation, including natural gas sector shall be emphasized that among the areas to which more work shall and may be done and shall be ERE work objectives for the next year shall be:

- **Electricity market liberalization**

By the opening of the Power exchange in cooperation with an international partner which shall enable its efficient transparent operation. Regarding this it is necessary to perform a study on the short term plant and the measures for the depreciation of these effects to the end use customer as result of the Electricity market opening and the coupling of the markets with SouthEast Europe countries and those of Europe. According to us and based on the performed studies from well – known international companies with the completion of the underwater interconnection line between Italy and Montenegro, expected to be in operation by the end of 2019, the coupling of the Electricity markets of SouthEast European countries with those of West Europe shall bring an increase of the Electricity price in the Region which for a short period shall be stabilized. This fact shall be utilized by our hydro generating resources which through the optimisation of their portfolio may and shall benefit from this situation. Anyhow the impact that this short term increase may have to the household customers and the measures for its precede or depreciation shall be taken into account from us in our cooperation with other shareholders of the sector. This shall enable even the establishment of the conditions for the end use customers to emerge in the free market and the switch of the supplier optimising the expenses for the Electricity supply.

- **Operational and Organisational unbundling of OSHEE company**

The undertaken of the necessary measures to monitor OSHEE company unbundling according to the provisions of Power Sector Law, a process that shall be accompanied with operational and organizational unbundling as well as of the accounts and costs between the Supplier of Last Resort and the Electricity Distribution System Operator, enabling a secure and qualitative service of the end use customers. For this it is necessary the proper cooperation with the Ministry as the owner and the international shareholders like Energy Community Secretariat in Vienna. In this regard it is very important the implementation of the measures approved with Council of Ministers Decision no. 742 dated 12/12/2018 “On approving a strategic plan to reform the power sector in Albania” which opens the prospect and the opportunity to accept public offers for OSHEE.

- **Assessment on managing the hydrological risk**

It is necessary to take the measures from the public generation company, KESH company to manage the hydrological risk. In this regard the escrow account to manage this risk by which

KESH company with the financial benefits issued during the best hydrological year covers and manages the possible losses of the relatively worse hydrological year. On this way there are managed the costs increase risks for Electricity supply of the end use customers due to climatic conditions.

- **Establishing a market for the imbalances and the ancillary services**

It is necessary the establishment of the imbalances and ancillary services market based on the best European practices enabling the grant of the service from the producers on market basis to effectively and really reflect the costs for this service. The establishment of such a market is necessary for the well functioning of the Power Exchange. Such a market and the coupling with the regional markets shall enable financial benefits from KESH company as one of the producers with the best opportunities to provide this service in the region which also has a very high benefit.

- **Monitoring the implementation of the OSHEE action plan for customer protection**

Special attention is dedicated to the implementation of OSHEE company action plan regarding the customer protection as well as its update in view of the problems arisen during on site implementation being focused at the settling of customer complaint at a shortest time possible and with full responsibility.

- **The Impact of Renewable Resources in the market**

The increase of the Electricity production plants from renewable resources like photovoltaic plants, hydro plants and the wind ones, arised the pre requisite to draft the regulatory and legal framework to absorb them and reduce the costs or the appropriate distribution of them to all the customers not only the end – users. On this regard the cooperation with the Ministry and other important shareholders of the sector to prepare this Legal framework shall take appropriate attention from our institution.

- **The strategy on the grid security measures and the information systems in Power and Natural Gas Sector**

Implementing the action plans an integral part of directive no. 2016/1148 “On the Security and Information of the System” (NIS) known as the Directive “ On the measures for a common high level of grids security and information systems in the European Union, it is necessary the draft of a strategy to take the measures to implement as soon as possible in the critic infrastructures of the Power sector such as TSO company and OSHEE company as defined on Council of Ministers Decision no. 222 dated 26.04.2018 “On the approval of the critic infrastructure list of information”. We judge of same importance to include the list of these infrastructures even for the public generation companies or the private generation plants which may have an impact on territorial security such as the HPP-s with dams. In this aspect the

cooperation with the responsible Authority according to Law no. 2/2017, “On Cybersecurity”, as well as other interested institutions for national security is very important to prevent and take the preliminary measures on this regard. With NARUC and USAID support shall be worked to draft a strategy for the critic infrastructures on power sector.

- **Study of the solutions and preparation of the respective proposals to relieve the mutual obligations**

Currently the arrears of the financial obligations between the public operators of the power sector are high and this also applied for the obligations of the customers mainly the budgetary ones have to OSHEE company for the Electricity invoices putting this later on a difficult financial situation. Their final solution and finding the ways to not create them in the future with the support of the Infrastructure and Energy Ministry and that of Finance and Economy as well as the Council of Ministers it is very necessary and actual.

In conformity with the power market development and the legislation regulating this sector, ERE work shall also be focused on:

- the review and analysis of the investment plans to guide careful sector investments in conformity with the lowest cost principle, the efficiency and the financial situation of the public companies,
- ensure of the information and the reports to the Parliament in conformity with the Law requests and as defined on the respective resolution or other Parliamentary acts,
- the engagement for a continuous cooperation with all market participants and interested groups to address and find solutions to balance the interests of the parties in ERE decision taking processes,
- cooperation with other decisionmaking bodies in the country to implement the certification conditions of the transmission operators in power and natural gas sectors.
- the set of the platforms enabling an interactive service through electronic communication that shall increase further the access to the third parties in the practices and ERE decisions.
- cooperation in a regional level and within the international regulatory associations where they adhere.
- continuation of common projects such as the second phase of KEP (Know-How Exchange Program) project dedicated to the exchange of the regulatory capacities to the balcanic area which continued during 2018.

The project activated on January 2018 from the Italian Regulatory Authority for Energy, Networks and Environment (ARERA) in cooperation with Terna (the Italian Transmission System Operator), GME (the Italian Operator for the Electricity Market) and with the support of I – COM (the Institute for Competition), is part of InCe /EBRD program of the Technical Cooperation – Know – How Exchange Program (KEP) “Support to Strengthen the Energy Regulatory Authorities in Western Balkans for the regulators of Albania, Monte Negro and Serbia. ARERA proposed to focus the activities implementing the market coupling mechanisms in the Balcan countries to favour the

establishment of the electricity regional market in the area and its integration at the only European country.

After the successful conclusion of the first stage of the project, the new activities shall be focused on the concrete measures that the Balcan regulators shall approve to comply with the European regulatory framework, to favor the integration process of the electricity market in the Balcan and Europe.

THE LEVEL TO FULFIL AND RESPECT THE INTERNATIONAL OBLIGATIONS

In compliance with the obligations of the Permanent High Level Group decisions (PHLG) of Energy Community there are approved by ERE Board the following network Codes:

- Network Code on Requirements for Grid Connection of High Voltage Direct Current Systems and Direct Current-Connected Power Park Modules – on the implementation of 2018/04/PHLG-EnC decision to include the Commission Regulation (EU) 2016/1447 dated 26 August 2016.
- Network Code on Demand Connection – on the implementation of 2018/05/PHLG-EnC decision to include the Commission Regulation (EU) 2016/1388 dated 17 August 2016.
- Network Code on the requirements for Grid Connection of Generators” – on implementing 2018/03/PHLG-EnC decision to include the Commission Regulation (EU) 2016/631 dated 14 April 2016.
- Network Code on Interoperability and Data Exchanges Rules – on implementing 2018/02/PHLG-EnC Decision on approving the Commission Regulation (EU) No 2015/703 dated 30 April 2015.

Progress with the regulatory structure regarding the adoption to implement 3rd EU package and Albanian TSO engagements, as full right member in the European transmission Network (ENTSOE)

- Approval of the guidelines for the Key Organisational Requirements, Roles and Responsibilities (KORRR) relating to Data Exchange.
- All TSO proposal for a generation and load data provision methodology in accordance with Article 17 of the Commission Regulation (EU) 2016/1719 dated 26 September 2016 establishing a guideline on forward capacity allocation.
- All TSOs' proposal for a common grid model methodology in accordance with Articles 67(1) and 70(1) of Commission Regulation (EU) 2017/1485 dated 02 August 2017 establishing a guideline on electricity transmission system operation.
Approval of some amendments to the TSO proposal for the guidelines on the Key Organisational Requirements, Roles and Responsibilities (KORRR) relating to Data Exchange.
- All Continental Europe and Nordic TSO's proposal for assumptions and Cost Benefit Analysis methodology in accordance with Article 156 (11) of the Commission Regulation (EU) 2017/1485 dated 2 August 2017, establishing a guideline on electricity transmission system operation.

REGARDING EU PROGRESS REPORT RECCOMENDATIONS.

ERE periodically informed, in the framework of the reports for the Subcommittee of Transport, Environment, Energy and regional development regarding the recommendations of the EU progress report for the respective years and specifically for 2018:

DSO unbundling

- Following the registration of the three new companies in the National Business Centre, the Albanian Regulatory Authority (ERE) licensed the “Free Market Supplier” (FTL company) in the electricity trading and supply activity, for a five years period.
- After the request of OSHEE company to transfer the license to the newly established company, ERE approved the transfer of electricity supply license from OSHEE company to the new company the Universal Service Supplier (FSHU company) and the transfer of the license for electricity distribution system operation of OSHEE company to the “Distribution System Operator” valid until 27.10.2044.
- After the start of the work for the financial and asset evaluation of the three companies, OSHEE requested additional
- Work has started for the financial and assets evaluation of the three companies. However, OSHEE company requested to the Ministry of Infrastructure and Energy additional guidelines concerning functional unbundling and after the Ministry opinion as the only shareholder of OSHEE company, this last one mentioned submitted a request to ERE, requiring a transitory period for license transfer.
- ERE Board after accessing the request approved the 12 months transitory period in order to make effective the transfer of licenses to the Distribution System Operator company (DSO company) and the transfer of electricity supply license from OSHEE company to the “Universal Service Supplier” (FSHU company).
- Until the end of the transitory period (12 months), the operation activities in the electricity distribution system, the power supply and the universal service obligation for electricity supply shall continue to be carried out by OSHEE company.
- Law no. 7/2018 “On some additions and amendments on Law no. 43/2015 On Power Sector” defines that the end use customer supplied from the supplier of last resort entering for the first time in the liberalized market is obliged to sign a supply contract with a new supplier, within 2 years from the beginning of the contract from the supplier of last resort.
- The postpone of the transitory period (two year period) before the entry in the liberalized market does not prevent the customers connected on the 35 kV grid to find a supplier in the liberalized market but takes into account the customer’s issues regarding the lack of experience to operate in the liberalized market, their inability to find a supplier and gives to the customers the appropriate time for their transition from regulated market to the liberalized market as well as the technical restrictions of the customers to transfer in the liberalized market.
- According to the amendments on Law no. 43/2015 “On Power Sector” all the customers connected in the 35 kV, beginning from the end of 2019 shall not be supplied from OSHEE as the Supplier of Last Resort.

NATURAL GAS: TSO Unbundling – follow-up on certification of Albgaz company

- ERE Board approved with decisions No. 236 dated 02.11.2018 “On an amendment of ERE Board Decision no. 179, dated 08.11.2017, “On the certification of the combined operator of natural gas Albgaz company”.
- According to this Decision, ERE approved the request of Albgaz company to postpone until 10.04.2019 the deadline to fulfil the obligations stipulated on points 2; 3; 5; 5.2 and 7 of ERE Board Decision no. 179, dated 08.11.2017. This decision was taken after ERE assessed that Albgaz company continuously followed the required procedures and measures under its control in order to realise TSO unbundling and fulfilment of the conditions defined on this decision.
- Albgaz company reported at ERE that it is following the necessary steps for assets registration.
- Albgaz company submitted at ERE its request regarding the preliminary approval of the Compliance Officer candidacy. ERE after reviewing the request decided the preliminary approval of the Compliance Officer of the Transmission System Operator for Natural Gas.
- Albgaz company reported at ERE that the financial audits appointed to audit the financial statements of Albgaz company are independent from the Financial Audits which perform the audit of vertically integrated generation or supply companies/enterprises.
- Regarding the tariffs in the transmission and distribution network for natural gas, ERE approved Decision no. 178, dated 08.11.2017, "On approving the Methodology for tariff calculation on natural gas transmission and distribution network"; Decision no. 97 dated 23.04.2018 “On approving the natural gas transmission tariff for Albgaz company for 2018”

Retail market opening

Regarding the implementation of the Standardized Load Profiles for categories of consumers, according to the definitions of the Law no. 43/2015 “On Power Sector”, as amended, it is a task of the Distribution System Operator to design standardized load profiles for defined consumer categories, in case the metering data necessary to calculate imbalances are not appropriate and available. In July 2018, was submitted a draft of Rules for enabling retail market opening and use of Standardized Load Profile adopted by the DSO, proposed by the Energy Community Secretariat. Actually, these draft rules are still in the consultation process among the stakeholders and the Albanian Energy Regulatory Authority is waiting for the stakeholder’s comments and opinions.

Update of measures taken and the data to reduce distribution losses and improve the collection of the electricity invoice payments

With the Council of Ministers Decision no 763 dated 20.12.2017 are approved some amendments on the Council of Ministers Decision no. 1086 dated 14.12.2013 ‘On the set up of the Task-Force to improve the invoice collection rate and lowering the losses in the electricity distribution network’, as amended. The Council of Ministers Decision extended the activity of the Task-Force from 31.12.2017 until 31.12.2019, to improve the collection level and reduce the losses in the electricity distribution system. On the other side, OSHEE company is continuing the good performance on reducing the electricity losses and increasing the invoice collection rates.

Currently there are the data as follows:

- The level of the electricity losses in the distribution network

For 2013 - 45.04%

For 2014 - 37.81%

For 2015 - 31.34%

For 2016 - 28.04%

For 2017 - 26.41%

For 2018 - 23.96%

- Collection level

For 2013 - 81.04%

For 2014 - 92.69%

For 2015 - 100.65%

For 2016 - 93.50%

For 2018 - 101.9%

Market opening delay; phasing out of cross-subsidisation and price regulation / adoption of the public service obligation acts

According to Article 109 of the Law 43/2015 “On Power Sector”, the customers connected to or above 110, 110, 35 and 20 kV grid shall be supplied in the liberalised market. For this purpose, the Supervisory Board of OSHEE company approved its Decision No. 13 dated 10.05.2016 “On the investments in measurement system for the customers connected to 35 kV power grids. OSHEE company concluded the investments in the metering system for customers connected to 35 kV power grids, and made technically possible the issue of these customers in the liberalised market. Following these measures, ERE Board, with Decision no 24 dated 15.02.2017 approved the Distribution Service agreement between OSHEE company and the electricity suppliers.

The Ministry of Infrastructure and Energy requested from OSHEE company to send the legal notice starting from 1 November 2017, to all the customers connected to the 35 kV distribution network on switching the electricity supplier. Thus, OSHEE company legally informed the customers connected on the 35 kV network to take measures to be supplied in the unregulated market starting from 1 January 2018.

The Law No. 7/2018 “On some amendments and additions to Law no 43/2015 “On Power Sector”, has defined that the end use customer, that enters for the first time in the liberalised market, is obliged to sign a supply contract with a new supplier within two years from the start of the supply contract from the supplier of last resort.

The extension of the transitory period (two years period) before entering into the liberalised market do not impede the possibility of the customers connected to 35 kV to find a supplier in the liberalized market, but takes into account the customer's concerns regarding their lack of experience to operate into the liberalised market, their inability to find a supplier and gives to the customers the appropriate time to adopt with the transition from the regulated market to the liberalised market as well as technical restrictions of the customer to transit at the liberalised market.

According to the amendments to Law No 43/2015 "On Power Sector", all the customers connected to the 35 kV grid, by the end of 2019 will not be supplied by the OSHEE S.A. as a Supplier of Last Resort.

As mentioned on point 4.3 "Alignment with and implementation of EU 3rd Energy package", the Council of Ministers Decision No.729 dated 08.12.2017 "On some additions and amendments to Council of Ministers Decision No.244 dated 30.03.2016 "On the approval of conditions for establishing public service obligations that will apply to licensees in power sector, which operate in electricity generation, transmission, distribution and supply", as amended. Law No 43/2015 of 30.04.2015 "On Power Sector" and Council of Ministers Decision No 244 dated 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", as amended with the Council of Ministers Decision No. 729 of 8.12.2017, the Energy Regulatory Authority no longer approves a methodology for calculating the electricity generation tariffs.

According to the Law No 43/2015, dated 30.04.2015 "On Power Sector", transmission, distribution and universal service tariffs shall be approved by Energy Regulatory Authority (ERE) based on the methodology approved by ERE. In this regard, ERE after the issue of Law No 43/2015 of 30.04.2015 "On Power Sector" approved the required methodologies as follows:

- ERE Board Decision no. 180 dated 8.11.2017 "On approving the methodology for calculating the electricity transmission tariffs";
- ERE Board Decision No 182 dated 10.11.2017 "On approving the methodology for calculating the electricity distribution operator tariffs";
- ERE Board Decision No. 189, dated 23.11.2017 "On the methodology for defining the retail electricity sale price for the end-user customers supplied from the Universal Service Supplier (USS)";
- ERE Board Decision no. 201 dated 4.12.2017 "On approving the methodology for defining the retail electricity sale price from the Supplier of Last Resort";
- ERE Board Decision No. 144 dated 25.06.2018 "On reviewing the methodology for defining the retail electricity sale price from the Supplier of Last Resort, approved with the ERE Board Decision No. 201 dated 4.12.2017"

The contract between KESH and OSHEE companies is in compliance with the Council of Ministers Decision No. 244 dated 30.03.2016 "On approving the conditions to impose public service obligation

for the licensees on power sector, which perform the electricity generation, transmission, distribution, and supply”.

The contract between KESH and TSO companies to cover the losses in the transmission system was terminated at the end of 2017. TSO company shall purchase electricity to cover the losses in the open market.

ERE administrative capacity

ERE is organized according to the Parliament decision no. 181, dated 5.05.2008 "On approving the organisational chart and the staff of the Albanian Energy Regulatory Authority" as shall be clarified further on this Report.

PART I: Electricity Market Regulation

1.1 Electricity Market

For 2018, the Electricity Market operated according to Council of Minister's decision No. 244 dated 30.03.2016, as amended "On approving the conditions for setting public service obligation, that shall be implemented to the licensee on Power sector, which exercise electricity production, transmission, distribution and supply activities". As defined by the Council of Ministers this decision serves as Temporary Market Model until the implementation of Council of Ministers Decision no. 519 dated 13.07.2016 "On approving the Electricity Market Model" the implementation of which is related with the effectiveness of the Day Ahead Market and the establishment of the Albanian Power Exchange. Above all, the current model has defined the electricity market participants in Albania and the role and responsibilities of each participant in the market charged with public service obligation.

With the entry into force of Law No.43/2015 "On Power Sector", as amended, the Energy Regulatory Authority to reflect the requirements of this Law continued the work to approve the secondary legislation on its implementation.

As provided even in article 98 of Law No. 43/2015 "On Power Sector" and on Council of Ministers Decision No. 244 dated 30.03.2016, as amended, the Temporary Market Rules approved by ERE with ERE Board Decision No. 139, dated 15.08.2016, as amended are implemented during 2018.

Also, with ERE Board Decision No. 193 dated 27. 11.2017 are approved the "Temporary rules for the Electricity balancing mechanism" to give an acceptable and transparent solution for all the market participants in handling the Albanian Power System balancing and their responsibilities.

There are taken the concrete steps for the Electricity Market liberalization regarding the establishment of the technical conditions and the by legal and regulatory framework for the issue in the free market even for the customers connected at the 35 kV voltage level and implementing Law no. 7/2018.

Currently their number about which it is made possible the creation of technical conditions is over 80, anyhow in this regard it is expected to be done more in the creation of the technical conditions from OSHEE company for its further liberalisation.

With decision No.519 dated 13.07.2016, the Council of Ministers implementing article 97/3 of this Law approved the Market Model according to which ERE Board with decision no. 214 dated 28.12.2017 approved the "Albanian Electricity Market Rules as well as the participation agreement at the Albanian Power Exchange" which together with the latest amendments of the Power Sector Law on February 2018 established the appropriate legal basis for the establishment and operation of the Albanian Power Exchange.

On the following figures it is submitted the Scheme of the Electricity and Commercial Flow as well as the Scheme of the Albanian Power Sector.

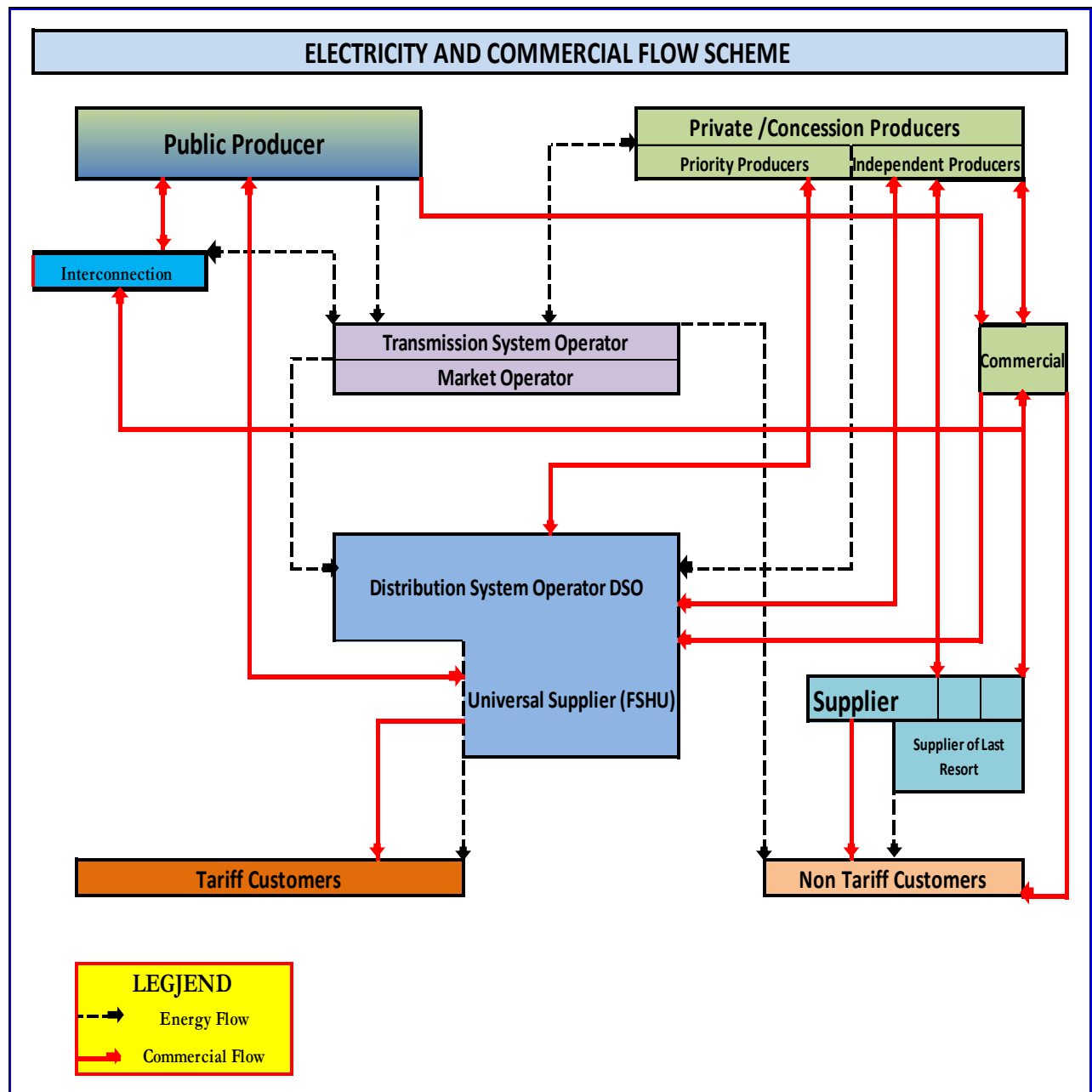


Figure 1 Scheme of the Electricity and Commercial Flow

(Source: ERE Law No. 43/2015 Council of Ministers Decision no. 244, dated 30.03.2016 as amended)

POWER SYSTEM SCHEME

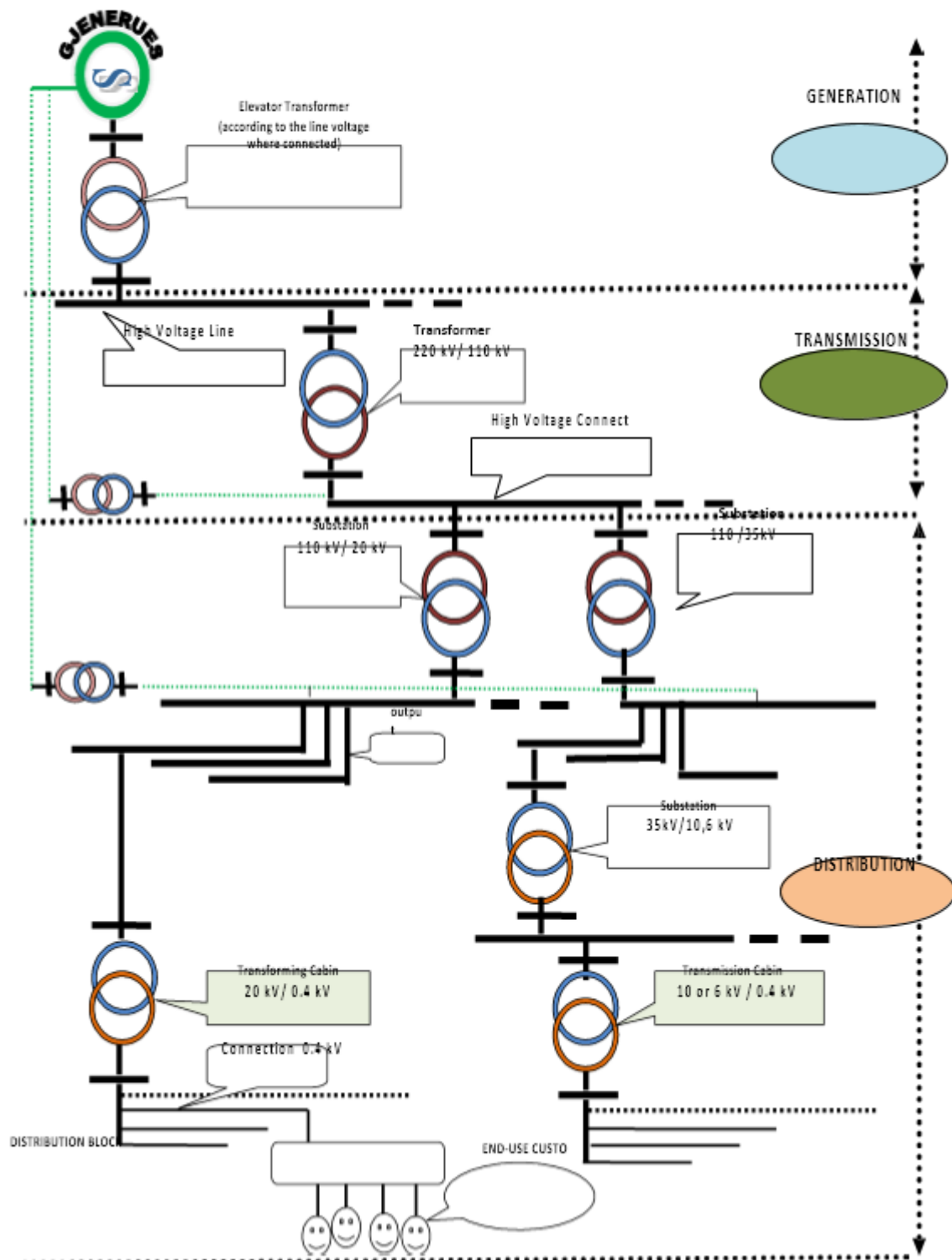


Figure 2 Power System Scheme (Source: ERE)

ALBANIAN POWER SYSTEM SCHEME

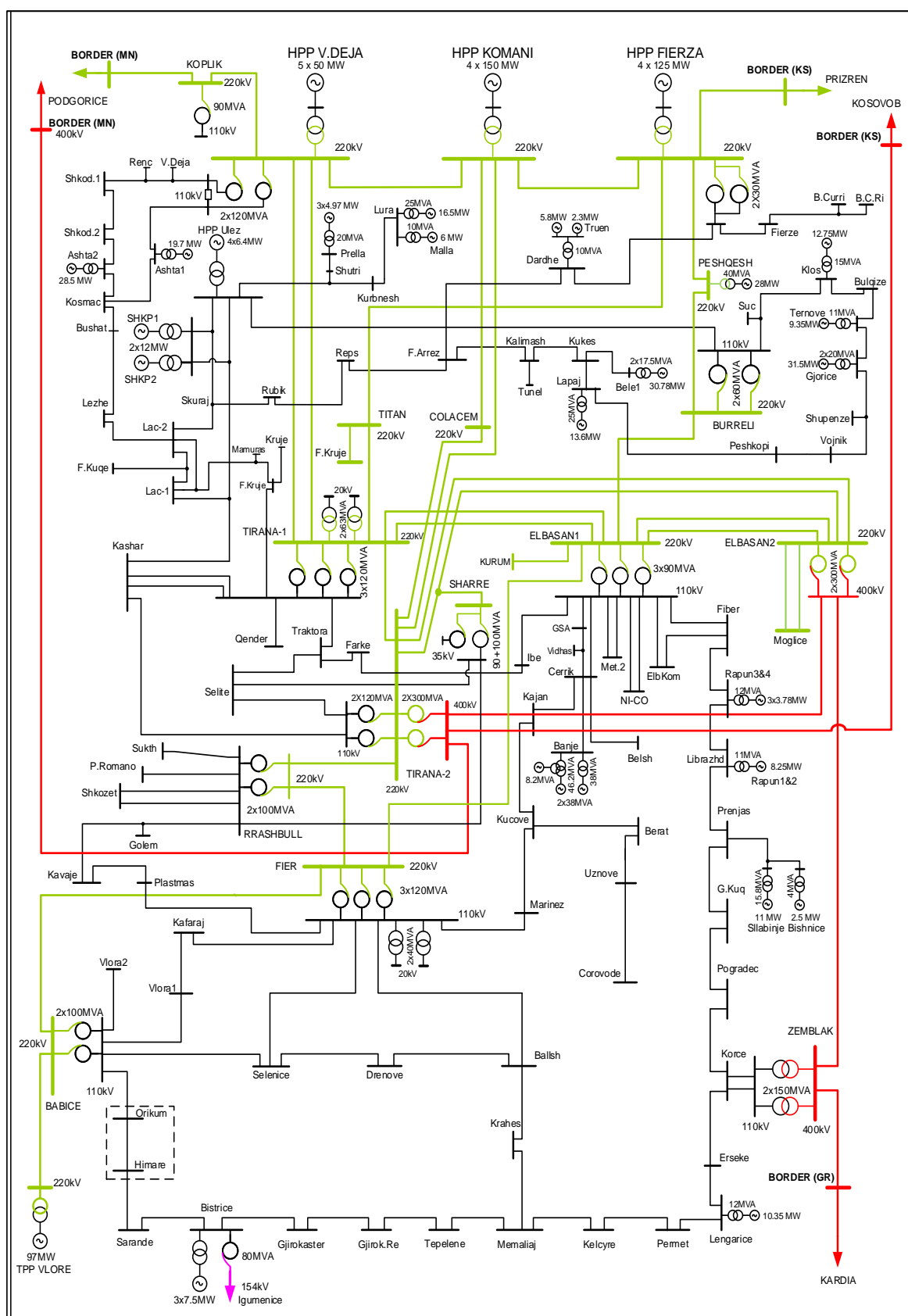


Figure 3 Electricity Scheme of the Albanian Power System

1.2 Electricity Production

The Electricity Production from the production companies is realized as a licensed activity by ERE, based on Law No.43/2015 “On Power Sector” as amended.

KESH company, is the biggest production company in Albania with a state owned capital charged with public service obligation for the Electricity supply of the Universal Supplier and to cover the Electricity losses in the distribution network according to Council of Minister Decision No.244 dated 30.03.2016, which for 2018 utilized the existing capacities of Drini Cascade.

Other (Private/Concession) production companies are submitted on the following table accompanied with the respective production indicators. These companies licensed by ERE throughout the years utilize the existing plants, or the new ones mainly by concession agreements or the contracts to utilize the administration of the Electricity Production plants signed with the Albanian Government or the responsible Authorities the privatisation of some plants like that of Mat and Bistrica River as well as a small part that utilize the plants up to 2 MW, privatized within Law No. 8527, of date 23.09.1999. A considerable number of production plants is connected with the distribution network.

1.2.1 Electricity Capacities and Production

Electricity public production is performed by the joint stock KESH company with 100% of the shares owned by the state. The composition of the plants group owned by KESH company and the installed capacity for each of them, which realize the public production is submitted on the table. The general installed capacity reaches 1,448 MW, from which the installed capacity of the HPP-s is 1,350 MW and that of Vlore TPP is 98 MW.

Characteristics of the Plant	Public Production Plants			
	Fierzë HPP	Koman HPP	V.Dejës HPP	Vlorë TPP
No of the Aggregates	4	4	5	2
Capacity of the Aggregates MW	125	150	50	70+28
Installed capacity of the plant MW	500	600	250	98
Total Capacity MW	1,448			

Figure 4 Structure of the Power Plants for Public Production (Source: KESH company)

The total installed capacity of about 2,204 MW is composed of total capacity of public producers and the total installed capacity of private/concession Electricity producers of about 755.2 MW composing about 34.3% of total installed capacity. The electricity net production from KESH company in 2018 was realized 100 % from hydro resources.

The domestic net production of about **8,552,152** MWh was realized:

5,850,932 MWh from the production plants of KESH company or 68.4% and
2,701,220 MWh from other production plants or 31.6%.

The installed capacity of the plants connected on the transmission grid during 2018 is about **1,964 MW** and their net generation is **7,809,069 MWh**. The installed capacity of the plants connected in the medium Voltage during 2018 is about **240 MW** and their net production is **743,083 MWh**.

On the following table are issued the data for all the plants, companies, installation capacities in licensing and net production for 2018 received from TSO and OSHEE companies.

Production during 2018 from the Plants Connected on the Transmission Network (MWh)				
HPP-s and Capacity	MW	Company	Connection	2018
"Fierze" HPP with 500 MW capacity	500.000	"KESH" company	220 kV	5,849,025
"Koman" HPP with 600 MW capacity	600.000		220 kV	
"V. Dejes" HPP with 250 MW capacity	250.000		220 kV	
Vlora TPP with 98 MW capacity	98.000	"KESH" company	220 kV	1,907
"Ulez" HPP with 25,2 MW capacity	25.200	"Kurum International" company	110 kV	377,767
"Shkopet" HPP with 24 MW capacity	24.000		110 kV	
"Bistrica 1" HPP with 22,5Mw	22.500		110 kV	
"Bistrica 2" HPP with 5 Mw capacity	5.000		110 kV	
"Peshqesh" HPP with 27,94 MW capacity,	27.940	"Ayen As Energji" company	220 kV	95,957
"Fangu" HPP with 74.6 MW capacity,	74.600		220 kV	238,690
"Banje" HPP with 73 MW capacity	73.000	"Devoll Hydropower" company	110 kV	292,561
"Ashta" HPP with 48,2 MW capacity	48.200	"Energji Ashta" company	110 kV	298,107
"Bishnica 2" HPP with 2.5 MW capacity	2.500	"Bishnica 1,2 " HPP	110 kV	10,739
"Dardhe" HPP with 5,8 MW capacity	5.800	"Wenerg " company	110 kV	17,856
"Truen" HPP with 2,5 MW capacity	2.500	"TRUEN" company	110 kV	
Hec"Temove" me fuqi 8.385 Mw	0.921	"TEODORI 2003" company	110 kV	9,745
Hec"Gjorice" me fuqi 4.18 Mw (+h/c ne prodhim)	29.610	"DITEKO" company	110 kV	115,714
Hec "Slabinje" me fuqi 13,8 MW	13.800	"Power Elektrik Slabinje" company	110 kV	44,034
Hec"Bele 1" me fuqi 5 MW ;	5.000	"Euron Energy" company	110 kV	132,347
Hec"Topojan 2" me fuqi 5,8 MW,	5.800			
Hec"Bele 2" me fuqi 11 MW ;	11.000	"Alb-Energy" company		
Hec"Topojan 1" me fuqi 2,9 MW,	2.900	"Energal" company		
Hec"Orgjost I Ri" me fuqi 4,8 MW	4.800	"Energy partners Al" company	110 kV	20,799
Hec "Cerunje-1" me fuqi 2.3 MW;	2.300			
Hec "Cerunje-2" me fuqi 2.8 MW;	2.800	"C & S Construction Energy" company	110 kV	33,392
Hec "Rrupe" me fuqi 3.6 MW;	3.600			
Hec "Rapuni 1,2" me fuqi 4 dhe 4.1 MW	8.100	"C & S Energy" company	110 kV	35,808
Hec "Rapuni 3,4" me fuqi 8.857 MW	8.850	"Gjo.Spa.POWER" company	110 kV	48,023
Hec"Llapaj" me fuqi 13,62 MW	13.620	"Lengarica & Energy" company	110 kV	27,075
Hec"Lengarice" me fuqi 8.94 MW	8.940	"Erdat Lura" company	110 kV	48,079
Hec"Lura 1" me fuqi 6,54 MW	6.540		110 kV	
"Lura 2" HPP with 4,02 MW capacity	4.020		110 kV	
"Lura 3" HPP with 5,66 MW capacity	5.660	"Gjire Rec" company	110 kV	16,958
"Malla" HPP with 5,455 MW capacity	5.455	"Prelle Energji"	110 kV	41,966
Prella HPP with 14.97 MW capacity	14.970	"REJ ENERGY" company	110 kV	11,360
Cemerica 1 HPP	0.88		110 kV	
Cemerica 2 HPP	1.08		110 kV	
Cemerica 3 HPP	2.1		110 kV	
TUÇ HPP	4.47	MC Inerte Lumzi	110 kV	27,287
Lumzi HPP	11		110 kV	
Denas HPP	14.5	"Denas Power" company	110 kV	7,459
Llënga 1	1.73	"HEC LLËNGË" company	110 kV	1,615
Llënga 2	0.3		110 kV	
Llënga 3	1.5		110 kV	
Shpella Poshte 2 HPP	2.3	Liria Energji company	110 kV	3,446
Germani 1 HPP	4.8	SA'GA-MAT company	110 kV	1,351
Germani 2 HPP	1.5		110 kV	
	1.963			7.809,069

Figure 5 Production during 2018 from the plants connected in the transmission network (MWh)

PRODUCTION DURING 2018 FROM THE PLANTS CONNECTED ON THE DISTRIBUTION NETWORK (MWH)				
HPP-s AND THEIR CAPACITY	MW	COMPANY	CONNECTION	2018
"Lanabregas" HPP with 5 MW capacity	5.000	"Lanabregas" HPP	35	33,607
"Lenie" HPP with 400 kW capacity	0.400	"EMIKEL 2003" HPP	10kV	2,791
"Çorovode" HPP with 200 kW capacity	0.200		10kV	831
"Smokthine" HPP with 9,2 MW capacity	9.200	"Albania Green Energy" company	35 kV	37,072
"Bulqize" HPP with 0,6 MW capacity (Diber)	0.600	"Balkan Green Energy" company	10kV	1,583
"Homesh" HPP with 0,395 MW capacity (Diber)	0.395		10kV	617
"Zerqan" HPP with 0,625 MW capacity (Diber)	0.625		6kV	1,563
"Arras" HPP with 4,8 MW capacity (Diber)	4.800		20kV	16,890
"Orgjost" HPP with 1,2 MW capacity (Kukes)	1.200		10kV	5,607
"Lekbibaj" HPP with 1,4 MW capacity (Tropoje)	1.400		10kV	5,463
"Dukagjin" HPP with 0,64 MW capacity (Shkoder)	0.640		10kV	1,807
"Marjan" HPP with 0,2 MW capacity (Korce)	0.200		10kV	61
"Lozhan" HPP with 0,1 MW capacity (Korce)	0.100		10kV	-
"Barmash" HPP with 0,83 MW capacity (Kolonje)	0.830		10kV	1,680
"Treske 2" HPP with 0,25 MW capacity (Korce)	0.250		10kV	825
"Nikolice" HPP with 0,7 MW capacity (Korce)	0.700		10kV	1,813
"Funares" HPP with 1,92 MW capacity (Librazhd)	1.920		10kV	6,376
"Lunik" HPP with 0,2 MW capacity (Librazhd)	0.200		10kV	1,013
"Kerpice" HPP with 0,42 MW capacity (Gramsh)	0.420		6kV	1,020
"Ujanik" HPP with 0,63 MW capacity (Skrapar)	0.630		10kV	1,361
"Borsh" HPP with 0,25 MW capacity (Sarande)	0.250		6kV	1,046
"Leshnice" HPP with 0,38 MW capacity (Sarande)	0.380		10/6kv	692
"Velcan" HPP with 1,2 MW capacity (Korce)	1.200		10kV	3,343
"Muhur" HPP with 0,25 MW capacity (Diber)	0.250		6kV	728
"Rajan" HPP with 1,02 MW capacity (Kolonje)	1.020		10kV	3,020
"Lure" HPP with 0,75 MW capacity (Diber)	0.750		10kV	643
"Gjanç " HPP with 2,96 MW capacity	2.960	"Spahiu Gjanç" company	35 kV	12,220
"Bogove" HPP with 2,5 MW capacity	2.500	"Wonder power" company	35 kV	11,520
"Xhyre" HPP with 570 kW capacity	0.570	"Amal" company	10kV	2,286
"Stranik" HPP with 4.6 MW capacity	4.600	"Hidroinvest 1" company	35kV	13,937
"Zall Tore" HPP 3 MW capacity	3.000		35kV	4,088
"Klos" HPP 1,95 MW capacity	1.950	"Malido-Energji" company	6kV	3,390
"Borje" HPP 1.5 MW capacity	1.500	"HIDROALBANIA Energji" company	35kV	23,007
"Cernaleve " HPP 2.95 MW capacity	2.950	"HIDROALBANIA Energji" company	35kV	9,916
"Cernaleve 1" HPP 3.27 MW capacity	3.270	"HIDROALBANIA Energji" company	35kV	11,375

"Murdhar 1" HPP 2.68 MW capacity	2.680	"HydroEnergy" company	10kV	11,780
"Murdhar 2" HPP 1 MW capacity	1.000		10kV	6,219
"Dishnice" HPP 0.2 MW capacity	0.200	"Dishnica Energy" company	10kV	689
"Lubonje" HPP 0.3 MW capacity	0.300	"Elektro Lubonje" company	10kV	425
"Peshke" HPP 3.43 MW capacity	3.430	"Koka & Ergi Energy Peshk" company	35kV	12,505
"Labinot –Mal" HPP 0.25 MW capacity	0.250	"Ansara Koncension" company	6kV	310
"Pobreg" HPP 12,3 MW capacity	12.300	"Energy Plus" company	35kV	41,554
"Vlushe" HPP 14.2 MW capacity	14.200	"Hec Vlushe" company	35kV	47,506
"Belesova 1" HPP 0.150 MW capacity	0.150	"Korkis 2009" company	6kV	247
"Faqekuq 1,2" HPP (3 MW; 3.4 MW) capacity	6.400	"HP OSTROVICA" company	35kV	18,843
"Shemri" HPP 1 MW capacity	1.000	"Erald Energjitik" company	10	2,448
"Mgulle" HPP 0.28 MW capacity	0.280		10kV	1,582
"Kryezi 1" 0.6 MW capacity	0.600	"Bekim Energjitik" company	10kV	3,396
"Selishte" HPP 2 MW capacity	2.000	"Selishte" company	35kV	5,663
"Carshove" HPP 1.5 MW capacity	1.500	"ERMA MP" company	10kV	3,757
"Ura e Dashit" HPP 1,2MW capacity	1.200		10kV	11,206
"Gizavesh" HPP 0.5 MW capacity	0.500	"Dosku Energy" company	10kV	2,366
"Koka 1" HPP 3,2 MW capacity	3.200	"Snow Energy" company	35kV	6,082
"Stravaj" HPP 3,6 MW capacity	3.600	"Stravaj Energji" company	35kV	12,094
"Picar 1" HPP 0,2 MW capacity	0.200	"Peshku Picar 1" company	6kV	647
"Vertop" HPP 1,52 MW capacity	1.520	"Hydro Salillari Energy" company	35kv	5,491
"Martanesh" HPP 10,5 MW capacity	10.500	"Albanian Power" company	35kV	17,524
"Verba 1,2" HPP (2 MW, 3 MW) capacity	5.000	"Hydro power Plant Of Korca" company	35kV	11,897
"Fterra" HPP 1,08 MW capacity	1.080	"Hidro Borshi" company	35kV	11,015
"Ostren i Vogel" HPP 0,32 MW capacity	0.320	"Lu & Co Eco Energy" company	10kV	1,086
"Kozel" HPP 0,5 MW capacity	0.500	"E.T.H.H." company	10kV	1,506
"Helmes 1" HPP 0,8 MW capacity	0.800		10kV	2,449
"Helmes 2" HPP 0,5, MW capacity	0.500		10kV	1,353
"Qafezeze" HPP 0,4 MW capacity	0.400	"Caushi Energji" company	10kV	2,161
"Trebisht" HPP 1,775 MW capacity	1.775	"SA.GLE.Kompani" company	10kV	4,456
"Mollaj" HPP 0,6 MW capacity	0.600	"Energji Xhaci" company	10kV	1,568
"Tucep" HPP 0,4 MW capacity	0.400	"Tucep" company	10kV	2,883
"Treska4" HPP 3,6 MW capacity	3.600	"Hec-Treske" company	35kV	8,402
"Treska3" HPP 0.3 MW capacity	0.300		35kV	1,085
"Treska 2T" 5 HPP 0.62 MW capacity	0.620		35kV	2,749
"Sotire1 & 2" HPP 2,2 MW capacity	2.200	"Hidro Energy Sotire" company	35kV	8,495
"Shutine" HPP 2,4 MW capacity	2.400	"Shutina energji" company	10kV	2,741
"Cekrez 1,2" HPP (0,23 MW; 0.43 MW) capacity	0.660	"Zall Herr Energji 2011" company	6kV	4,259
"Qarr" HPP 1 MW capacity	1.000	"Hec Qarr & Kaltanj" company	35kV	5,544
"Bisak" HPP 1,3 MW capacity	1.300	"Bardhgjana" company	6kv	3,764
"Shales" HPP 1,08 MW capacity	1.080	"Gjoka Konstruksion Energji" company	35kV	2,512
"Strelce" HPP 1,174 MW capacity	1.174		35kV	7,731
"Shpelle" HPP 400 kW capacity	0.400	"Sarolli" company	10kV	1,318
"Treska 1" HPP 130 kW capacity	0.130	Star NRG company	10kV	0
"Bicaj" HPP 3,1 MW capacity	3.100	"EN-KU" company	10kV	-
"Leskovik 1" HPP 1072 kW capacity	1.072	"Maksi Elektrik" company	10kV	399
"Leskovik 2" HPP 1100 kW capacity	1.100		10kV	547
"Orenjë" HPP 875 kW capacity	0.875	"Juana" company	10kV	1,021
"Tamarë" HPP 750 kW capacity	0.750	"WTS Energji" company	10kV	711

"Benë" HPP 1000 kW capacity	1.000	"Marjakaj" company	6kV	1,259
"Vithkuq" 2,715 MW capacity	2.715	"Favina 1" company	35/10kV	13,232
"Selce" HPP 1600 kW capacity	1.600	"Selca Energji" company	10kV	5,141
"Kumbull- Merkurth" HPP 0.83 MW capacity	0.830	"DN & NAT Energy" company	6kV	2,043
"Sasaj" HPP 8,6 MW capacity	8.600	"Energo – Sas" company	35kV	27,884
"Tervol" HPP 10.6 MW capacity	10.600	"Hec i Tervolit" company	35kV	42,181
"Radove" HPP 2,5 MW capacity	2.500	"MTC Energy" company	10kV	10,336
"Gurshpat 1" HPP 0,84 MW capacity	0.840	"Gurshpat Energy" company	10kV	4,393
"Gurshpat 2" HPP 0,83 MW capacity	0.830		10kV	5,185
"Bistrica 3" HPP 1,57 MW capacity	1.570	"Bistrica 3 Energy" company	6kv	9,358
"Hurdhas 1" HPP 1,71MW capacity,	1.710	"Komp Energji" company	6kV	7,241
"Perrollaj" HPP 0,5 MW capacity	0.500	"Fatlum" company	10kV	624
"Koxheraj" HPP 0,62 MW capacity	0.620	"Koxherri Energji" company	10kv	1,640
"Kacni" HPP 3,87 MW capacity	3.870	"Kisi-Bio-Energji" company	20kV	7,319
"Lena 1" HPP 1,95 MW capacity	1.950	"Gama Energy" company	35kv	8,014
"Lena 2" HPP 2,3 MW capacity	2.300		35kv	
"Lena 2A" HPP 0,25 MW capacity	0.250		35kv	
"Driza" HPP 3,408 MW capacity	3.408	"Mesopotam Energy" company	35kv	3,710
Strelca 1,2,3 HPP (1.504 MW, 0.325 MW, 3.52 MW capacities)	5.349	"Strelca Energy" company	35kv	16,035
"Ujanik 2" HPP 2,5 MW capacity	2.500	"HP Ujaniku Energy" company	35kv	7,525
"Nishove" HPP 1,36 MW capacity	1.360	"Nishova Energy" company	35kv	2,467
"Shtika" HPP 1,3 MW capacity	1.300	"Perparimi SK" company	10kv	3,420
"Ballenje" HPP 1,9 MW capacity	1.900	"Ballenja Power Martanesh" company	35kv	4,026
Gavran 1 HPP	0.998	"Gavran Energy" company	35kv	3,212
Gavran 2 HPP	1.215	"Gavran Energy" company	35kV	2,312
Kasollet e Selces 1 HPP	4.000	"Xhango Energji" company	35kV	10,882
Holta Kabash HPP	2.200	Kabash Porocan company	35kV	5,251
Holta Poroçan HPP	3.300		35kV	
Lusen 1 HPP	0.315	"Eurobiznes" company	35kV	733
Ura e Fanit HPP	1.000	"Ayen As Energji" company	35kV	5,392
Gorice HPP	1.747	"THE BLUE STAR" company	35kV	2,178
Kabash 1&2 HPP	5.800	"Univers Energji" company	35kV	1,470
"Tucep 2" HPP	1.7	"DUKA T2" company	35kV	866
"Dobrenje Tomorrice" HPP	2.4	DAAB Energy Group company	35kV	581
Total	240			743,083

Figure 6 Net production of all the plants during 2018 (MWh)

On the following figure it is submitted the net domestic production for 2018 evidencing the contribution in production of KESH company as the only public producer as well as other Private/Concession producer's contributions. As it can be seen, the public production continues to have the main share of the domestic production as reported from TSO company.

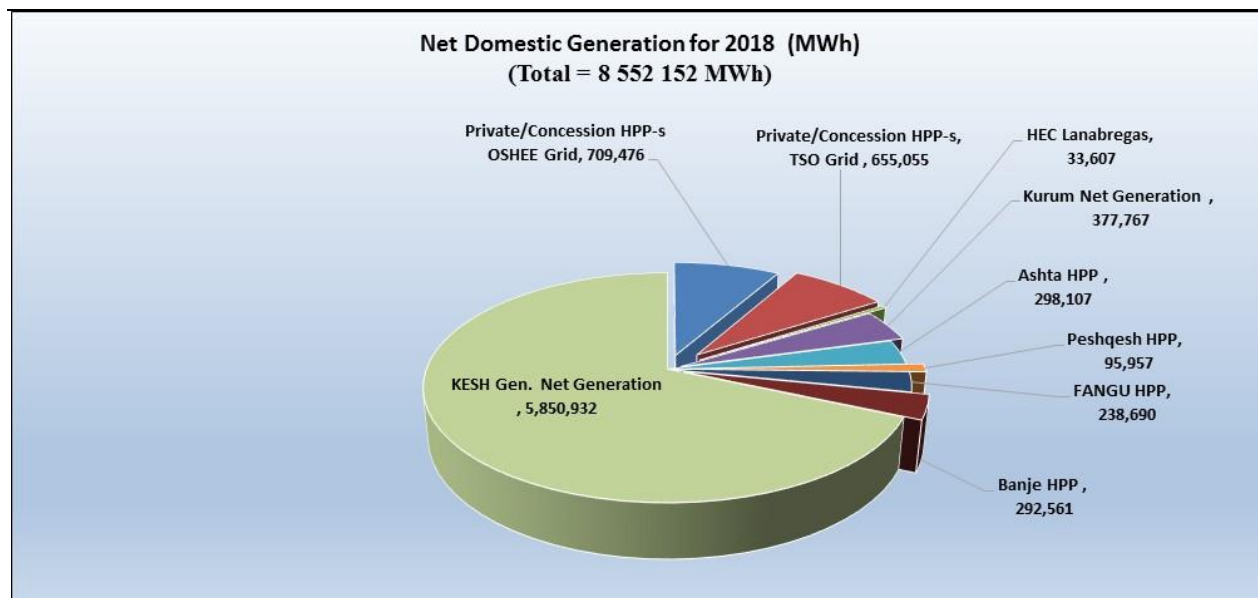


Figure 7 Net domestic production for 2018

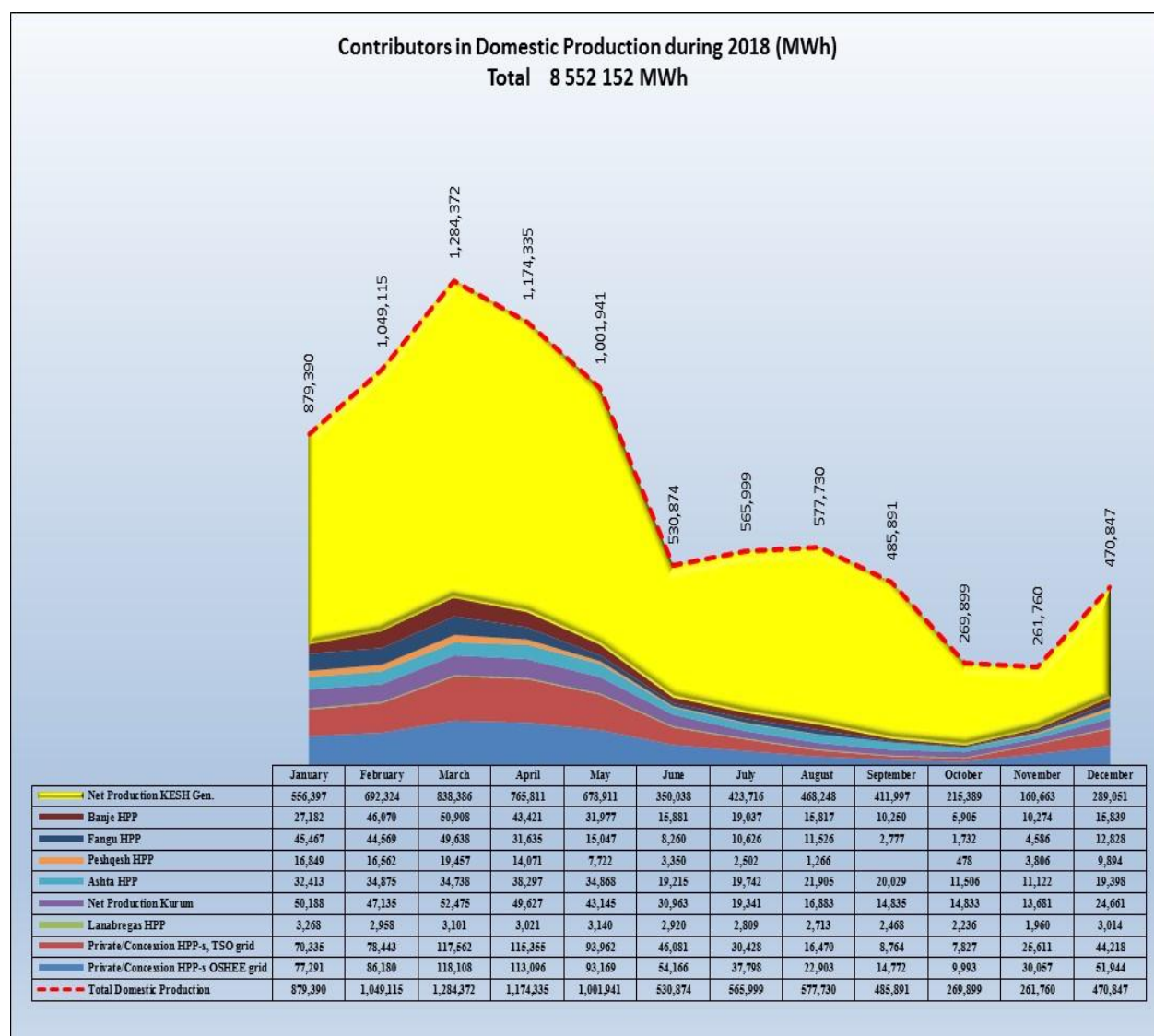


Figure 8 Contributors in domestic production during 2018 (MWh)

The following figures compare the net monthly production during 2018 compared with the production average of 2007 – 2018 period.

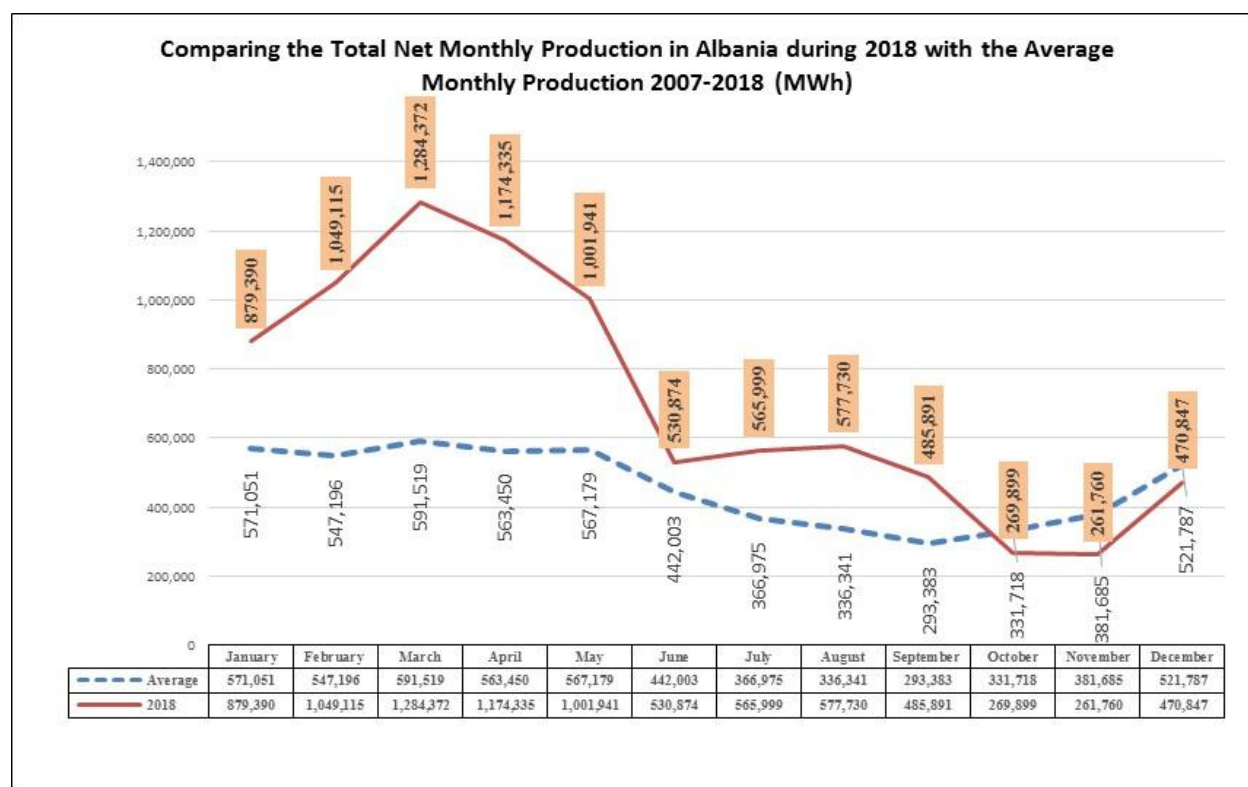


Figure 9 Domestic production for 2018 compared with the average for 2007-2018 period

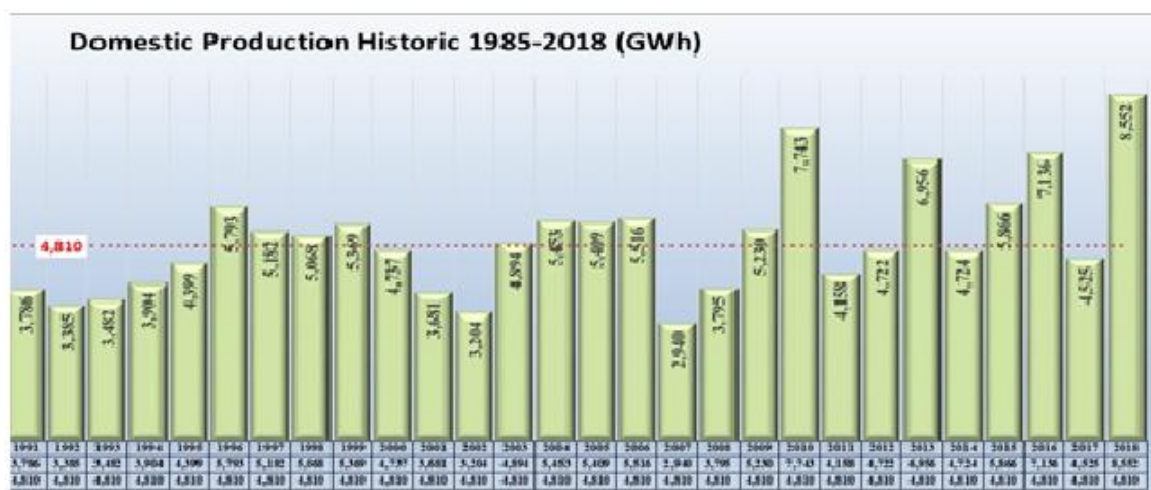


Figure 10 Net domestic historical production for 2003-2018 period

From the analysis of electricity historical production registered in the country, 2018 marked a record regarding the total production beginning from 2003 from domestic resources. Compared with the multi-year average of 5,476 GWh shall be underlined that the production for 2018 is increased. The monthly maximum production for 2018, is marked on March in an amount **1,284,372 MWh**. This production is realized from the hydro power plants under KESH company

administration in the 68.4% level. The minimum monthly production during 2018 is realized on November in an amount **261,760 MWh**.

On the graph it is seen that as consequence of a good hydrological year and the increase of the production capacities, the production for 2018 reached 8,552 GWh that means a production over the multi – year average 2003 – 2018 with about 3,076 GWh.

Production from Drini cascade HPP-s has the main weight in the domestic production and as follows are submitted the historical results of production from the three main hydropower plants under KESH company administration.

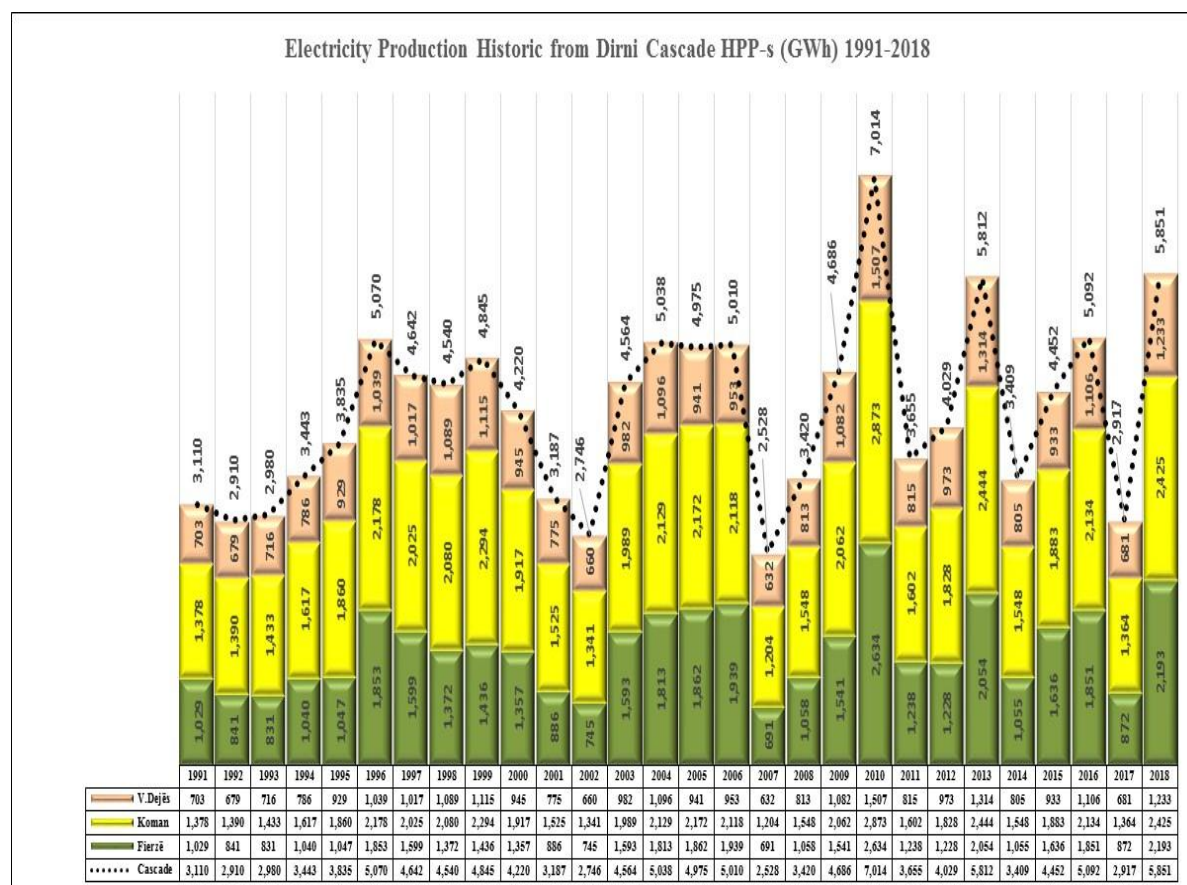


Figure 11 Electricity Production from Drini Cascade HPP-s (Source: TSO company).

The differences between maximum and minimum productions respectively for the years 2010 and 2007 results about 2.7 times and for the years 2017 – 2018 approximately double, clearly expressing the high level of the hydrological risk in the electricity production stability for the un interrupted supply of the Power systems customers supported only in the hydro resources.

As follows we are giving the details the electricity monthly production from Drini River cascade hydro power plants under KESH company administration.

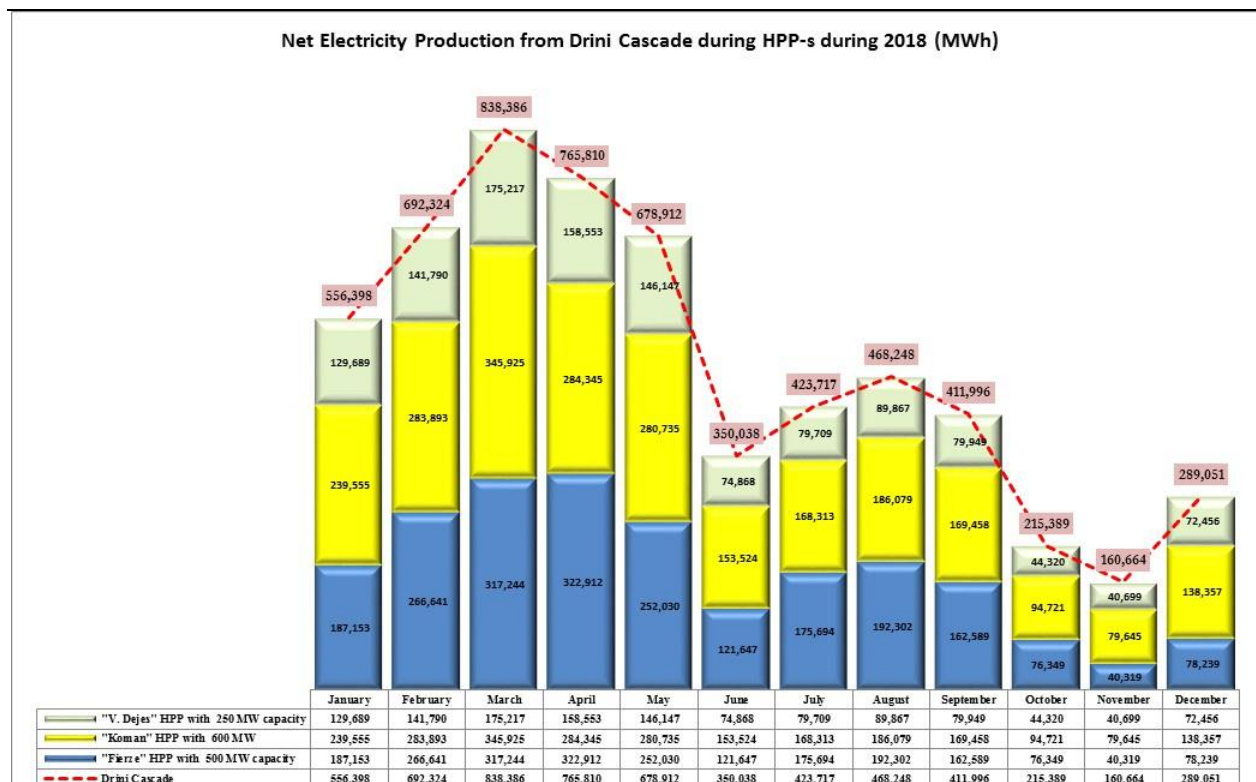


Figure 12 Electricity Production from Drini Cascade HPP-s during 2018 (Source: KESH company , TSO company).

According to the abovementioned table the maximum production is registered during March is 838,386 MWh and the minimum during November is 160,664 MWh.

The usage of the hydro power reserve taking into consideration the load of the aggregates according to the following table made possible the discharge of small quantities of water from the hydro power plants gates, without prior taken the electricity. These discharges resulted to be inevitable and are made to maintain the dam safety parameters.

According to KESH company reports, the utilisation of the hydro reserve taking into consideration the load coefficient of the aggregates according to the following table made possible the discharge of small quantities of water from the HPP gates, not used before for electricity production.

	FIERZË HPP	KOMAN HPP	VAU DEJËS HPP
Average coefficient of aggregates load (%)	90	85	85.5

The following figure shows the discharges from the HPP-s during 2018.

WATER DISCHARGES FROM THE DRINI CASCADE HPP-S DURING 2018 (MILION m³)												
	January	February	March	April	May	June	July	August	September	October	November	December
FIERZE	0	0	434	39	0	0	0	0	0	0	0	0
KOMAN	0	188	913	367	0	0	0	0	0	0	0	0
VAU DEJES	0	345	1,514	311	0	0	0	0	0	0	0	0

Figure 13 Discharges from KESH company HPP-s during 2018.

As it is seen the water discharges from the cascade HPP-s are performed only during February, March and April 2018 when there were the biggest inflows to implement the Regulation on managing the hydro reserve according to the following table and for the inflows from Fierze HPP production and the side flows in Koman HPP during these months.

As follows it is given the level in meters of Fierza Lake for 2018 by the end of each month.

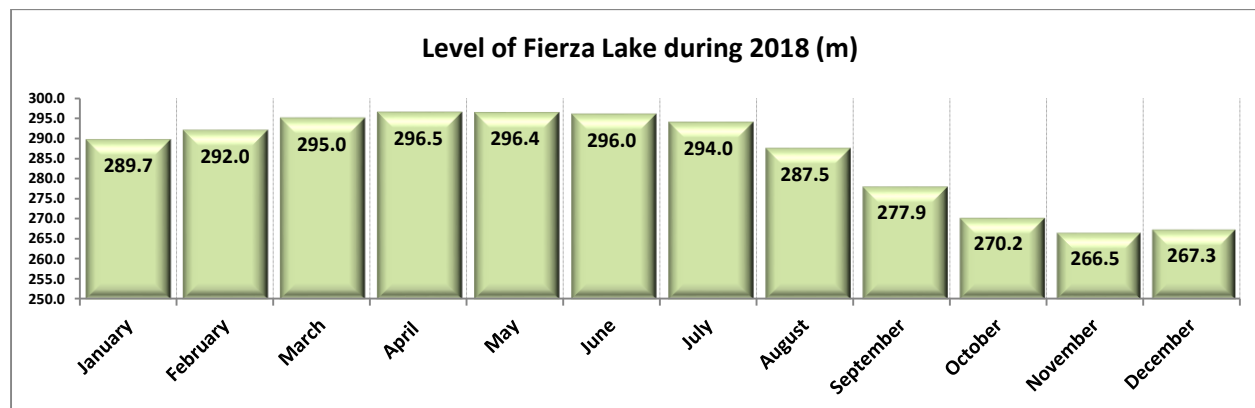


Figure 14 Fierza Level during 2018 (m)

Fierza HPP Basin operates as annual regulator of Drini River hydro reserve, which directly influences in the utilization of the Cascade over Drini river (Koman, Vau Deja and Ashta HPP-s), which are mainly supplied with water from the regulated inflows of Fierza HPP.

On figure 15, are graphically submitted the water discharges from KESH sh.a HPP-s of Drini Cascade for each year of 2002-2018 period.

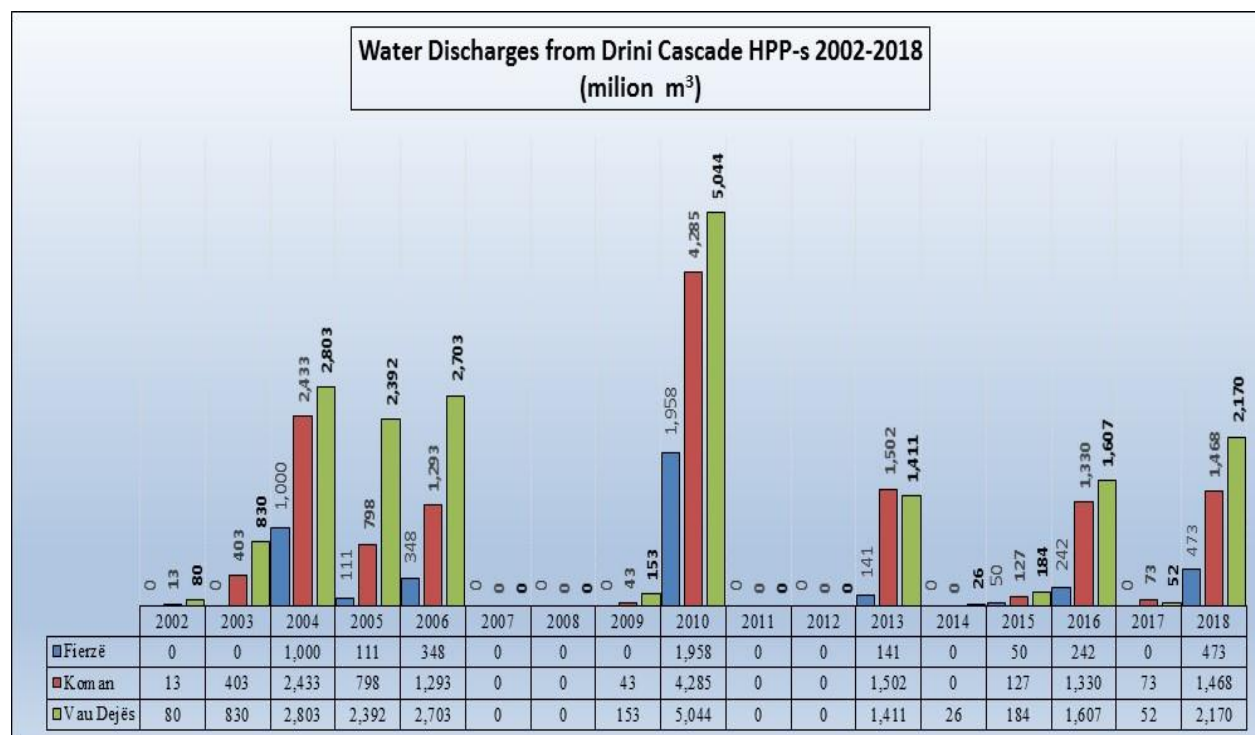


Figure 15 Water discharges from Drini Cascade HPP-s (2002-2018) (Source: KESH company).

Historical data over Fierza HPP level for 1991 – 2018 period are submitted below evidencing the minimum quotes (blue color) and the maximum ones (red color).

	Fierza Level 1991-2018											
	January	February	March	April	May	June	July	August	September	October	November	December
1991	254.4	260.8	268.6	279.9	293.4	296.1	294.0	291.5	289.4	288.3	288.8	285.1
1992	278.0	274.1	268.0	278.8	281.0	279.6	275.2	268.7	263.9	271.4	281.9	280.6
1993	275.2	265.3	264.7	278.5	280.5	277.3	271.0	261.1	253.6	249.9	255.6	270.2
1994	254.4	260.8	268.6	279.9	293.4	296.1	294.0	291.5	289.4	288.3	288.8	285.1
1995	253.8	260.3	262.5	275.3	289.0	288.7	284.5	282.2	288.2	283.8	279.9	287.5
1996	287.1	288.7	286.5	294.7	295.8	293.1	287.6	282.2	285.1	284.3	289.2	291.3
1997	289.4	284.5	281.7	285.2	294.1	292.0	287.0	280.0	272.9	272.4	270.8	277.2
1998	273.7	270.0	265.2	278.9	288.1	287.4	281.8	277.6	276.0	277.1	279.0	277.1
1999	272.7	275.6	281.5	290.5	295.9	293.3	288.3	279.5	271.0	257.6	263.6	276.9
2000	276.4	276.7	276.8	286.9	286.6	280.1	273.5	267.5	261.6	248.4	249.3	252.1
2001	253.6	258.2	275.1	282.9	287.6	283.8	273.7	271.1	269.2	263.6	263.2	252.1
2002	245.3	247.1	252.6	264.0	268.6	271.3	270.1	267.8	274.3	286.1	285.3	284.0
2003	291.1	289.5	286.3	287.0	292.3	290.3	285.9	280.8	276.0	282.6	285.6	283.3
2004	284.7	290.8	293.4	296.0	296.2	296.2	293.1	286.3	281.1	280.0	286.1	288.0
2005	281.2	281.5	293.3	296.1	295.6	294.1	286.7	277.2	266.5	256.9	253.6	279.0
2006	283.5	288.6	294.4	295.9	296.5	295.9	293.8	290.2	285.3	278.7	266.2	256.2
2007	256.1	263.7	272.0	276.8	276.8	274.8	268.5	263.6	261.8	261.1	275.8	282.1
2008	285.1	289.7	290.9	295.5	295.3	295.7	294.3	288.6	283.9	280.9	285.2	286.5
2009	283.6	281.8	283.4	292.5	293.7	292.4	288.0	281.2	276.2	271.6	266.3	280.1
2010	290.1	289.2	293.9	296.0	296.3	294.4	291.8	288.6	284.9	285.2	284.3	287.5
2011	281.6	274.4	275.0	276.6	281.0	286.1	284.7	279.0	273.9	268.2	261.6	264.5
2012	265.8	267.7	262.0	280.2	293.4	294.4	288.4	280.4	261.4	261.6	269.0	276.6
2013	278.3	281.5	294.8	296.9	296.9	294.2	289.7	283.6	280.8	281.4	282.5	276.1
2014	275.1	277.5	274.6	285.3	292.9	294.9	291.7	286.8	285.5	285.0	284.8	286.3
2015	288.7	289.4	292.2	296.3	296.1	293.3	287.5	280.1	272.1	275.4	278.9	275.9
2016	289.9	292.4	291.8	296.5	296.2	295.6	290.5	285.4	283.3	288.4	288.9	281.6
2017	271.5	277.7	280.9	278.7	281.6	272.4	270.2	268.0	271.0	264.6	269.6	289.9
2018	289.7	292.0	295.0	296.5	296.4	296.0	294.0	287.5	277.9	270.2	266.5	267.3

Figure 16 Fierza Level HPP for 1991 – 2018 period.

As follows it is graphically submitted the level of the water in meters at Fierza reservoir for each month of 2018, compared with the monthly average historical levels for 1991– 2018 period.

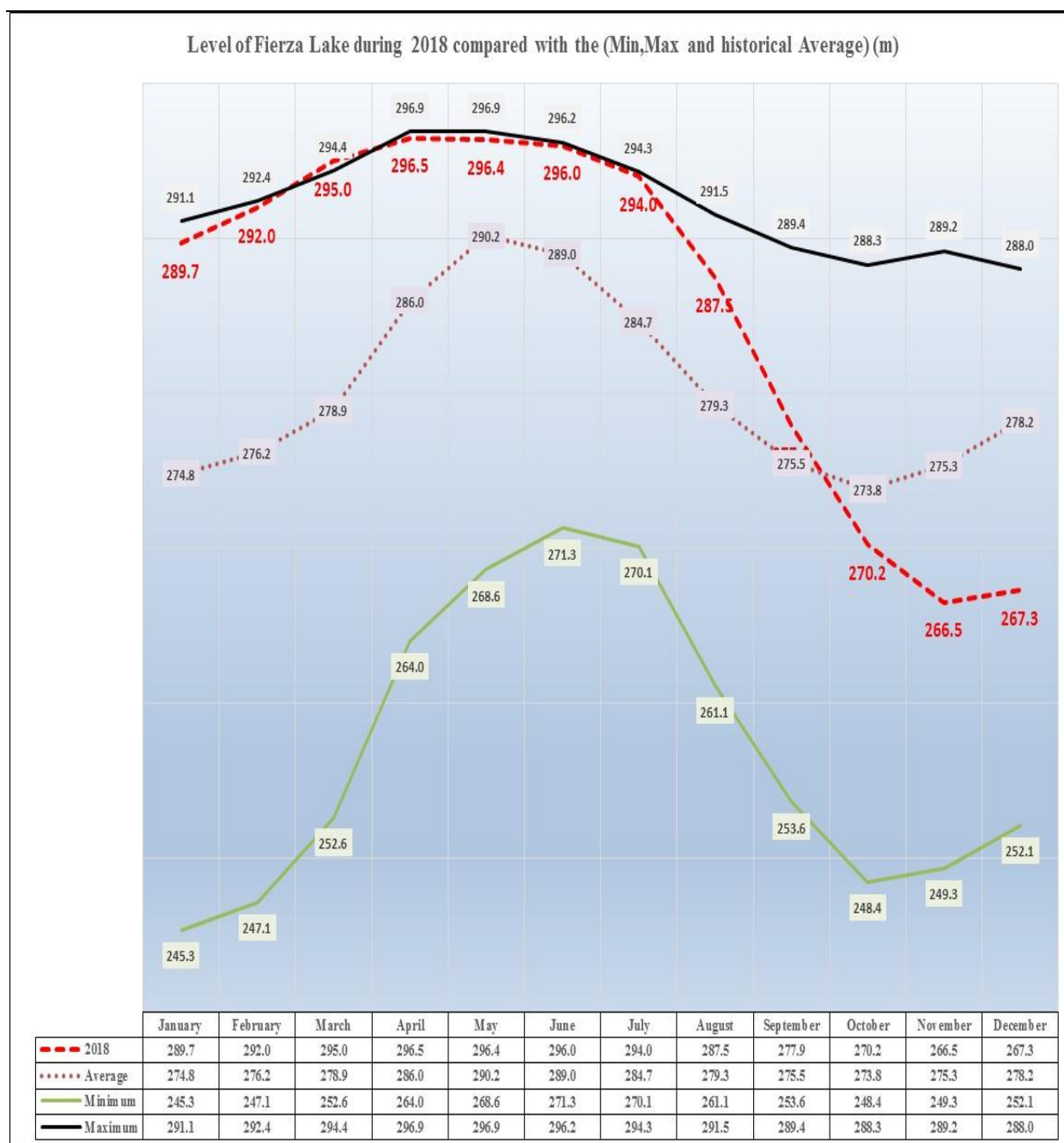


Figure 17 The level in (m) of Fierza Lake in report to the average, minimum and maximum of 1991 – 2018 period.

As it can be seen, until on July 2018, Fierza level has been higher compared with the average historical level, as follows until on October maintained the average history even on the last months of the year is lowered under the historical average. On the following figure there are submitted the average inflows for 2018 on Fierza Lake compared with the historical average inflows for each month.

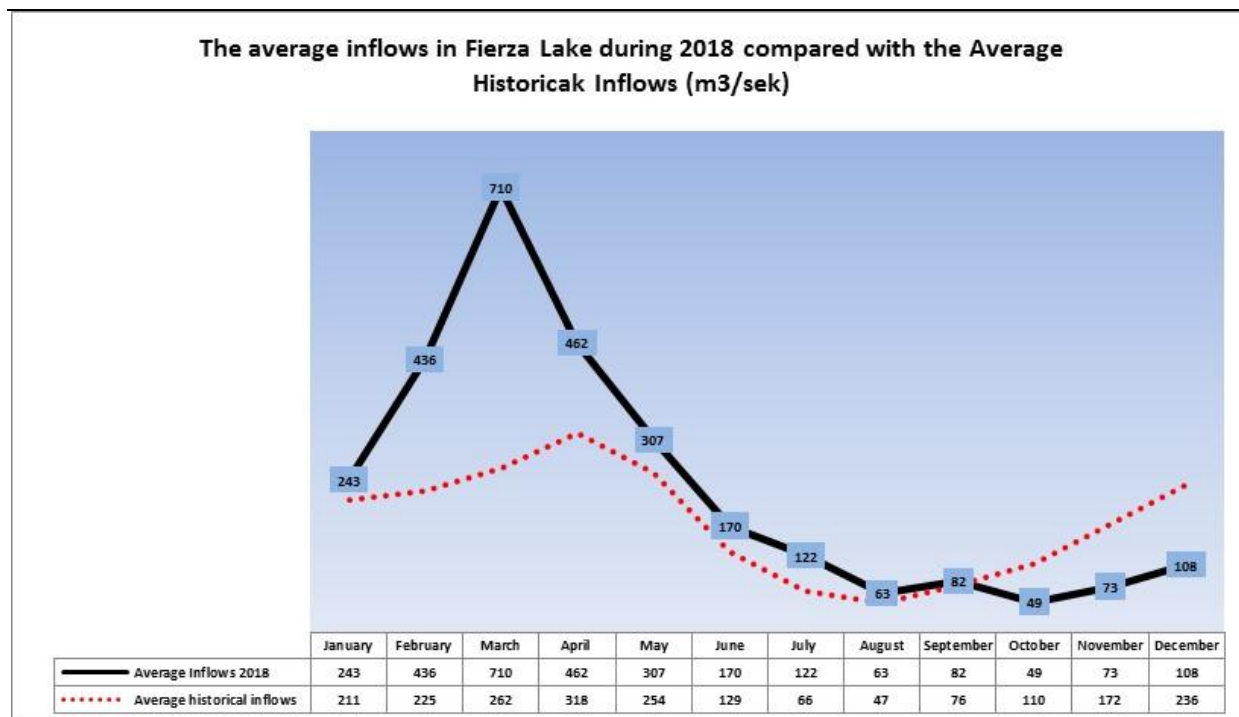


Figure 18 Average monthly inflows (m3/sec.) on Fierza HPP Lake during 2018 compared with the historical average.

As it can be seen during 2018 there have been inflows over the historical average during the first nine months of the year (the highest on march with about 710 m³/sec). During October-December period the inflows were under the historical level.

On the following graph figure it is submitted the utilisation of the hydropower reserve on Drini river Cascade during 2018.

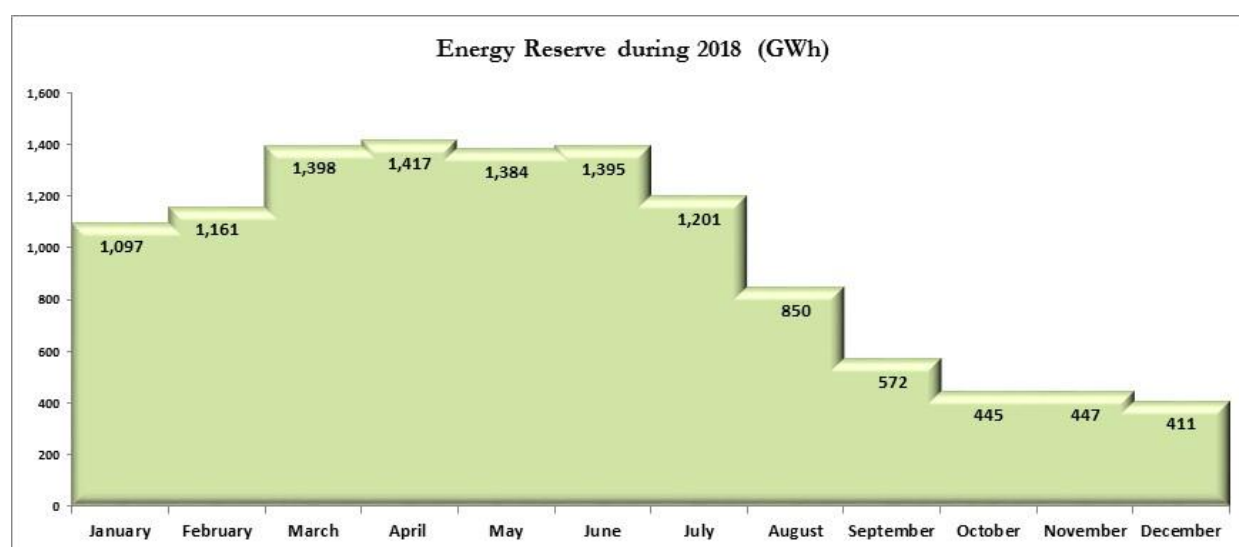


Figure 19 Daily Energy Reserve at Drini Cascade during 2018 (Source: KESH company).

The criteria for utilizing the hydro power reserve are analogous even in the previous years. They are supported on three essential principles of the Regulation for the Dam Utilisation, which consider:

1. The respect of the dam security conditions.

2. Optimum usage of the hydropower reserve.
3. Minimisation of the flood effects.

1.2.2 Realization of the Production Indicators and Management of the Hydro Reserve.

KESH company during 2018 managed the hydro reserve in fulfilling the Electricity supply obligation for the Universal Service Supplier, as well as providing the ancillary services and the energy for balancing the System.

According to the informations of KESH company, as follows there are submitted the developments on managing the situations created during 2018.

The level at Fierza Lake on January 2018 was 289.7 m, while the energy reserve at Drini river cascade was 1,097 GWh. The climatic changes marked another wet period on the first half followed with a relatively dry period on the second half. The inflows during 2018 were marked on March 2018, 710 m³/sec on Fierza Lake and on October 2018 decreased at 49 m³/sec. During the first period of this year there was realized the highest level of utilisation and lowest level of water consumption for production units compared with the multi-year average while the remaining part of the year was characterized from the attempts to administer the hydro reserve to fulfill the public service obligations to the Universal Service Supplier (FSHU) for the supply of the end-use customers and TSO for balancing the Hydropower system.

Specific Water Consumption in m ³ /kWh from KESH company HPP-s of Drini Cascade during 2018 (compared with the multi year average)													
HPP		Janary	February	March	April	May	June	July	August	Sept	Oct	Nov	Dec
Fierze	(2018 (m ³ /kWh)	3.60	3.54	3.47	3.45	3.45	3.45	3.52	3.70	4.03	4.35	4.46	4.48
	Multi year average	4.07	4.08	3.98	3.82	3.63	3.61	3.72	3.90	4.07	4.20	4.22	4.11
Koman	(2018 (m ³ /kWh)	4.20	4.24	4.24	4.18	4.18	4.14	4.13	4.13	4.12	4.12	4.19	4.15
	Mukti year average	4.22	4.22	4.22	4.20	4.19	4.18	4.18	4.18	4.19	4.20	4.22	4.22
V.Dejes	(2018 (m ³ /kWh)	8.54	8.50	8.43	8.43	8.33	8.48	8.47	8.50	8.52	8.49	8.50	8.50
	Mukti year average	8.59	8.59	8.49	8.43	8.42	8.44	8.43	8.44	8.46	8.47	8.49	8.55

Figure 20 Specific water consumption.

Data to utilise the generation capacities for 2018						
HPP	Year	Generation	Average Strength permitted for Aggregate (MW)	Agerage Strength Aggrregate load (%)	Total working hour	Average coefficient utilizing the Aggregate (%)
Fierze	2018	0	100	90	20,891	60%
Koman		0	130	85	19,233	55%
Vau Dejes		261	43	85.5	29,272.04	67%

Average Loading of the Aggregates during 2018 at KESH HPP-s in Drini Cascade (%)		
	2018	Multiyear average
Fierzë HPP	90	85
Koman HPP	85	77
Vau Dejes HPP	85.5	85

Figure 21 Plants Indicators.

The above shows that the utilisation coefficients has been above the multiyear average for the three cascade HPP-s.

1.2.3 Situation of Vlora TPP .

Even during 2018 Vlora TPP did not produced electricity, but are realized the prophylactic maintenance services and the scheduled maintenance of the plant, according to an annual graph.

This TPP was expected to become operational during 2011, but because of the defect at the cooling system at Vlora TPP it is not enabled yet the set into operation.

The Ministry of Infrastructure and Energy issued order no. 279 dated 27.03.2018, the held of a commission to issue the concession / Public-Private Partnership (PPP) of Vlora Termo Power Plant. This commission initially is charged to prepare a Feasibility study for the validity of this procedure.

1.2.4 Production from Electricity Private/Concession HPP-s

The production and Private/Concession capacities of the HPP-s until 2018, are summarized on figure 22. It is clearly seen an increase of the electricity production from these plants for 2018.

Private/Concession Plants for 2018 period connected on the Transmission Network (MWh)				
"Ulez" HPP with 25,2 MW capacity	25.200	“Kurum International” company	110 kV	377,767
"Shkopet" HPP with 24 MW capacity	24.000		110 kV	
"Bistrica 1" HPP with 22,5 Mw capacity	22.500		110 kV	
"Bistrica 2" HPP with 5 Mw capacity	5.000		110 kV	
"Peshqesh" HPP with 27,94 MW capacity,	27.940	"Ayen As Energji" company	220 kV	95,957
"Fangu" HPP with 74.6 MW capacity;	74.600		220 kV	238,690
"Banje" HPP with 73 MW capacity	73.000	"Devoll Hydropower" company	110 kV	292,561
"Ashta" HPP with 48,2 MW capacity	48.200	"Energji Ashta" company	110 kV	298,107
"Bishnica 2" HPP with 2.5 MW capacity	2.500	“Bishnica 1,2 “ company	110 kV	10,739
"Dardhe" HPP with 5,8 MW capacity	5.800	“Wenerg “ company	110 kV	17,856
”Truen” HPP with 2,5 MW capacity	2.500	”TRUEN” company	110 kV	
"Ternove” HPP with 8.385 Mw capacity	0.921	”TEODORI 2003” company	110 kV	9,745
”Gjorice” HPP with 4.18 Mw capacity(+ HPP in production)	29.610	”DITEKO” company	110 kV	115,714
"Sllabinje" HPP with 13,8 MW capacity	13.800	“Power Elektrik Slabinje” company	110 kV	44,034
"Bele 1" HPP with 5 MW capacity;	5.000	"Euron Energy" company	110 kV	132,347
"Topojan 2" HPP with 5,8 MW capacity	5.800			
"Bele 2" HPP with 11 MW capacity;	11.000	"Alb-Energy" company		
"Topojan 1" HPP with 2,9 MW capacity,	2.900			

"Orgjost i Ri" HPP with 4,8 MW capacity	4.800	"Energal" company		
"Cerunje-1" HPP with 2.3 MW capacity;	2.300	"Energy partners Al" company	110 kV	20,799
"Cerunje-2" HPP with 2.8 MW capacity;	2.800			
"Rrupe" HPP with 3.6 MW capacity;	3.600			
"Rapuni 1,2" HPP-s with 4 and 4.1 MW capacities	8.100	"C & S Construction Energy" company	110 kV	33,392
"Rapuni 3,4" HPP with 8.857 MW capacity	8.850	"C & S Energy" company	110 kV	35,808
"Llapaj" HPP with 13,62 MW capacity	13.620	"Gjo.Spa.POWER" company	110 kV	48,023
"Lengarice" HPP with 8.94 MW capacity	8.940	"Lengarica & Energy" company	110 kV	27,075
"Lura 1" HPP with 6,54 MW capacity	6.540	"Erdar Lura" company	110 kV	48,079
"Lura 2" HPP with 4,02 MW capacity	4.020		110 kV	
"Lura 3" HPP with 5,66 MW capacity	5.660		110 kV	
"Malla" HPP with 5,455 MW capacity	5.455	"Gjure Rec" company	110 kV	16,958
Prella HPP with 14.97 MW capacity	14.970	"Prelle Energji"	110 kV	41,966
Cemeric 1 HPP	0.88	"REJ ENERGY" company	110 kV	11,360
Cemeric 2 HPP	1.08		110 kV	
Cemeric 3 HPP	2.1		110 kV	
TUÇ HPP	4.47	MC Inerte Lumzi	110 kV	27,287
Lumzi HPP	11		110 kV	
Denas HPP	14.5	"Denas Power" company	110 kV	7,459
Llënga 1 HPP	1.73	"LLËNGË HPP" company	110 kV	1,615
Llënga 2 HPP	0.3		110 kV	
Llënga 3 HPP	1.5		110 kV	
Shpella Poshte 2 HPP	2.3	Liria Energji company	110 kV	3,446
Germani 1 HPP	4.8	SA'GA-MAT company	110 kV	1,351
Germani 2 HPP	1.5		110 kV	
	516.086			1,958,137

Figure 22 Production and Private/Concession HPPs until 2018

Private/Concession HPP-s according to the Connection Level				
Voltage	No. of the Plants	No of the companies	Capacity MW	Production 2018 (MWh)
220,110 kV	43	27	516.0	1,958,137
35 kV	49	40	173.8	541,384
20 kV	2	2	8.7	24,209
10 kV	54	29	46.2	140,614
6 kV	13	10	10.5	36,875
TOTAL	161	108	755.2	2,701,220

DATA ON THE COMPANIES AND PLANTS FROM THE ELECTRICITY INDEPENDENT PRODUCERS DURING 2018				
HPP-s and Capacities	MW	Company	Connection	2018
"Ulez" HPP with 25,2 MW capacity	25.200	"Kurum International" company.	110 kV	377,767
"Shkopet" HPP with 24 MW capacity	24.000		110 kV	
"Bistrica 1" HPP with 22,5MW capacity	22.500		110 kV	
"Bistrica 2" HPP with 5 Mw capacity	5.000		110 kV	
"Peshqesh" HPP with 27,94 MW capacity	27.940	"Ayen As Energji" company	220 kV	95,957
"Fangu" HPP with 74.6 MW capacity	74.600		220 kV	238,690
"Banje" HPP with 73 MW capacity	73.000	"Devoll Hydropower" company	110 kV	292,561
	227.040			1,004,975

DATA ON THE COMPANIES AND PLANTS OF ELECTRICITY PRIORITY PRODUCERS, DURING 2018			
NUMBER OF THE PLANTS	CAPACITY	NUMBER OF THE COMPANIES	PRODUCTION MWh
154 PLANTS	504 MW	106 COMPANIES	1,696,245

An UKKO s.a Photovoltaic Plant with capacity about 1 MW has produced for its own supply needs and had an electricity agreement with OSHEE s.a by which it is reconciled that the produced and consumed quantity for this reason the production of this plant is not included on the Electricity balance of OSHEE company.

RESULTS OF UKKORÇË-OSHEE AGREEMENT (FOR PHOTOVOLTAIC PRODUCTION) MWH					
UK Korce	2014	2015	2016	2017	2018
Production (Mwh)	528	1,397	1,362	1,222	1,334

During 2018 from ERE are licensed after taking the Authorisation from MIE 10 entities for Electricity production from photovoltaic plants.

Company	Electricity Producers (Photovoltaic)	Installed Capacity
"AGE Sunpower" company	Topojë Photovoltaic Plants (Sheq Marinas)	2,000 kW

“Seman Sunpower” company	Topojë Phtotovoltaic Plants (Sheq Marinas)	2,000 kW
“Malësia Solar 1” company	“Lahë e Poshtëme” Photovoltaic Plant Shkrel, Koplik, Shkodër Region.	2,500 kW
“Malësia Solar 2” company	“Lahë e Poshtëme” Photovoltaic Plants Shkrel, Koplik, Shkodër Region.	2,500 kW
“Malësia Solar 3” company	“Lahë e Poshtëme” Photovoltaic Plant Shkrel, Koplik, Shkodër, Region	2,500 kW
“OSOJA Energy” company	Seman-1 Photovoltaic Plant Sheq Marinas Fier.	2,000 kW
“Seman 2 Sun” company	Seman – 2, Photovoltaic Plant Sheq Marinas, Fier	2,000 kW
“SONNE” company	Photovoltaic Plant, Topojë	1,998 kW
“AED Solar” company	Photovoltaic Plant Topojë	1,998 kW
“AEE” company	Photovoltaic Plant “Plug”	2,000 kW
TOTAL		21.496 MW

The net general production for 2018 from private/concession generators was **2,701,220 MWh** or about **31.6 %** of the total domestic production of **8,552,152 MWh** for **2018**.

On Figure 23, it is submitted the net annual net electricity production HPP-s that started production during 2018. As seen during 2018 started production in total 11 plants with an installed capacity of about 38.3 MW.

Production in MWh of the Plants entering into Production during 2018																
Plants	Capa city (MW)	SUBJEK TI	connec tion	Januar	Februa	March	April	May	June	July	August	Septem	Octobe	Novem ber	Decemb er	2018
Denas HPP	14.5	"Denas Power" company	110 kV					52 2	1,4 53	79 1	19 3	14 9	16 7	1,7 73	2,4 11	7,45 9
Llënga 1 HPP	1.73	“LLËNG Ë HPP” company	110 kV													1,61 5
Llënga 2 HPP	0.3		110 kV					23 2	346	27 8	99	39	27	246	348	
Llënga 3 HPP	1.5		110 kV													
Shpella Poshte 2 HPP	2.3	Liria Energji company	110 kV					84 2	633	49 6	18 9	11 3	12 2	464	587	3,44 6
Germa ni 1 HPP	4.8	SA'GA- MAT company	110 kV													1,35 1
Germa ni 2 HPP	1.5		110 kV										6	424	921	

Gorice HPP	1.747	"THE BLUE STAR" company	35kV			27	51	51	209	11	-	-	-	-	547	2,178
Kabash 1&2 HPP	5.800	"Univers Energji" company	35kV			73	31	-	-	-	-	-	-	-	420	1,470
"Tucep 2" HPP	1.7	"DUKA T2" company	35kV									37	18	165	142	866
Dobrenje Tomorice HPP	2.4	DAAB Energy Group company	35kV												581	581
	38.3															18,966

Figure 23 Production from the HPP-s that started production during 2018.1.3 Electricity Transmission

1.3.1 TSO activity

Electricity Transmission activity is performed by Transmission System Operator (TSO company), a public company with 100% of the shares owned by the state. TSO was established on 2004, as the result of Albanian Power Corporation reformation and separation, from a vertically organized company that performed the electricity Generation, Transmission and Distribution activities, in three separated companies.

Implementing Law No. 43/2015 "On Power Sector", the "Transmission System" is a system used for Electricity transmission in high and very high voltage, connected on parallel with the other systems of the neighbouring countries, including the connections, supporting structures, transforming and switching equipments for Electricity distribution to the customers or at the distribution network, not including the supply.

TSO currently perform the Transmission Network Operation, Dispatch System Operation and Market Operator activities.

TSO guarantees the necessary transmitting capacities for:

- (i) uninterrupted electricity supply of electricity distribution system substations, as well as electricity customers connected directly in the transmission network,
- (ii) electricity transmission produced from the country resources,
- (iii) as well as for necessary transitions and exchanges with the neighbouring countries.

In this context it develops the Transmission System in accordance with the long term requirements for the Electricity supply of the country, with the plans of developing new Electricity resources and coordinates the development of the interconnection network with the neighbouring countries. TSO company dispatches the Albanian Power system by managing the energy flows in the system, taking into consideration the realization of all the ancillary services that are related with the sustainability of the system as well as exchanges with other neighbouring systems.

1.3.2 Assets and the Development of the Transmission System

The Electricity Transmission System in Albania includes 400 kV, 220 kV, 110 kV voltage lines and the connecting substations between them which serve for electricity transmission and interconnection.

Gjatësitë e linjave të sistemit të transmetimit, sipas nivelit të tensionit janë: Lengths of the transmission system lines, according to the voltage level are:

- | | |
|----------------------------|----------|
| • 400 kV Transmission Line | 445.7 km |
| • 220 kV Transmission Line | 1,250 km |
| • 150 kV Transmission Line | 34.4 km |
| • 110 kV Transmission Line | 1,658 km |

Composing the above mentioned lines are included the interconnection lines with the neighbouring countries:

- Interconnection line 400 kV Zemblak (Albania) – Kardia (Greece)
- Interconnection line 400 kV Tiranë (Albania) – Podgoricë (Monte Negro)
- Interconnection line 400 kV Tiranë (Albania) – Prishtinë (Kosovo)
- Interconnection line 220 kV Fierzë (Albania) – Prizren (Kosovo)
- Interconnection line 220 kV Koplik (Albania) – Podgoricë (Monte Negro)
- Interconnection line 150 kV Bistricë (Albania) – Myrtos (Greece).

Regarding the interconnection line 400 kV Tiranë (Albania) – Prishtinë (Kosovo), shall be clarified that it is not operating for reasons that do not depend on TSO will

The technical exchange capacity with the neighboring countris is sufficient to realize the necessary exchanges and the required transitions at any time although on certain periods, there is congestion of transmitting capacities at the interconnection.

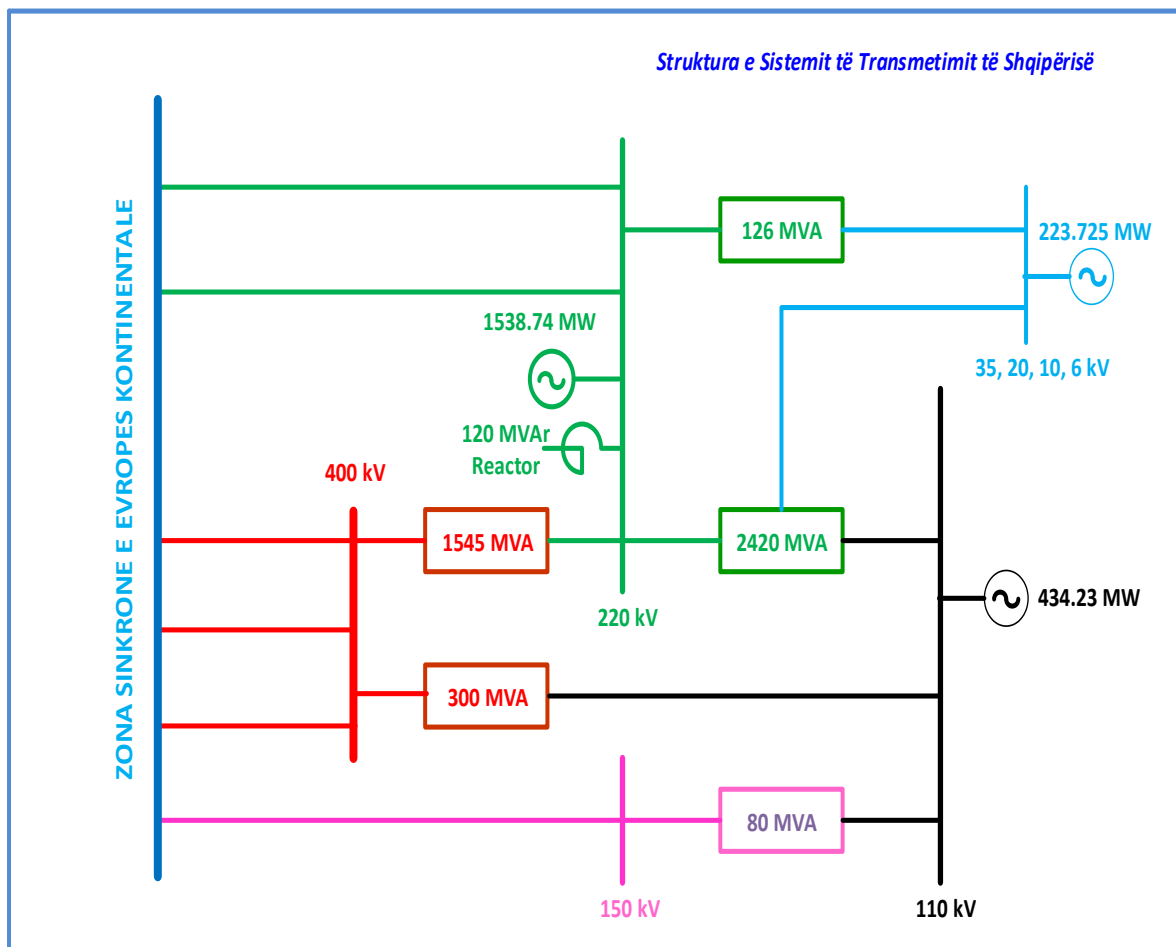


Figure 24 Structure of the Albanian Transmission System.

Albanian Transmission System

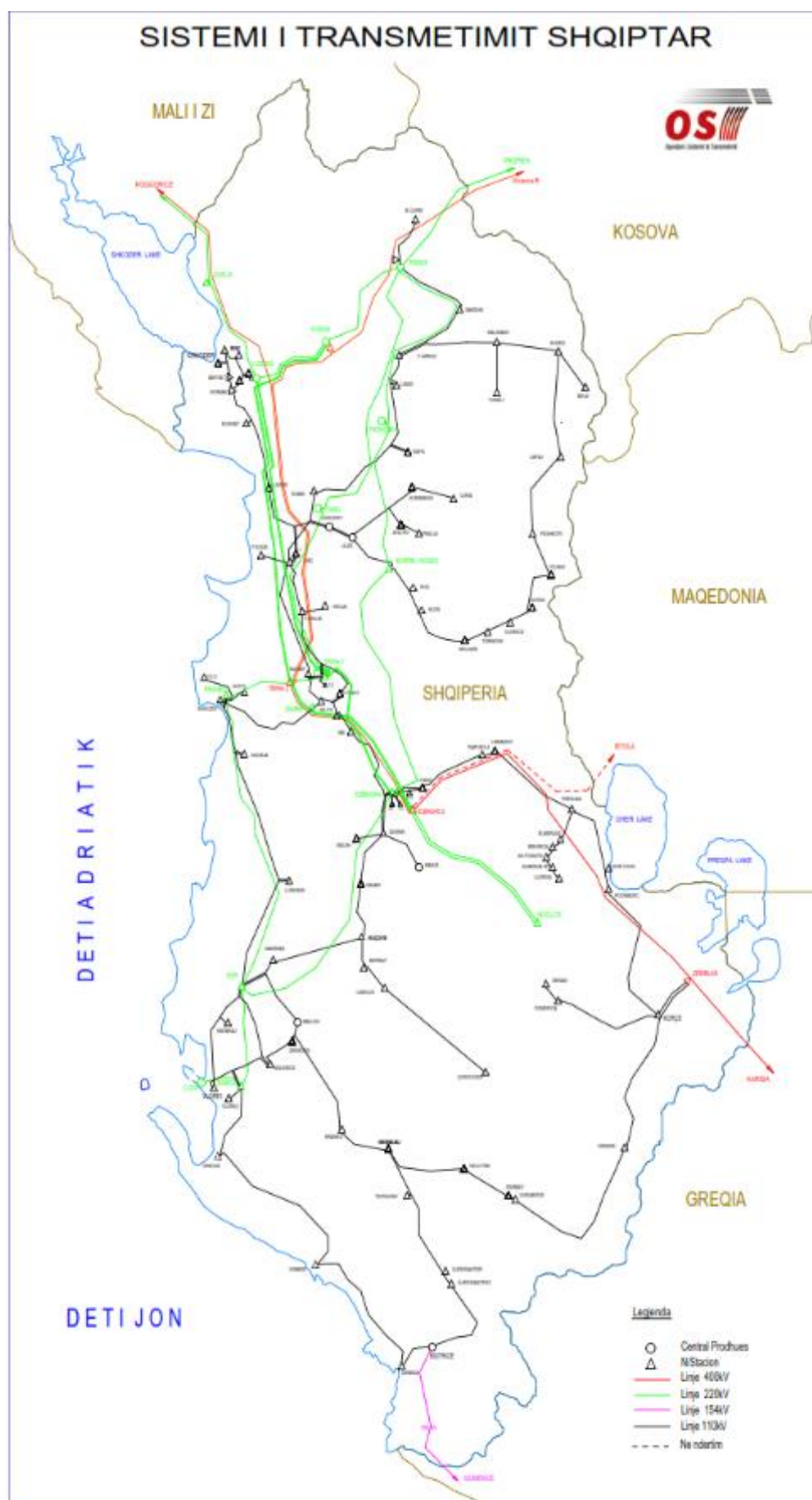


Figure 25 Scheme of the Albanian Transmission System.

As follows are listed the main Substations of the Transmission System:

Nr	Type of the Substation	
1	400 kV	Substation 400/220 kV, 840 MVA Tirana 2
2		Substation 400/220 kV, 600 MVA Elbasan 2
3		Substation 400/110 kV, 300 MVA Zëmlak 2
4		Substation 400/220 kV, 345 MVA Koman
5	220 kV	Substation 220/110 kV, 240 MVA Vau i Dejës
6		Substation 220/110 kV, 120 MVA Fierzë
7		Substation 220/110 kV, 90 MVA Koplik
8		Substation 220/110/20 kV, 486 MVA Tirana 1
9		Substation 220/110 kV, 190 MVA Sharrë
10		Substation 220/110 kV, 200 MVA Rrashbull
11		Substation 220/110 kV, 360 MVA Fier
12		Substation 220/110 kV, 200 MVA Babicë
13		Substation 220/110 kV, 120 MVA Komsî
14		Substation 220/110 kV, 240 MVA Elbasan 1
15	150 kV	Substation 154/110 kV, 80 MVA Bistricë

Figure 26 The main assets of the Transmission System

1.3.3 The Electricity Balance Transmitted from TSO company

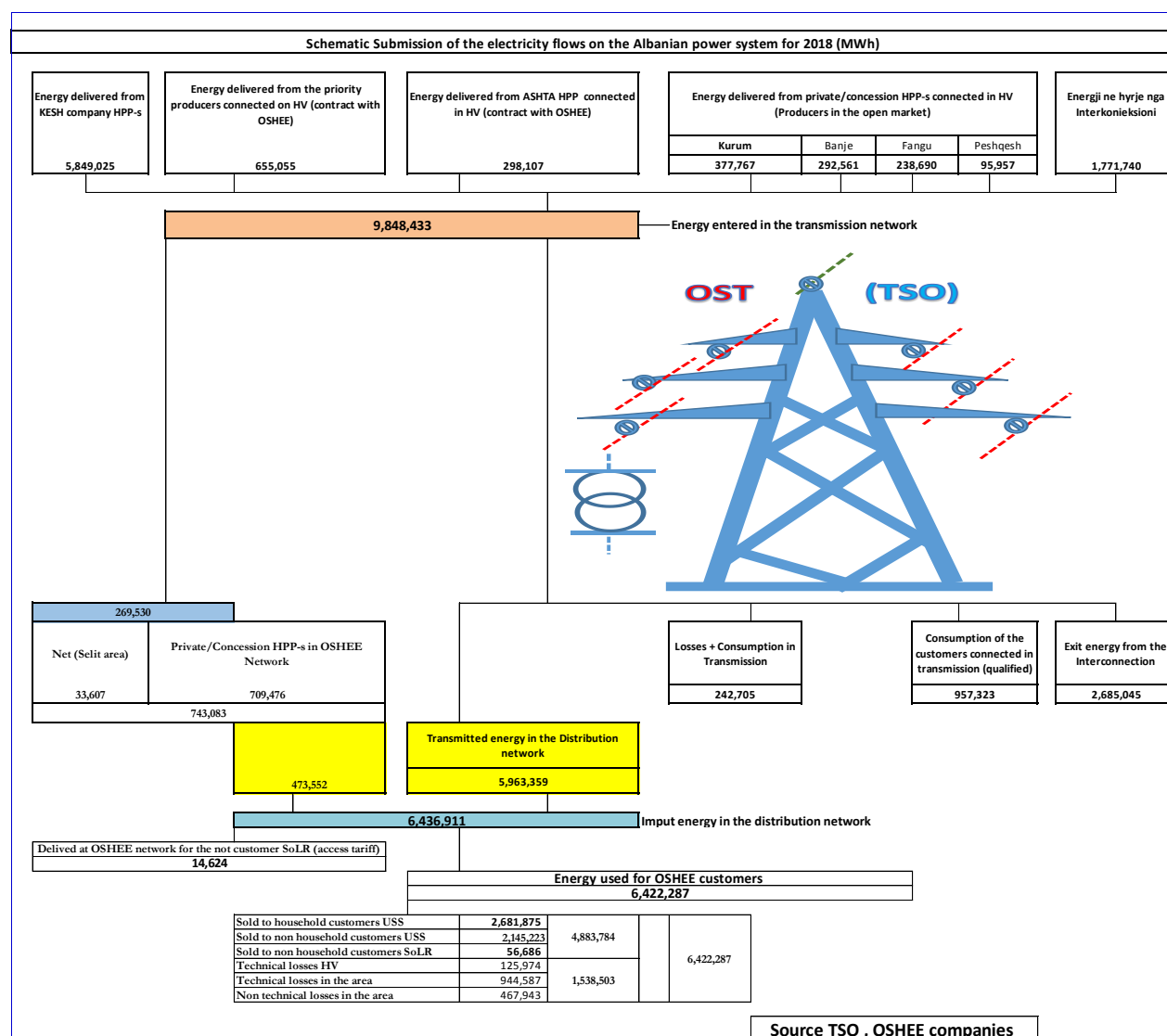
On the following table it is submitted the electricity balance of TSO company for 2018 compared with the one of 2015,2016,2017 (GWh) years.

No.	TSO company Electricity Balance Bilanci Energjetik i OST sh.a (GWh)	2015	2016	2017	2018
I	Total Energy in the Transmission System	7,830	8,462	7,577	9,848
1.	- Domestic production	5,475	6,636	4,174	8,076
2.	- Obtained energy	2,355	1,827	3,403	1,772
II	TOTAL TRANSMITTED ENERGY	7,672	8,272	7,419	9,606
1.	- Given (certain) energy	956	1,869	488	2,685
2.	- Transmitted Energy for OSHEE company	6,106	5,901	6,148	5,963
3.	- Transmitted energy for the customers connected on the transmission network	610	503	781	957
III	Losses in the Transmission System + Personal Needs	159	190	158	242
	Losses in the Transmission System +Personal Needs (%)	2.03	2.25	2.08	2.46

Figure 27 The Electricity Balance of TSO company for 2018 compared with the one of 2015, 2016 dhe 2017 (GWh).

The result of the losses level in the Transmission System for 2018 is conditioned from the increase of production HPP-s connected on the Transmission as well as the Energy increase transmitted in the system.

Data over the Electricity Transmission from the Transmission System Operator for 2018 period (MWh)																
MWh	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Shuma 2018			
OST'sha																
Delivered by KESH-Gen to Transmission	556,225	692,169	838,226	765,659	678,756	349,883	423,564	468,107	411,856	215,215	160,493	288,871	5,849,025			
Delivered by Small HPP to Transmission	25,423	34,175	55,625	60,135	46,963	16,620	6,698	1,793	701	643	8,514	12,239	269,528			
Delivered by Large IPP to Transmission	70,335	78,443	117,562	115,355	93,962	46,081	30,428	16,470	8,764	7,827	25,611	44,218	655,055			
Delivered by HEC Peshqesh	16,849	16,562	19,457	14,071	7,722	3,350	2,502	1,266		478	3,806	9,894	95,957			
Delivered by HEC Banje	27,182	46,070	50,908	43,421	31,977	15,881	19,037	15,817	10,250	5,905	10,274	15,839	292,561			
Delivered by HEC FANG	45,467	44,569	49,638	31,635	15,047	8,260	10,626	11,526	2,777	1,732	4,586	12,828	238,690			
Delivered by HEC Ashta	32,413	34,875	34,738	38,297	34,868	19,215	19,742	21,905	20,029	11,506	11,122	19,398	298,107			
Delivered by KURUM to Transmission (Ulez-Shkopet&Bistriti)	50,188	47,135	52,475	49,627	43,145	30,963	19,341	16,883	14,835	14,833	13,681	24,661	377,767			
Delivered (-) to Interconnection	244,825	379,292	580,513	593,729	432,244	80,451	95,101	110,593	81,555	20,740	26,937	39,067	2,685,045			
Received (+) by Interconnection	97,366	10,377	6,913	6,436	11,847	120,234	141,176	177,609	151,130	316,999	379,644	352,011	1,771,740			
Balance (Total Interconnection)	147,459	368,915	(573,601)	(587,293)	(420,397)	39,783	46,075	67,017	69,574	296,259	352,707	312,944	913,306			
Total Received by Transmission	921,447	1,004,375	1,225,541	1,124,636	964,287	610,486	673,115	731,374	620,342	575,138	617,731	779,959	9,848,431			
Transmission Losses (incl own consumption)	20,933	28,547	37,116	35,763	26,518	12,925	16,437	16,469	12,027	10,490	11,757	13,723	242,705			
Transmission Losses %	2.27	2.84	3.03	3.18	2.75	2.12	2.44	2.25	1.94	1.82	1.90	1.76	2.46			



Expected Investments for 2018 and their realisation until October 2018

	Investments 2018	Procurement Fund	Salaries Fund 2018	Value of the Contract	The Value realized until 2017	TOTAL Value realized for 10 months of 2018	Remaining Value
4	New Line Burrel-Peshkopi 220 kW+ 1 track 220 kW 1 Lot	1,206,410,976	241,282,195	1,206,410,976		241,282,165	965,128,781
5	Supply, the set of shunt reactor 400 kV 120 MV Ar, total monitoring system, configuration on SCADA system, supply and set of 400 kV track with Zemblak Substation, performance of all civil works on this project	543,142,511	296,204,701	543,142,511		262,518,427	280,624,084
6	Reconstruction of Lac 2 - Ura e Matit and Skuraj 110 kV lines	204,607,000	40,921,400				
7	Rehabilitation of the tracks for Jagodine substation 110 kV lines	187,048,800	70,000,000	187,048,800		37,409,760	149,639,040
8	Construction of the 110 kV Sallmone - Gjiri I Lalezit 110 kV line	182,877,080	36,575,416	182,877,081		36,575,416	146,301,665
9	Rehabilitation of the tracks for F.Arez Substation 110 kV lines	156,942,899	31,388,580	156,942,899		31,388,580	125,554,319
10	Rehabilitation of the tracks for Ibë substation 110 kV	97,243,480	19,448,696	97,243,480		19,442,058	77,801,422
11	Rehabilitation of the tracks for Pasmaz substation 111 kV	95,161,092	19,032,218	95,161,092		19,032,218	76,128,874
12	Rehabilitation of the tracks for Kajan substation 110 kV	105,633,163	21,126,633	105,633,163		21,126,633	84,506,530
13	Rehabilitation of the tracks for Prrenjas substation 110kV	106,934,131	21,368,826				

14	The primary and secondary works in the 220 kV substation in Elbasan. Demontation of an existing switcher, the supply and the set of a new switcher 245 kV with SF6 gas, full integration in the system, as well as the supply of the reserve equipments fot the actual switchers and the support electricity equipments. Supply of the distantial protection REL670, together with their panels or other relay equivalent with it realizing the same requirements. The defect definition and the repair of two oil analysers of autotransformers.	128,400,000	36,821,802	128,,400,000		102,000,000	26,400,000
15	Reconstruction of the Rubic 110 kV substation	125,308,324	80,000,000	125,308,324		25,061,665	100,246,659
16	Rehabilitation of the 110 kV Librazhd substation	99,946,077	45,000,000	99,946,077		19,989,214	79,956,863
17	Primary, secondary works of 220 kV substation Koman, demontation of two existing switchers, supply the set of two new switchers 245 kV with gas SF6, their full integration in the system, as well as the supply of the reserve parts for the actual switchers and electric support equipments.	56,872,000	56,872,000				
18	Access and monitoring of the transmission network for the communication systems with capacities	64,119,000	64,119,000	64,119,000		44,235,000	19,884,000
19	Installation of OPGW with the 220 kV Burrel - Elbasan 1 line	60,491,245	50,000,000	60,491,245		12,098,249	48,392,996

20	Purchase of a regulator of the on load tap charger the HV for the autotransformers 220 kV power MR type as well as 2 (two) Display LCD for No Type RCS protection and the definition of the defects and the repair of two oil analysers of defected autotransformers	50,000,000	50,000,000	50,000,000		50,000,000	
21	Repairing the protection of Tirana 1 area	46,151,000	46,151,000	46,151,000		46,151,000	
22	Implementing the Network Analysing System through PMU	39,514,000	26,512,333				
23	Purchase and installation of oil analysers and defining the isolation situation for the 60 MVA/220/220/11 kV Autotransformers in Komsî - Burrel	39,480,000	39,480,000	39,000,000		39,000,000	
24	Construction of the Warehouse near Tirana 2 substation	36,000,000	7,200,000	36,503,650		7,300,730	29,202,920
25	Reset in a full working condition of the control system 400 kV substation Elbasan 2	34,689,200	34,689,200	34,689,200		34,689,200	
26	Supply, setting the track of 110 -13 in Lac 1 substation and the civil works	31,704,481	20,000,000	31,704,481		6,341,896	25,363,585
27	Completion and the set into operation of 110kV track with 110/20 kV Fier substation of OSHEE company - training the engineering-technical staff of DSHMT	50,000,000	16,000,000	41,952,000		8,190,400	32,761,600
28	The system for the drainage issues in Tirana 2 substation	14,668,679	9,500,000	14,669,678		2,933,935	11,735,743
29	Purchase of the electricity equipments specific for the Operational Unit in Shkoder	14,447,000	14,447,000	14,447,000		14,447,000	
30	Intervention on the 110/220 kV transmission lines of the region in the	19,205,000	19,205,000	19,205,818		3,841,164	15,364,654

	Operational Unit in Shkoder						
31	Purchase of the electricity equipments specific for the Operational Unit in Burrel	12,660,000	12,660,000				
32	Purchase of computer programme, online application for new connections	6,620,000	6,620,000				
33	Surveillance of the works for new facilities	34,637,331	7,000,000				
34	Assessment for the effect on the environment for the new projects	1,000,000	1,000,000				
35	The establishment of a system for defaults localisation in the transmission lines, purchase, installation, server configuration for oil analysers of the AT and the units for the 110 level and above	159,883,412	120,000,000	158,000,000		31,600,000	126,400,000
36	Intervention on the 110 kV transmission lines of the region in the Operational Unit in Fier	30,000,000	12,000,000				
37	infrastructures installation for the perimeter security, the monitoring and notification in some TSO company offices and substations	52,000,000	52,000,000				
38	Supply of a new switcher 245 kV with gas SF6 as well as its reserve part and for each actual switcher 3 (three) analysers for the switchers of different voltage levels as well as 2 (two), supporting, depreciation and monitoring equipments	49,086,000	49,086,000	49,086,000		13,350,000	35,736,000
39	Update and improvement of TI and SCADA infrastructure	38,720,000	38,720,000	38,720,000		10,105,000	28,615,000
40	Testing and diagnostic equipments for the transmission equipments available by TSO	14,000,000	14,000,000				

41	Electronic tests in the TN of an 300 MVA, 400/kV AT	9,450,000	9,450,000				
42	Improvement of the infrastructure for cyber security	80,000,000	16,000,000				
43	Painting of the transmission pillars in High Voltage	70,000,000	21,000,000				
44	RELAY	20,000,000	20,000,000				
	TOTAL	4,375,053,881	1,792,900,000	3,625,853,475		1,140,108,741	2,485,744,735

Figure 28 Investment Situation

TSO COMPANY INVESTMENTS FOR 2018 ACCORDING TO THE TEN YEAR NETWORK DEVELOPMENT PLAN

The accurate information on the realization of the foreseen investments as well as their accounting is related with the submission of the audited copy of the TSO company financial statements for 2018 the deadline for which is June 2019. According to TSO information, for 2018 are planned 41 investment items with an estimated fund of 4,375,053 881 ALL.

Being that the implementation for some of the investments is more than one year, the expected fund for the investments only for 2018 is foreseen 1,792,900 000 ALL, the other part of the fund shall be distributed for the next years.

26 investment items are either realized or are in realization process. Currently ERE is continuously monitoring the realized investment level for 2018. From the data processing it results that until on October 2018 the realized investment is 1,140,108,741 ALL or 77.27 % of the foreseen value for 2018 for these items.

The review of the Investments Plan is performed according to the requirements of the “Regulation on the procedures for submitting and approving the investment plan from the transmission and distribution operators of Electricity”, approved with ERE Board Decision No. 135 dated 06.09.2017 and ERE continues the periodic monitoring of this plan.

The Transmission System Operator submits at ERE together with the application for tariff approval the updated investment plan for the next year.

TSO for 2018 applied for a tariff but the application is not accompanied with the request to approve the investment plan and ERE considered the approved figure of the 10 year Network Development Plan 2015 - 2025.

1.4 General Situation of the Power System referring to Article 25 of Law 43/2015 “On Power Sector”.

a) Operational Security of the Network.

One of the main obligations of the TSO company is to ensure the long-term capacity of the System to fulfill the reasonable request for Electricity transmission, by operating, maintaining and developing in a secure, reliable and efficient way the Transmission System, by contributing on the same time the security of supply by the security of the System and sustainable transmission capacities.

It should be underlined that with the set into operation of the 400 kV line Elbasan2 – Tirana2 – Podgorica2, and 400/220/110 kV Tirana2 sub-station, the security of transmission network operation is increased. Furthermore, with the finalisation of the expansion project of Koman 400 kV and the rupture of the Tirana 2 – Kosova B line, which is ready to be set into operation the part Koman – Kosova B, the 400 kV network it is further increased the operational security of the system. With the investments made in the transmission network and mainly the set into operation of the control monitoring system SCADA/EMS, TSO company ensures high quality services for all the users of the Transmission System, based on the best standards and practices, which are applied transmission system operators of ENTSO-E, contributing in the economic development of Albania and secure and quality exchange of electricity in the country and in the region.

The Operational Security of the Network, TSO guarantees by the implementation of the operation code, part of the Transmission Network Code, which defines the clear and objective requirements for the work security of the system on real time, and the achievement of the main goal to keep continuous operation of the Albanian Transmission System interconnected with the European Transmission System (synchronous area of Continental Europe) to contribute for a harmonized framework to implement Law No. 43/2015 “On Power Sector”, and to ensure non-discrimination, effective competition and efficient operation of the market. Rules for the Security of Operation submit the principles of operational security in technical needs aspect, considering the operation of the market in conformity and supporting the security of supply. These operational security principles are essential for TSO company to manage its responsibility for the operation of the System in interconnection, in a high coordination, reliability, quality and stability level. A main objective of TSO company is the achievement of a technical harmonized and sustainable framework, including the implementation of all necessary processes required for the security of operation, taking into account the current challenges and the expected ones, including the quick increase of renewable energy resources and their influence in the System operation.

Guaranteeing the Operational Security, the reliability and quality means the ensurance of a common security level within the European Interconnection System, requiring close cooperation of the TSO-s, DSO-s and important Network Users. In order to define the clear and objective requirements by the TSO are considered the following categories:

- Situations of the System

Continuous monitoring of the System situation, based on SCADA system, with the measured values on a real time of the operational parameter, with online permanent information of the mutual situation of the System between neighbouring TSO-s, makes possible the effective evaluation of the System situation and also enables the preparation of improving actions, to keep the System in normal situation or return into normality as quickly as possible in case of break downs.

The monitoring of the System situation contributes for a coherent and coordinated attitude of the interconnected Transmission Systems, in the TSO responsibility area and also between the responsibility areas.

The Control Center of TSO system is equipped with a hardware and software system ensuring the collection and process of the data from the some objects (substations and plants).

Their availability is supported on the redundance of hardware and software components, as well as their data basis. So the control center at QDS is equipped with a computer control system (SCADA/EMS) which performs the main operations:

- the collection, process, appearance (on the screen) and the archive of the data taken from distance;
- systematic analysis of operational security on real time and on the study mode;
- power-frequency control;
- voltage control.

There are also included other computing systems such as:

- specialized softs for Operational Security analysis;
- mimic-board to ensure the appearance of the network nodes according to their connection, voltage level and over charge, the flow on the connections and transformers.

These softs allow the System Operator to monitor the situation of the System and the softs status in the transmission system, to appear the status of a sub-station or of an area (the topology, flows and voltages), and to control distance equipments. Shall be considered that with the entry into force of Council of Minister Decision no. 222, dated 26/04/2018 "To monitor the list of critic Infrastructures and information and the list of important infrastructures of the information" above all even the Transmission System, to TSO company emerge new obligations for the cyber security.

▪ Telecommunication Security Network

Tele-communication network is a secure network of tele-communication transmission that is dedicated to exclusive usage of the electricity network operation. Its infrastructure is based on the optical fibre installed in nearly all transmission system lines. The tele-communication network enables to the operational staff to act in different control levels, including the communication with neighbouring TSO-s, to exchange the commands and information. It ensures the transmission of signals intended for the operation of protection systems in the networks and electrical objects or to perform distance actions from automatic equipments of local control. Normal operation of the tele-communication network is essential for the operation of the System and operational security and means the redundance of the transmission channels in the tele-communication network and routers duplication.

▪ Telecontrol System

Control and network security equipments compose the so-called telecontrol system. This system serves for:

- Guarantee of Transmission System observation, ensuring to the Operator the registration of the data, at any time, for the energy flows, the topology of the network and electricity value

(frequency and voltage) characteristics for the System operation. This observation also includes the data from neighbouring TSO-s, information which serves to manage the complexity of exchanges in the best way possible, ensuring at the same time the reliability of Interconnection System operation;

- Guaranteeing Transmission System control, by providing to the Operator and automatic control equipments the ability to operate by the telecontrol switch and by automatic centralized control of frequency;
- Supply with reliable information of complex operations of operative security analysis, which enable to the Operator:
 - o to foresee the consequences of such events like the switch of the generating equipments or transmission system elements,
 - o the preparation of improving actions.

The telecontrol system is of essential importance for the reliability and security of the System and for this reason are taken all the measures to ensure the continuance of its all relevant characteristics:

- the telecommunication network is dedicated for the secure operation of the System and for this reason TSO has a reserve control center connected with the telecommunication security network that is equipped with control equipments;
- all data taken on distance, are provided and processed in a double way by different channels;
- lastly, the uninterrupted electricity supply of telecontrol and telecommunication equipments in QDS is ensured by mix and independent and foreign, internal resources.

▪ Managing the Frequency Control

The aim of managing the frequency control is to keep a continuous balance between generation and consumption, ensuring frequency quality and stability of the Synchrone Area. For this, TSO ensures (currently by a bilateral agreement with KESH company) adequate reserves (increased and lowered ones) of active power. On the Transmission Code are set the criteria for the dimensioning and establishment of these reserves.

▪ Voltage Control and Management of Reactive Power.

Voltage conditions in the Transmission System are directly connected with the reactive energy situation on the system nodes. To compensate an excessive consumption of reactive power, TSO ensured that most efficient and effective producers (currently KESH plants) to generate/absorb sufficient reactive energy, except of the reactive power from other resources installed on the Transmission System. TSO also ensures a continuous balance and locally sufficient of the reactive power, to be able to maintain the appropriate voltage levels. In this context, the aim of voltage control and reactive energy management is to ensure that:

- Voltage levels, reactive energy flows and reactive energy resources are monitored, controlled and kept on real time within Operative Security limits, aiming the protection of Transmission System equipment and ensuring the voltage stability,

- The adequate and immediate reserve of reactive power is available to the operational generators, of the reactors and capacitors to ensure technical operation of all power system and be able to reset normal situation after the breakdowns.

For this purpose, on the Network Code for operational security of ENTSO-E it is set to be performed online permanent monitoring and exchange of information that is realized by TSO-s on respective observation areas.

- Managing Short Connection Current

The management of short circle current is necessary to prevent from damage all types of generation objects, Transmission System elements and equipments connected with it and to maintain the security of the persons; by quick and selective switch of the short circle part. So the objective of managing short circle current in a level which ensures secure operation of the transmission system, by the respective protection system. This means:

- Accurate calculation of short connection currents by the plannification specialists of TSO company following the standardized principles and security of the data by neighbouring TSO-s, by OSHEE and important Users of the Network;
- Monitoring short connection currents and receiving the improved, preventing and curative measures if operational security limits are or have the tendency to be violated;
- Ensuring the information and communication with neighbouring TSO-s, OSHEE and important Network Users affected in a way to be able to take in consideration the effect of other transmission and distribution systems.

- Managing the Energy Flow

Any element of the Transmission System has its security limits in the direction of energy flows.

These limits are important for the protection of the equipments and the persons close to a particular element of the Transmission System, taking into consideration technical limits of the used materials, aiming the avoidance of the damage or premature old of the equipment. So, energy flow management has to do with the establishment or definition of operational equipments to keep the flow of energy within operational security limits for every element of the transmission system.

To be able to monitor and control operational parameters it is necessary to have accurate information on the situation of the System and also accessing the situation of the System. For this, TSO controls the operational parameters within its responsibility area and in a coordinated way takes into consideration the operative parameters from the observation area including parts of neighbouring TSO-s. This means that structural data and real time exchange of information by TSO-s cross-cut observation areas, and between TSO and DSO in the responsible TSO area. To be able to manage the breakdowns in the System, by TSO are prepared improving individual and coordinated actions and are implemented when necessary to prevent the violation of Operational Security limits and to support the return into normality in case of alert or emergent situations.

- Convergences analysis and training

Aiming to ensure the operational security of the System, it is made the convergence analysis (of the consequence of unforeseen events) which means conducting simulation of switching elements of the System. This analysis is performed for TSO observation area, respecting the limits of operational security and meanwhile it is made the preparation of improving actions before and after the incident, when required the result of the analysis.

The main principles that should be followed regarding the convergence analysis, which describe the general aims and objectives of convergence analysis on real time and on operative planification stage are:

- Ensuring the prevention and/or treatment regarding improving actions, required to maintain the security of operation, for all reliable convergences affecting the Transmission System.
- Coordination of analysis and improving actions, where necessary, to ensure the desired result maintaining the operational security in the System and in the Interconnection.
- Supporting on the appropriate data and information on real time and based on loading foresee. The use of a common model of the regional network, and exchange of all necessary data and information between TSO, DSO and important users of the network.
- Support in processing the pan-European provisions and standards for convergence analysis and to maintain the security of operation by maximizing the use of the System.

Regarding the convergence analysis, TSO company on June 2018, initiated to benefit safety analysis from the Security Coordination Center, SCC Ltd. Belgrade (Regional Security Coordinator for SEE) by a contract as user of the SCC Ltd Belgrade services. This contract lasts for one year and includes 5 services above all the main are as follows:

- Validation and improve of the individual/common network model (IGM/CGM),
- Coordinated calculation of (cross – border) capacity,
- Coordination of the security analysis (including the improving and prevention measures),
- Work adequacy, reliability in short / medium term,
- Coordination of breakdowns planning.

- Protection

The protection equipment is used to protect the assets of Transmission System from damages. Protection system schemes are used to detect the abnormal conditions of the system and undertake corrected predefined measures, to maintain the integrity of the system, with an accepted performance of the system, in a coordinated way. The functions to protect the System are analysed supported on the calculations of the network, considering correct and not correct operation. If provided unacceptable consequences, the functionality and redundancy of the System Protection Scheme are used in conformity with the circumstances to fulfill operational security requirements. The functionality and status of the system situation is monitored, communicated and coordinated by neighbouring TSO-s and other parties affected from the protection system.

- Managing the Dynamic Stability

The purpose of Assessing the Dynamic Stability is to ensure the awareness of TSO operator regarding the actual situation and the foresees for the future of the System situation regarding the stability, in (S) situation and the possible one (S-1). Despite that, assessing the Dynamic Stability

supports its decisions to effective and efficient improving actions, to prevent the incidents or correct their consequences, if they happen.

Wide use of Assessing the Dynamic Stability permits different applications, not only on real time, but even in operational planification stages. It is underlined the training of the operational staff of TSO company by making the Access of the Dynamic Stability to be used, for continuous maintenance of the models and respective simulator.

- Operational Training and Certification

In conformity with Best Practice Guidelines for Operational Security, it is necessary the training to guarantee that the System Operators and the other operative staff are able, well trained and that the employees operate the System on real time are certified to act in a secure way during all operational situations.

In this context, TSO initiated the implementation of a training and wide certification process, which shall enable the recognition and response to not normal operational conditions on respective deadlines and where necessary, in a coordinated way with other TSO-s. Moreover, the implementation of operative standards may be ensured by the development of the programs including initial training, continuous development of the staff and regular re-assessment of certification.

The Operation Code sets the obligation for TSO which will have activated the continuous developing programs for its staff on the control room and coordinate and cooperate with inter-system trainings for regional transmission issues. TSO trained staff shall be able to act efficiently in the balancing of the System and maximizing the opportunity for cross-border transfers which both offer real economic benefits for the customers, more significant than the increase of the cost invested more in TSO staff training than in the control room. Moreover, investing in TSO operative staff training, shall be lowered the probability of big breakdowns with a wide spread accompanied with the interruption of supply, which if happen may last for more hours or days and for which there is a very big economic-social cost.

b) Foreseen balance of the request and electricity supply in the internal market for a five years period, and

c) Expected level of the request and the supply security perspective for a five to fifteen period from the report date.

Based on the historical data of TSO company and considering the potential increase of PPE + PVE and the non technical losses reduction in the distribution network, it is accepted that the expected increase of the electricity volume transmitted by the TSO, shall be at 1.5-2% level and over that basis, using the loading profile on hourly basis on hourly basis for each month average day, it is made the foresee of the main electricity parameters and the security of the System balance for the five years, as given in the following table:

Planning the parameters performed in electricity during 2019														
Year 2019	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
OSHEE company consumption	GWh	630	549	490	432	427	430	482	513	450	486	500	580	5969
Consumption for customers in an open market	GWh	73	86	101	113	117	119	117	110	115	118	116	125	1310
Losses + Personal Needs	GWh	16	15	15	14	15	15	15	16	13	14	15	16	179
Total request	GWh	719	650	606	559	559	564	614	639	578	618	631	721	7458
Planning the parameters performed in electricity during 2019														
Year 2019	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
Production	GWh	500	683	674	585	649	350	355	350	310	240	320	355	5371
KESH	GWh	370	540	510	465	530	310	340	335	290	130	200	260	4280
Other Producers	GWh	130	143	164	120	119	40	15	15	20	110	120	95	1091
Planning the parameters performed in electricity during 2019														
Year 2019	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
Import	GWh	178	123	112	52	54	177	211	221	247	257	244	265	2141
OSHEE	GWh	123	73	57	0	0	117	151	151	182	192	169	190	1405
Traders	GWh	55	50	55	52	54	60	60	70	65	65	75	75	736

Planning the parameters performed in electricity during 2020														
Year 2020	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
OSHEE company consumption	GWh	485	465	475	455	435	445	465	475	395	445	430	500	5430
Consumption for customers in an open market	GWh	283	123	106	84	91	112	140	151	150	162	196	505	1947
Losses + Personal Needs	GWh	16	15	14	14	12	12	15	15	12	13	14	16	169
Total Request	GWh	784	603	595	553	538	569	620	641	542	570	640	821	7546

Planning the parameters performed in electricity during 2020														
Year 2020	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
Production	GWh	532	690	695	642	705	451	450	447	406	245	339	425	6027
KESH	GWh	402	575	550	502	565	341	375	372	326	160	234	295	4697
Other Producers	GWh	130	115	145	140	140	110	75	75	80	85	105	130	1330

Planning the parameters performed in electricity during 2020														
Year 2020	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
Import	GWh	198	132	79	87	68	123	188	200	133	140	158	233	1739
OSHEE	GWh	128	67	9	22	8	53	108	120	58	65	78	148	859
Traders	GWh	70	65	70	65	65	70	80	80	75	75	80	85	880

Planning the parameters performed in electricity during 2021														
Year 2021	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
OSHEE company consumption	GWh	465	445	455	435	415	425	445	455	375	385	405	475	5180
Consumption for customers in an open market	GWh	326	142	122	97	104	128	161	174	186	223	225	351	2239
Losses + Personal Needs	GWh	19	18	17	16	15	13	14	14	14	15	15	17	187
Total Request	GWh	810	605	594	548	534	566	620	643	575	623	645	843	7606

Planning the parameters performed in electricity during 2021														
Year 2021	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
Production	GWh	654	579	599	570	546	544	549	564	474	495	539	670	6783
KESH	GWh	460	440	450	430	410	420	440	450	370	380	400	470	5120
Other Producers	GWh	194	139	149	140	136	124	109	114	104	115	139	200	1663

Planning the parameters performed in electricity during 2021														
Year 2021	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
Import	GWh	209	162	126	130	117	157	206	214	166	171	184	239	2081
OSHEE	GWh	89	47	6	15	2	37	76	84	41	46	54	104	601
Traders	GWh	120	115	120	115	115	120	130	130	125	125	130	135	1480

Planning the parameters performed in electricity during 2022														
Year 2022	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
OSHEE company consumption	GWh	445	425	435	415	495	405	423	435	355	365	385	455	4940
Consumption for customers in an open market	GWh	354	167	150	124	131	153	184	198	208	246	250	382	2547
Losses + Personal Needs	GWh	18	18	18	17	16	15	14	15	15	16	17	19	198
Total request	GWh	817	61	603	556	542	573	623	648	578	627	652	856	7685

Planning the parameters performed in electricity during 2022														
Year 2022	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
Production	GWh	747	613	634	604	579	576	580	595	504	527	573	710	7242
KESH	GWh	480	460	470	450	430	440	480	470	490	400	420	490	5360
Other Producers	GWh	267	153	164	154	149	136	120	125	114	127	153	220	1882

Planning the parameters performed in electricity during 2022														
Year 2022	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
Import	GWh	207	160	126	130	117	157	206	214	166	171	184	239	2077
OSHEE	GWh	89	45	6	15	2	37	76	84	41	46	54	104	599
Traders	GWh	118	115	120	115	115	120	130	130	125	125	130	135	1478

Planning the parameters performed in electricity during 2023														
Year 2023	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
OSHEE company consumption	GWh	449	429	439	419	399	409	429	439	359	369	389	460	4989
Consumption for customers in an open market	GWh	358	169	152	125	132	155	186	200	210	248	253	386	2574
Losses + Personal Needs	GWh	18	18	18	17	16	15	14	15	15	16	17	19	198
Total request	GWh	825	616	609	561	547	579	629	654	584	633	659	865	7761

Planning the parameters performed in electricity during 2023														
Year 2023	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
Production	GWh	754	619	640	610	585	582	586	601	509	532	578	717	7313
KESH	GWh	485	465	475	455	434	444	465	475	394	404	424	495	5415
Other Producers	GWh	269	154	165	155	151	138	121	126	115	128	154	222	1898

Planning the parameters performed in electricity during 2023														
Year 2023	Unit	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
Import	GWh	209	162	128	132	118	159	208	216	168	172	186	241	2099
OSHEE	GWh	90	45	6	16	2	38	77	85	41	46	55	105	606
Traders	GWh	119	117	122	116	116	121	131	131	127	126	131	136	1493

c) Expected level of the request and the supply security perspective for a five to fifteen period from the report date.

According to the historical data of load development, using the load profile on hourly basis for the each month average date, it is performed the foresee of the electricity request as submitted in the following table for a 15 year period:

2019 - 2035

Year	Request (GWh)
2019	7,450
2020	7,628
2021	7,812
2022	7,991
2023	8,175
2024	8,355
2025	8,539
2026	8,718
2027	8,901
2028	9,079
2029	9,261
2030	9,446
2031	9,625
2032	9,808
2033	9,995
2034	10,184
2035	10,378

ç) Additional proposed production capacity, planned or in construction process.

Regarding this issue we are informed only for the plants provided to be connected on the transmission network (are in construction process or have received the preliminary approval or preliminary opinion, for connection with the transmission network), as follows:

- Connection Agreement:

No.	Naming the Generation Units	Installed capacity (MW)
1	Devoll River Cascade, Moglica HPP	171.000
2	Photovoltaic Park Malsia Solar (1-2-3_	7.500
3	Kalivare (1,2,3,4) HPP-s	5.463
4	Seta (1,2,3,4) HPP-s	14.900
5	Sllabinja 2a,2c,2e HPP	11.000
6	Seka & Zais HPP-s	14.96
97	Lashkiza HPP	5.200
8	Stavec & Stavec1 HPP-s	14.770
9	Gjadër (1,2,3,4,5,6) HPP-s	24.938
10	Darsi (1,2,3) HPP-s	20.520
11	Bushtrica 1 HPP	5.230
12	Bushtrica 2 HPP	4.800

- Preliminary approval or opinion:

No.	Naming the generation Units	Installed capacity (MW)
1	Kalivaç HPP	111.000
2	Gomsigje 1 HPP	13.300

3	Gomsigje 2 HPP	8.250
4	Curraj Cascade	105.223
5	Dragobia HPP	5.000
6	Ceremi HPP	11.900
97	Zalli Bulqizës HPP	6.470
8	Fletit (1-2-A-B) HPP-s	9.100
9	Shkopet 2-3 HPP-s	23.000
10	Kiri 1 & 2 HPP	25.187
11	Mati HPP-s	38.000
12	Zajë, Turaj, Xhaferaj, etc HPP-s	5.940
13	Gur i Zi, Shelli, Daznjanë HPP-s	4.760
14	Gostima (1,2,3,4) HPP-s	16.100
15	Egnatia HPP	6.000
16	Shmil Cascade	16.720
17	Qarishtë HPP	37.300
18	Fushbull HPP	21.520
19	Rreshpë, Çota, etj HPP-s	7.772
20	Kardhiq HPP-s	13.820
21	Langaricë Cascade	7.630
22	Vernik (1,2,3,4) HPP-s	11.683
23	Dragostunjë HPP	10.000
24	Iballë, Sapac, Berishë, etc HPP-s	20.524
25	Ylldon (1,2,3,4) Cascade	8.000
26	Veleshica 1 & 2 HPP-s	13.900
27	V.Dejës Photovoltaic Plant	12.900
28	Topojë Photovoltaic Plant	50.000
29	Gas Power Plant Korçë	500.00

d) Investments foresee, for not less than the five next years that are planned to be realized by the TSO company or any other party, regarding the increase of the cross-border interconnection capacity:

- The principles to manage the restricted capacities on the existing and planned lines of the transmission system.**

With the investments performed during the last years in the transmission system it is made possible the fulfillment of the security criteria N – 1 in the internal network of the System for all the workign regimes and there are no problems to limit the transmission capacities. Regarding the management of the cross border capacities, implementing ENTSO –E rules, it is implemented the following procedure.

Defining the cross boder transmission capacity, Network Transmission Code (NTC), is currently according to bilateral agreements between neighboring TSO-s and is based to the ENTSO – E Operational Handbook, respectively Policy no.4 and its Annex.

It is important to be underlined the clear differentiation between the commercial and physical values, because there exist two types of definitions, one connected with the schedule values and the other with the electricity physical flow, that in most of the cases do not match when it is taken into consideration a separate interconnector from the other part of the network. The complexity of the

physical flow is handled by the TSO, that are responsible to the respective Authorities to perform this obligation in a transparent and non discriminatory way.

The time frame to define the cross – border interconnection capacity

The process to define the Network Transmission Code (NTC) produces results for annual, monthly, day ahead (D – 1) and within day time frames.

Data for the individual model of the network

According to the Transmission Code, the important Users of the Network enable TSO necessary information to define the transmission capacity. This information includes but is not limited in:

- Information regarding the technical data;
- Information regarding the availability of the facilities and elements of the network;
- Information regarding the schedule of the generating units.

For each time period of capacity determination, each generating unit or load shall provide the TSO with all specified data and meanwhile the System Operator (working mode planning specialists) prepare with due diligence the network model of our control area, to whom is controlled the convergence before it is send to the regional coordinator TSO, in a way to enable the calculation of active, reactive power flows and voltage, on sustainable static analysis that shall be performed.

The main input of NTC is a document to prepare the network model of the market “SEE regional common grid model for different time horizons” prepared from the Regional Group of SouthEast Europe under the Market Community of ENTSO-E. This document provides two essential elements to calculate the NTC process:

- Harmonized table of the basic case of the exchange (BCE);
- Unified Model of the Regional Network for different time frames.

TSO-s of South East Europe shall prepare the Baseline Case Exchange (BCE), which are the provisions for the commercial schedules in the monthly template and send those to coordinatory TSO-s. These tables are prepared according to the latest history and experience of the TSO-s. The coordinatory TSO after collecting all the BCE tables of SSE region TSO-s make its harmonisation. The total of the declared expenses on these tables are then set on the individual template of each TSO.

For each time frame to define the capacity, one Joint Regional Network Model is established on regional level to join the imputes (individual models) from all the System Operators, through the operation of the coordinatory TSO. The function of the coordinatory TSO is performed by one TSO of SEE region in monthly level. In the framework of RG SEE working group, the System Operators agreed that their coordinated regional activity to be on monthly basis rotation.

The role of the coordinator for the annual references schenario for winter and summer for the synchronous area of Continental Europe (RG CE), is performed by the Security Control Centers (RSC) CORESO, TSCNET, or SCC Ltd Belgrade, through the data ensured under ENTSO-E working group Network Modelling and Forecasting Tools (NMFT). Currently TSO receives these services through SCC Ltd. Beograd.

Schenarios of the Joint Network Model

All TSO of the Power System emit a basic schenario for each for each time period of the defined capacity, which is established at the Joint Model of the Network.

In case of defining the need of additional scenarios for time periods, neighboring TSO-s shall agree about the additional characteristic periods, considering the maintenance program of the (overhauls) and generators engagement, which may influence on defining the NTC value.

Methodology of Calculating the NTC (Net Transfer Capacity)

1. The methodology contains the following paragraphs:
 - a. Defining the “Generation Shift Keys”,
 - b. Defining the operational security limitations,
 - c. Defining the safety margins.
2. Any System Operator shall use the methodology defined on the ENTSO – E Operational Guideline “P4 – Policy 4: Coordination of the Operational Planning” Annex 4

3. NTC value is defined as:

$$NTC = TTC - TRM$$

$$TTC = BCE + \Delta E$$

Where:

BCE: Basic Case Exchange (scheduled exchange)

ΔE : Maximum of the change (increase/decrease) of generation that is defined to the control area included in the interconnection preventing any violation of the N – 1 safety principle.

4. Total transmission capacity (TTC) represents the maximum value of the exchange program between two areas (TSO-s), fulfilling the obligatory working standards for any System, if for the period when it is performed TTC assessment, the network conditions and the generation – consumption model, are better known on advance.
5. Transmission Reliability Margin (TRM) is a reliability margin that includes uncertainties in calculating the TTC values.
6. Actual Allocated Capacity (AAC) is the total of the transmission rights allocated before ex on the annual auction or any other form, depending on the allocation method.
7. Available Capacity (ATC) is the NTC part remaining available, after any allocation stage, for the next commercial activities. ATC is issued on the following equation:

$$ATC = NTC - AAC; \quad \text{where: AAC is the Actually Allocated Capacity.}$$

Generation Shift Method

The Generations that participate on defining the NTC shall be characterised from the maximum and minimum limits. The method to shift the generation shall be in conformity with the way how the global shift of exchange shall be allocated to different generation units.

The selected generators (in our case all generation units of Drini cascade) are used to define the NTC in the following way. On the area of a TSO (generators $i=1, n$) active power of the generators is increased and on the other TSO area (generators $j=1, m$) the active power of the generators is decreased with the same value simultaneously. All the chosen injections are modified proportionally to the remaining available capacity.

The shift is realized as follows:

$$P_{new}^{inc} = P_i + \Delta E \cdot \frac{P_i^{max} - P_i}{\sum_n (P_i^{max} - P_i)} \quad P_{new}^{dec} = P_i + \Delta E \cdot \frac{P_i^{min} - P_i}{\sum_n (P_i^{min} - P_i)}$$

where:

- P_i Actual active power generation (MW),
 P_{new}^{inc} New increased injection P_i
 P_{new}^{dec} New decreased injection P_i
 ΔE Shift generation, negative for increasing and positive for decreasing
 P_i^{max} Maximum permissible generation (MW)
 P_i^{min} Minimum permissible generation (MW)
 Additional conditions: $|\Delta E| \leq |\sum (P_{max} - P_i)|$, and $|\Delta E| \leq |\sum (P_{min} - P_i)|$

The advantage of this method is that over- usage of generation is impossible and the generation capacities are achieved simultaneously. Also this method respects the physical limits while it is operated the transmission network. The last value of ΔE_{max} is defined from all generators or any other element of the network reaching its operational limits.

Operational Security Limitations

During the process of defining the capacities, TSO shall at least respect the Operational Security Limitations as follows, during the different convergences defined from the Operational Security Code:

- Thermal limits of critical network elements;
- Voltage limits, setting permissible voltage ranges of the substations;
- Generation Limits ensuring the availability of the generation reserve to reach the requirements defined from the Operational Security Code.

The critical elements of the network, that are those of the Regional Network and those of the Internal Network are defined from the regional common model and are defined as elements with sensitivity coefficient over 10%, so the shutdown of a critical element causes on at least one other element of the network internal or external, a load shift of about 10 % or more. The list of critical elements is continuously updated with the change of the working conditions for each System and is made available to the working group that manages the RG SEE congestions.

Defining the Transmission Reliability Margin (TRM)

Defining the Reliability Margin level is based on statistic approaches, taking into consideration the historical evidences and the provisions in the future. The Reliability Margin includes the following uncertainties:

- Unintentional deviations of physical flows during operation due to physical operation of power-frequency control,

- b) Emergency exchanges between TSOs to deal in real time with situations of unexpected imbalances,
- c) inaccuracies, e.x in collecting data and measurements,
- d) Inaccuracies in the base case used for calculation, such as forecasts of generation, consumption, exchanges and network topology, etc.

Currently, in the Bilateral Agreements, it is accepted that the TRM margin level shall be 100 MW at the border with Montenegro and Greece respectively, while at the border with Kosovo (Serbia) 50 MW.

Harmonising the Results to Define the NTC Capacity

The annual NTC value for each border and flow direction is calculated by considering the minimum monthly value that is used, utilized, for the last three years, and reconciled with the respective neighboring TSOs within November of each year.

The monthly NTC values are calculated and harmonized with neighboring TSOs for each border separately, within the 6th of each month, for the following month. The following procedure is followed:

- a) 10 days before the end of the harmonization deadline, are exchanged the data, the national model with all 220/400 kV level interconnections between TSOs in UCT approved format, including active power reserve to increase / decrease generation and data on the overhaul program for the considered period,
- b) 5 days before the end of the harmonisation deadline, are performed the calculations for the TTC/NTC values, performed by grid analyser (TNA soft) with which are equipped all the regional TSO-s,
- c) 2 days before the termination of the harmonisation deadline, there are exchanged the values defined on the TTC for each border and it starts their harmonisation process. In case of failure to meet the calculated values and if the parties fail to convince each other, the lower TTC value shall automatically enter into force.

In case of significant changes of the System situation compared to the foreseen situation, when cross-border capacities are calculated, neighboring TSOs, after exchanging relevant data on the new situation, recalculate the cross-border capacity, and jointly determine the new NTC values and respectively ATC values.

Cross-border capacity allocation for market participants in our region is carried out by the SEE CAO Coordinated Auction Office in Podgorica which manages even the auctions of borders with Montenegro and Greece, regarding interconnection with Kosovo, capacities are allocated in separate auctions managed by the TSO and EMS (Serbia) due to the lack of recognition of Kosovo as a separate synchronous zone by ENTSO-E, which has also impeded the commercial operation of the new 400 kV interconnection line Tirana - Pristina.

The use of these transmission capacities is part of the energy market and if market participants are motivated to use both directions of the cross-border flows, this would facilitate the flow of cross-

border flows by contributing to the increase of the work operational safety levels of the Power System.

- The expected models of production, supply cross-border exchange and consumption, enabling the taken of the measures to manage the request.

As given above it is performed the foresee of the electricity request, their coverage through the domestic production and import for the following five years 2019 – 2023 period. All of these are collected on the following table:

Year	2019	2020	2021	2022	2023
Domestic production [GWh]	5371	6027	6781	7241	7314
Exchange [GWh]	2086	1519	825	444	449
Consumption [GWh]	7457	7546	7606	7686	7762

- The objectives for a sustainable development in national, regional and european level.

TSO s.a performs continuous studies for special areas of the transmission network as well as the Albanian Power System connection with the neighbouring countries systems. The most important studies which have a specific importance are performed in cooperation with studying international institutions within WBIF.

During the planning stages of developing the transmission network to: (i) Rehabilitation and Strengthening of the transmission network; (ii) Establishment of new connection nodes; (iii) improve of the management, control, measuring process etc, TSO s.a takes into consideration the national and regional development in full conformity with ENTSO-E directives (European Network of the Transmission System Operators for Electricity).

All projects on implementation process and the planned ones are connected with the transmission system service, which may be fully performed by the realization of the necessary investments for their strengthening and modernization.

- Detailed information of TSO company regarding the expected investments of the interconnection lines and for the construction of the internal network lines, which directly affect the cross-border interconnection lines.

From the strategic point of view, the projects that strengthen the interconnection lines with the region, establishing better conditions for commercial and transitional exchanges without electricity limitation in the SouthEast European region are:

Interconnection Line 400 kV Elbasan2 (AL) – Manastir (MK).

This project includes:

- The construction of the new air line 400 kV, Elbasan2 - Manastir, approximately 151 km, 56 km in the Albanian territory.
- The expansion of the 400 kV substation Elbasan 2 with double busbar 400 kV, a new line outage 400 kV and a shunt reactor 120 MVar. This project is not part of the of the ten year Network development Plan.

The project shall have an important impact in:

- Establishing the trading opportunities for electricity economic exchange by regional countries.
- Allocation of reserved capacity that shall contribute in a bigger security of power system operation of Albania and Macedonia.
- Reciprocal support in emergency cases.
- Optimal usage of regional resources that result with lowest cost of electricity.
- Optimal dispatch of the generation units.
- Reduction of the generation cost.
- Reduction of the electricity losses in the transmission network.

400 kV Elbasan2 – Fier Line

This project includes:

- The construction of the new line 400 kV, Elbasan2 – Fier, about 70 km and two outages 400 kV respectively Elbasan 2 and Fier substations;
- Expansion of Fier substation with a 400/220 kV transformation and its connection with the transmission network.

This project, as part of the above mentioned project shall have an impact in the:

- Standards increase, quality and efficiency of the Transmission System in central and south area of the country.
- Electricity losses reduction in the transmission network, mainly in the 220 kV network.
- Reduction of the not supplied energy (ENS).
- Reduction of the 220 kV network overloading.

dh) Regarding the quality and level of network maintenance.

Regarding the maintenance quality of the Transmission Network, TSO implementing the Regulation of technical usage organizes the periodic monitoring and control of all Transmission System elements, by drafting the control and maintenance plan, where are detailed the actions to be realized for performing the overhauls for the substation equipments and the periodic control for the transmission lines. The periodic controls and the scanning with thermal cameras of the transmission lines and substations has assisted on the identification on time of the problems which after the repairing works and the immediate interventions are eliminated on a short time preventing the equipment damages. The controls to prevent the defects have influenced on the increase of the electricity quality of supply.

While regarding the transforming equipments, the transformers compose the main asset in getting the generation and transmission capacity, defects on which may bring problems regarding the distribution of the load and the lack of reserve capacities. In case of not repairing damages, for the replacement of the transformers it is required a long time, which is associated with big financial losses. For this the 400 kV transformers of the transmission system, TSO takes the measures to find the defects from the beginning by accessing the transformer situation on real time, by enabling the elimination of the anomalies on the initial state of their occurrence.

For an overview of the work quality of the Transmission System, as follows are issued the tables Electricity disconnection for overhaul in 2018.

Name	Disconnections in total	Transitory	Stable	Atmospheric conditions	Line defect	Primary equipments	Protection	SHAM SHAF	OSHEE others	Different	Duration
400kV line	13	5	8	9	0	2	1	0	1	0	4h 35'
220kV line	95	49	46	39	25	3	22	0	6	0	173h 25'
110kV line	397	245	152	202	55	18	78	13	29	2	400h 35'
Total line	505	299	206	250	80	23	101	13	36	2	

Sub/stations	Disconnections in total	Transitory	Stable	Atmospheric conditions	Oil,gas problems	Primary equipments	Protection	SHAM SHAD	Staff OSHEE	Different	Duration
AUTO, TR	21	7	14	2	2	9	2	0	5	1	39h 50'

e) Measures on managing the request on peak hours and electricity supply interruption and the appropriate measures, if needed for the increase of the security of supply.

Measures to manage the request during peak hours and supply interruption, as well as other measures if needed to maintain the work security in the System are summarized in the so called improving actions, which submit the implemented measures by TSO, to maintain the operational security. They are categorized as improvement actions before the overhauls (i.e preventing ones) or after the overhauls (i.e correcting or curative ones) within the control area of TSO or between interconnected TSO-s.

Improving preventing actions are normally implemented on the operational planning stage or the schedule stage, to maintain the normal situation of the System in the future operational situation and to prevent the spread of the overhaul outside the TSO responsibility area. The improving preventing actions may include but not being limited on what mentioned below:

- Re-dispatch actions (of the aggregates) or allow the trade on the opposite direction, when possible;
- Changes on the topology of the network;
- Manual comutation of reactive energy equipments (transformer shafts of the transformers, reactors, static condenser blocks, or set-point level change of their control;
- Request for additional support of reactive energy from the plants;

-
- Ability of available schemes for the system protection (SHAM).

The correction improving actions are actions, which are implemented immediately or relatively quickly after an emergency, which leads in a different situation from the normal situation. With the correcting actions the System shall return in the normal situation. The correction improvement actions may include, but may not be limited only at as follows:

- Re-dispatch actions or the trade in the opposite direction, including the activation of TSO reserves;
- Control of reactive energy equipments (transformer shafts, reactors, static condenser etc);
- Management of the additional support of the voltage/reactive energy from the plants;
- Actions of the system control schemes, e.x change of the network topology, limitation of generation or load, depending on the protection specifications.

Plan for the System Protection in case of Emergency Situations

Operational security means the ability to ensure normal operation of the System, to limit the duration and the number of disorders, to prevent major concerns and limit the consequences of a major concern if this happens and also to facilitate the Reset of the System after a blackout, to return the System in normality.

The plan to protect the System is connected with an emergent situation in the relevant information process and the improving actions and is composed by coordinated measures, which aim to keep the integrity of the System, in case of the conditions resulting from extreme turmoils.

Measures for System Protection Plan

The Measures for the System Protection Plan are submitted as emergent improving actions. As follows, are given the applicable measures of System Protection Plan in case of limiting the load, frequency, energy and voltage flows.

Restrictions of the load/frequency

- Issue or prevent of electricity generation units;
- (Automatic/on request) increase or reduction of the generation level for the generation units;
- Adjusting the control way of the active LFC;
- Manual or automatic use of the reductions, load discharge;
- Changes of the working points of the voltage regulators and the transformers in the distribution level.

Energy flow limits

- Cancellation of the overhauls for the network elements and their set into operation as soon as possible;
- Automatic switch of the (generating) unit that is activated by the switch of a relevant transmission line;

- Trading on opposite direction with the responsible neighboring areas;
- Establishment of the planned exchanges;
- Reduction of the exchange program;
- Reduction of the interconnection capacities;
- Manual discharge of the load for objects with interruption agreements;
- Automatic discharge of objects with interruption agreement, caused by the switch of a transmission line;
- Immediate discharge of the load depending on the situation.

Voltage Constraints

- Request for the maximum or minimum values of active and reactive power generation;
- Reduction of the active power in favor of the additional generation of reactive power;
- Prevention of the units with the provision, injection of the additional reactive energy;
- Stopping the maintenance and the switch of the elements that before were in overhaul;
- Blocking the anchor position in the transformers with under load regulation.

1.5 Distribution System Operator for Electricity (OSHEE company)

Electricity distribution is performed by the Distribution System Operator, licensed by ERE according to the provisions of Power Sector Law. The Distribution System Operator owns the electricity distribution system in high, medium and low voltage, to deliver it to the customers, where its limitation with the transmission system is the one defined in the law.

The Distribution System Operator is responsible for ensuring the secure development and sustainability of the distribution system, fulfilling the requests for electricity distribution, maintenance and secure operation of the electricity distribution system in all the territory where it is licensed. In conformity with the Power Sector Law, OSHEE procures electricity to cover the losses in the distribution network, in conformity with the regulation approved by ERE and through the electronic platform for the electricity purchase procedures.

Implementing Law No. 43/2015 “On Power Sector” and Council of Minister Decision No.244, dated 30.3.2016, OSHEE company has continued to perform the Universal Service Supplier operation for the needs of the end – use customers benefitting from this service.

The Distribution System Operator (OSHEE) is organized in 11 Distribution Areas and 42 Agencies.

As follows are submitted the data over the main indicators for each Agency of the Distribution System Operator (OSHEE company) during 2018.

Indicators of Supplied Energy, sold and lost in any region and agency of OSHEE company for 2018 (MWh)

Regional Directory/Agency	YEAR 2018			
	Inserted Energy MWh	Sold Energy MWh	Losses MWh	Losses in %
Tirana1	809,468	715,947	93,521	12%
Tirana2	812,617	665,890	146,727	18%

Tirana3	618,200	507,864	110,336	18%
Regional Directory Tirana	2,240,284	1,889,701	350,583	16%
Durres	386,532	320,765	65,767	17%
Kavaje	150,804	118,910	31,894	21%
Kruje	148,261	91,728	56,533	38%
Shijak	157,185	118,676	38,509	24%
Regional Directory Durres	842,782	650,079	192,703	23%
Ballsh	53,449	44,242	9,208	17%
Fier	294,487	246,213	48,274	16%
Patos	65,847	53,442	12,405	19%
Regional Directory Fier	413,783	343,896	69,887	17%
Elbasan	282,123	231,637	50,486	18%
Gramsh	19,445	16,573	2,872	15%
Librazhd	55,360	40,866	14,494	26%
Peqin	31,697	22,774	8,923	28%
Regional Directory Elbasan	388,626	311,851	76,775	20%
Bilisht	34,480	27,750	6,730	20%
Kolonje	14,273	9,448	4,825	34%
Korce	181,546	144,395	37,151	20%
Pogradec	69,475	56,975	12,500	18%
Regional Directory Korce	299,774	238,568	61,206	20%
Delvine	17,194	13,700	3,494	20%
Gjirokaster	96,615	78,474	18,142	19%
Permet	22,102	18,016	4,085	18%
Saranda	107,542	90,469	17,073	16%
Tepelene	30,921	21,341	9,580	31%
Regional Directory Gjirokaster	274,374	221,999	52,375	19%
Koplik	64,799	27,789	37,009	57%
Lezhe	159,406	102,936	56,470	35%
Puke	27,856	13,498	14,358	52%
Shkoder	395,225	242,081	153,144	39%
Regional Directory Shkoder	647,286	386,304	260,982	40%
Berat	123,482	100,665	22,816	18%
Kuçove	45,826	37,619	8,207	18%
Lushnje	164,272	128,583	35,689	22%
Skrapar	23,912	17,924	5,988	25%
Regional Directory Berat	357,492	284,792	72,701	20%
Has	27,080	11,769	15,311	57%
Kukes	85,982	47,379	38,603	45%
Tropoje	48,835	15,212	33,623	69%
Regional Directory Kukes	161,897	74,360	87,537	54%
Bulqize	49,207	41,013	8,195	17%
Diber(Peshkopi)	60,252	38,893	21,360	35%
Lac	148,971	94,029	54,943	37%
Mat (Burrel)	50,616	33,108	17,508	35%
Mirdite	38,416	24,193	14,223	37%
Regional Directory Burrel	347,463	231,236	116,228	33%
Himare	23,385	20,488	2,897	12%
Selenice	40,435	18,263	22,172	55%
Vlore	254,586	208,503	46,084	18%
Regional Directory Vlore	318,406	247,254	71,153	22%
	-	-	-	
Total Regional Directory	6,292,169	4,880,040	1,412,129	22.44 %

Figure 29 Data on the main indicators for any Agency of the Distribution Operator OSHEE company during 2018

The above indicators, according to the agencies, compared with those of 2017, result improved and concretely in the following values of 2017 during this year there was marked a losses level of about 1,574,809 MWh, to the level 1,412,129 MWh for 2018.

The highest losses belong to the Regional Directory of Kukës and Shkodër, while the lowering level of the losses during 2018 is in Regional Directory of Himara and Tirana.

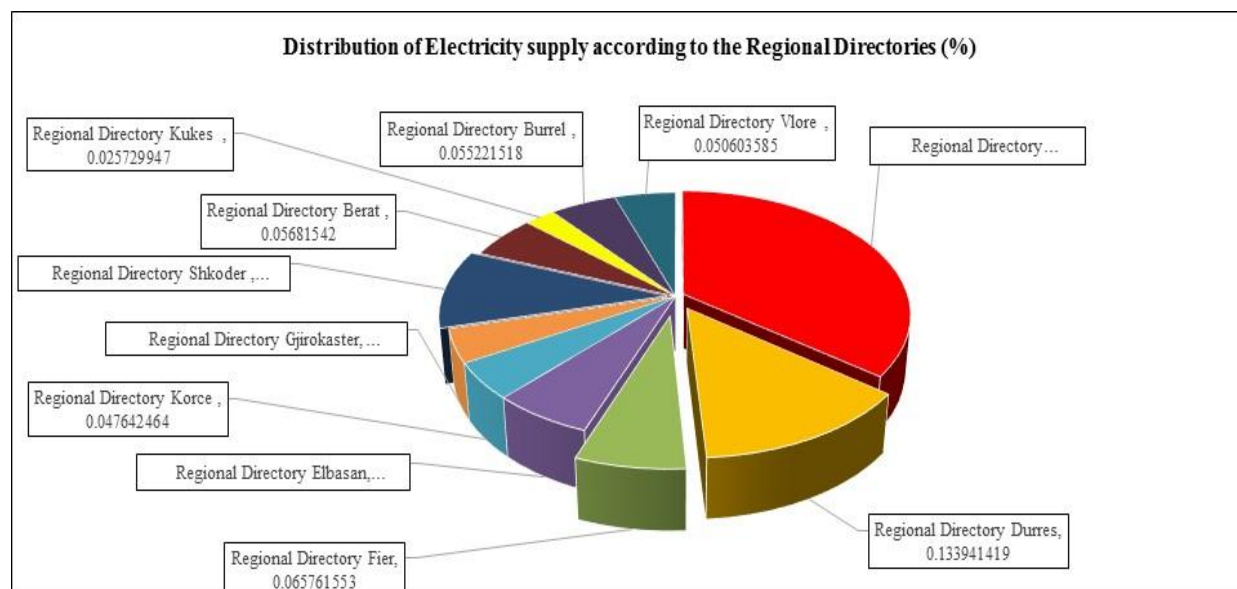
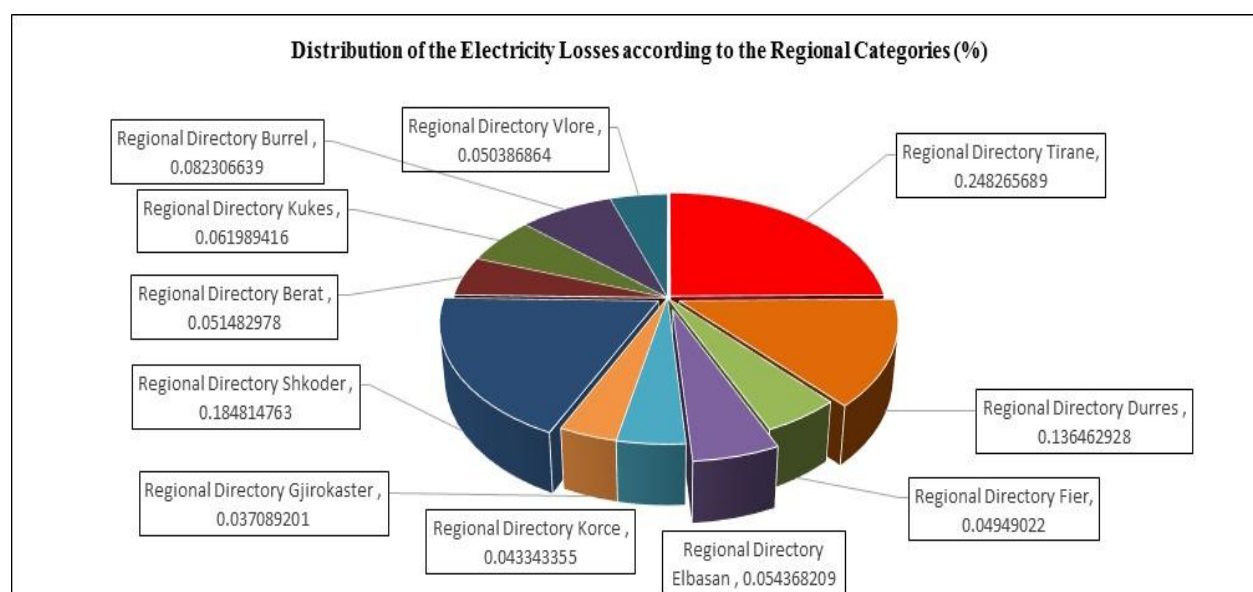


Figure 30 Distribution of Electricity Supply according to the Regional Directories (%)

As evidenced on figure no.30, the largest part of electricity consumption in the country for 2018 is held by the Regional Directory of Tirana, while the smallest part of consumption is held by Regional Directory of Kukës.



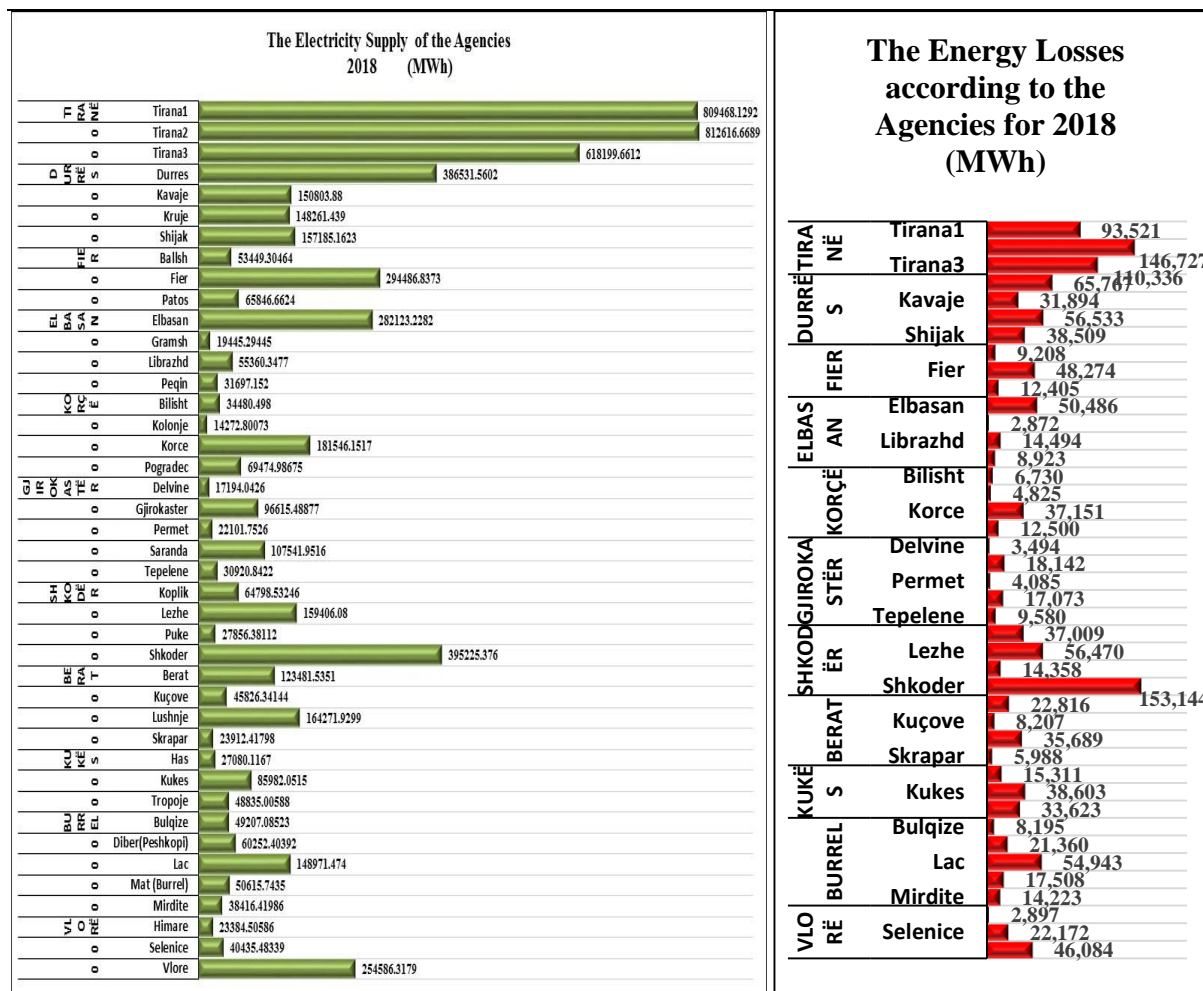


Figure 31 The quantity in the Supply, Sale and Electricity Losses in the Regions and Distribution Network Agencies (Source: OSHEE sh.a).

As it is noted the specific weight of the losses in relation to the consumption the lowest value results to be that of Gjirokastra Agency and the highest that of Tirana Agency because of the consumed quantity of the agency in question.

Number of OSHEE customers 2017 and 2018												
Regional Directories	Budgetary		Household		Non Budgetary		Private		Personal consumption		TOTAL	TOTAL
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
BERAT	879	943	87,612	88,054	315	315	13,398	13,650	36	36	102,240	102,998
BURREL	628	643	52,279	53,266	254	258	5,960	6,124	37	36	59,158	60,327
DURRËS	847	876	145,267	146,246	319	319	17,972	18,405	29	25	164,434	165,871
ELBASAN	860	901	93,643	94,173	435	434	12,725	12,839	34	32	107,698	108,379
FIER	604	657	71,764	72,072	240	240	9,778	9,868	23	23	82,409	82,860

GJIROKAS TËR	1,210	1,233	67,933	68,659	275	274	9,472	9,633	24	25	78,914	79,824
KORÇË	873	917	80,968	80,889	266	266	9,250	9,324	26	26	91,383	91,422
KUKËS	303	321	17,372	17,609	90	89	2,112	2,178	9	10	19,886	20,207
SHKODËR	908	922	92,988	95,870	305	349	13,045	13,383	24	28	107,270	110,552
TIRANË	1,366	1,456	266,745	272,162	443	441	48,151	49,816	58	60	316,763	323,935
VLOREË	516	552	69,008	70,382	193	193	10,073	10,500	13	14	79,803	81,641
TOTAL	8,994	9,421	1,045,579	1,059,382	3,135	3,178	151,936	155,720	313	315	1,209,958	1,228,016

Figure 32 Number of OSHEE customers for 2017 and 2018

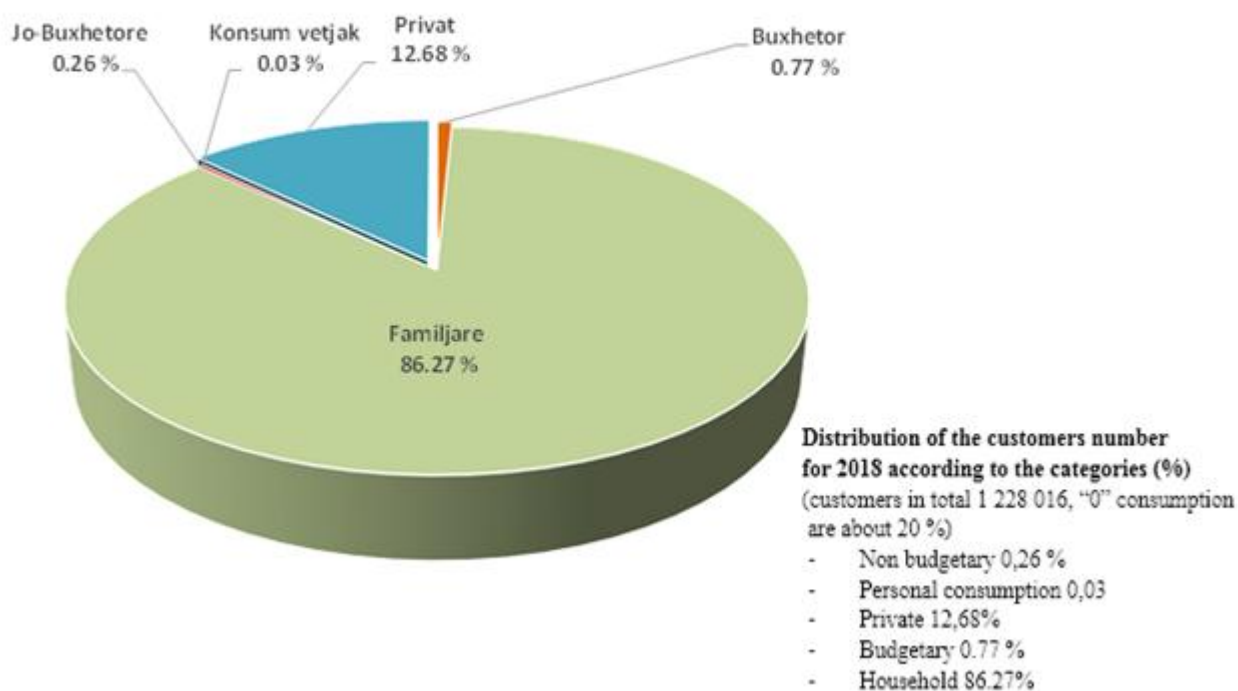


Figure 33 Distribution of the Customer's number for 2018 period according to the categories (%)

On the following table are submitted the data regarding the Lines, Cabins and Transformers on the Distribution System Operator network for 2018.

Substations, Cabins and Transformers	
No of the Substations	177
No of transformers in substations	302
Total No of the Cabins	25,574
MV/LV number of Transformers	25,849

Total length of the MV Grid (km)	16,350
Air 35 kV Line (km)	1,132.23
Cable 35 Kv Line (km)	15.54
Air 20 Kv Line (km)	167.77
Cable 20 Kv Line (km)	2,101.12
Air 10 Kv Line (km)	7,402.66
Cable 10 Kv Line (km)	235.89
Air 6 Kv Line (km)	5,040.04
Cable 6 Kv Line (km)	254.79

Total Length of LV grid (km)	24,973
Air with bare conductors (km)	19,373
Air with cable ABC(km)	3,765
Underground cable (km)	1,835

Cabins	Type and No of the Cabins													Installed Capacity (kVA)			Transformer Number MV/LV Capacity				
	Metalic			Masonry			BOX			Pole			Total Number of the Cabins								
	6 kV	10kV	20kV	6 kV	10kV	20kV	6 kV	10kV	20kV	6 kV	10kV	20kV									
	6 kV	10kV	20kV	6 kV	10kV	20kV	6 kV	10kV	20kV	6 kV	10kV	20kV		6 kV	10kV	20kV	Total				
Total	344	297	10	2,854	3,780	3,710	44	116	1469	7,141	5,724	85	25,574	1,674,049	1,734,158	2,377,069	5,785,276	10,330	9,979	5,540	25,849
OSHEE ownership	268	210	1	1,795	2,776	2,148	25	80	1,400	2,031	2,372	52	13,158	841,230	1,064,288	1,376,090	3,281,608	4,131	5,472	3,740	13,345
Non OSHEE ownership	76	87	9	1,059	1,004	1,562	19	36	69	5,110	3,352	33	12,416	832,819	669,870	1,000,979	2,503,668	6,199	4,507	1,800	12,504

Figure 34 Data on the main assets of OSHEE company (Source: OSHEE).

Indicators of the Distribution System Operator for Electricity for 2018 submitted on the following table:

Table with OSHEE company data for 2018			Progressive
A	Introduced Total Energy OSHEE company (MWh)	A=A.1+A.2	6,436,911
A.1	Transmitted energy through TSO company for the account of OSHEE company	A.1=Sum(A.1.1,A.1.6)	5,693,828
A.1.1	KESH -Gen through TSO company		3,875,562
A.1.2	From TSO as OSHEE company import		850,480
A.1.3	Transmitted energy for _35kV customers (introduced in the irregulated market)		14,624
A.1.4	From TSO on the account of OSHEE customers produced from the HPP-s in the transmission network		953,162
A.1.5	From VLORA TPP through TSO		n/a
A.1.6	From Bistrica 1,2 through TSO		n/a
A.2	Energy directly transmitted to OSHEE company network	A.2 = A.2.1 + A.2.2	743,083
A.2.1	Ulez,Lanabregas HPP		33,607
A.2.2	Private/Concession Plants		709,476
B	Total Energy in the Distribution Network (MWh)	B=A-A.1.3	6,422,287
C	Total Losses at OSHEE company (MWh)	C=C.1+C.2+C.3	1,538,503
C.1	Technical Losses in the Low Voltage Units (MWh)		125,974
C.2	Technical Losses at the Area (MWh)		944,587
C.3	Non -technical losses at the Area (MWh)		467,943
C.1	Total Losses at OSHEE company (%)	C.1 = C/B	23.96%
C.1.1	Technical Losses in the Low Voltage unit (%)		1.96%
C.2.1	Technical Losses at the Area (%)		14.71%
C.3.1	Non Technical Losses at the Area (%)		7.29%
D	Energy sold for all OSHEE customers	D=D.1+D.2+D.3+D.4+D.5	4,883,784
D.1	Sold to the Supplier of Last Resort Customers (MWh)	D.1=D.1.1+D.1.2	56,686
D.1.1	Sold to Private Supplier of Last Resort Customers (MWh)		53,891
D.1.2	Sold to Non - Budgetary Supplier of Last Resort Customers (MWh)		2,795
D.2	Sold to Private Customers (MWh)	D.2 = D.2.1+D.2.2+D.2.3	1,588,800
D.2.1	Sold from the Transmission network for the account of OSHEE company		-
D.2.2	Sold for personal needs of OSHEE company		9,413
D.2.3	Sold to Private Customers (not that for personal needs and in High Voltage)		1,579,387
D.3	Sold to Non -Budgetary Customers (MWh)		320,545
D.4	Sold to Budgetary Customers (MWh)		235,905
D.5	Sold to Household Customers (MWh)	D.5=D.5.1+D.5.2	2,681,848
D.5.1	Sold to Household Customers (MWh)		2,601,763
D.5.2	Sold to Household Customers for the Common Environments		80,085
E	Invoiced to the preceding month (000/ALL)		64,582,498
F	Current month collections (000 ALL)	G=F.1+F.2+F.3+F.4	65,812,534
F.1	Invoiced for the collections of the current year		42,910,930
F.3	Collected for the other invoices of the current year		15,225,572
F.4	Collected for the other invoices of the previous years		7,676,032
F.1	Collections for the actual month (%)	F.1=F/E	101.9%
F.1.1	Collected for the invoices of the current year (%)	F.1.1=F.1/E	66.4%
F.1.3	Collected for the other invoices of the current year (%)	F.1.3=F.3/E	23.6%
F.1.4	Collected for the other invoices of the previous years (%)	F.1.4=F.4/E	11.9%
G	Invoiced to the Reporting month (000/leke)		64,860,558
1	No of Customers in total (No.)		1,228,016
2	Invoices with consumption reading (No.)		11,726,302
3	Quantity of electricity invoiced with consumption reading (MWh)		4,879,073
4	"0" reading invoices (No.)		2,991,509
5	No of invoices without reading (unmeasured energy) (No.)		9
6	Quantity of energy invoiced as unmeasured energy (MWh)		967
7	No of invoices without reading (economic damage) (No.)		-
8	The sum invoiced as economic damage (000/ALL)		-
9	No of invoices for which it is collected overdue payment (No.)		5,132,956
10	The value of the collected Overdue payments (000/ALL)		1,088,430

Figure 35 Data on the Distribution System Operator indicators for 2018.

From 2018 results it is evidenced an increased performance to lower the losses and increase of the collection level. On the following paragraph there are submitted the analysis of these results.

1.6 Electricity Consumption

Total annual consumption for Electricity (including the consumption of customers in the irregulated market) in Albania for 2003 until 2018 period is submitted graphically as follows.

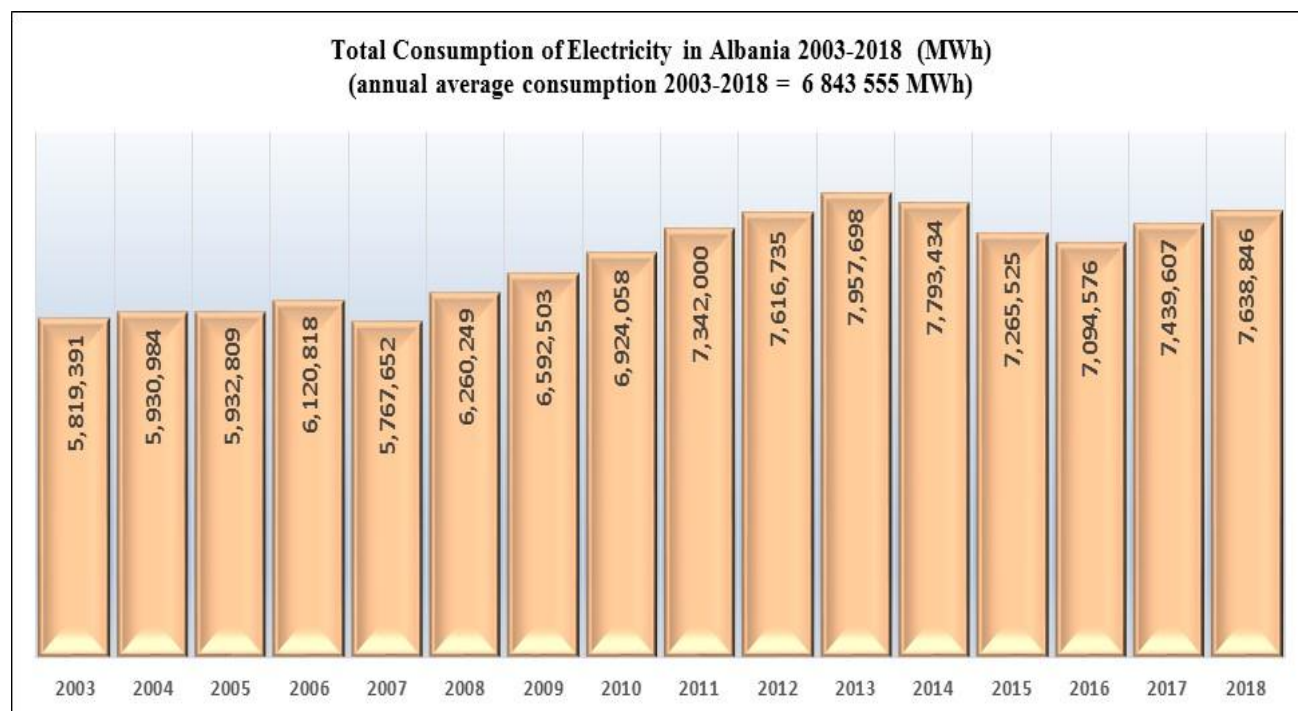


Figure 36 General consumption during the years.

As seen in the graphical submission it results a proportional increase to all the customer categories regarding the consumption compared with 2017 period, of about 0.2 GWh or 2.7%. The lowest consumption is registered on 2017 of about 5,767,652 MWh and the highest consumption is the one registered during 2013 of about 7,957,698 MWh

On the following tables are given the synthetized indicators from the public operators (TSO and OSHEE companies) in the power system in Albania.

Table with OSHEE company data for 2018			Progressive
A	Introduced Total Energy OSHEE company (MWh)	A=A.1+A.2	6,436,911
A.1	Transmitted energy through TSO company for the account of OSHEE company	$A.1 = \text{Sum}(A.1.1, A.1.6)$	5,693,828
A.1.1	KESH -Gen through TSO company		3,875,562
A.1.2	From TSO as OSHEE company import		850,480
A.1.3	Transmitted energy for 35kV customers (introduced in the irregulated market)		14,624
A.1.4	From TSO on the account of OSHEE customers produced from the HPP-s in the transmission network		953,162
A.1.5	From VLORA TPP through TSO		n/a
A.1.6	From Bistrica 1,2 through TSO		n/a
A.2	Energy directly transmitted to OSHEE company network	$A.2 = A.2.1 + A.2.2$	743,083
A.2.1	Ulez, Lanabregas HPP		33,607
A.2.2	Private/Concession Plants		709,476
B	Total Energy in the Distribution Network (MWh)	B=A-A.1.3	6,422,287
C	Total Losses at OSHEE company (MWh)	C=C.1+C.2+C.3	1,538,503
C.1	Technical Losses in the Low Voltage Units (MWh)		125,974
C.2	Technical Losses at the Area (MWh)		944,587
C.3	Non -technical losses at the Area (MWh)		467,943
C.1	Total Losses at OSHEE company (%)	C.1= C/B	23.96%
C.1.1	Technical Losses in the Low Voltage unit (%)		1.96%
C.2.1	Technical Losses at the Area (%)		14.71%
C.3.1	Non Technical Losses at the Area (%)		7.29%
D	Energy sold for all OSHEE customers	D=D.1+D.2+D.3+D.4+D.5	4,883,784
D.1	Sold to the Supplier of Last Resort Customers (MWh)	$D.1 = D.1.1 + D.1.2$	56,686
D.1.1	Sold to Private Supplier of Last Resort Customers (MWh)		53,891
D.1.2	Sold to Non - Budgetary Supplier of Last Resort Customers (MWh)		2,795
D.2	Sold to Private Customers (MWh)	$D.2 = D.2.1 + D.2.2 + D.2.3$	1,588,800
D.2.1	Sold from the Transmission network for the account of OSHEE company		-
D.2.2	Sold for personal needs of OSHEE company		9,413
D.2.3	Sold to Private Customers (not that for personal needs and in High Voltage)		1,579,387
D.3	Sold to Non -Budgetary Customers (MWh)		320,545
D.4	Sold to Budgetary Customers (MWh)		235,905
D.5	Sold to Household Customers (MWh)	$D.5 = D.5.1 + D.5.2$	2,681,848
D.5.1	Sold to Household Customers (MWh)		2,601,763
D.5.2	Sold to Household Customers for the Common Environments		80,085
E	Invoiced to the preceding month (000/ALL)		64,582,498
F	Current month collections (000 ALL)	G=F.1+F.2+F.3+F.4	65,812,534
F.1	Invoiced for the collections of the current year		42,910,930
F.3	Collected for the other invoices of the current year		15,225,572
F.4	Collected for the other invoices of the previous years		7,676,032
F.1	Collections for the actual month (%)	F.1=F/E	101.9%
F.1.1	Collected for the invoices of the current year (%)	$F.1.1 = F.1/E$	66.4%
F.1.3	Collected for the other invoices of the current year (%)	$F.1.3 = F.3/E$	23.6%
F.1.4	Collected for the other invoices of the previous years (%)	$F.1.4 = F.4/E$	11.9%
G	Invoiced to the Reporting month (000/leke)		64,860,558

Power System Balance (MWh)	2018
Issued from KESH company in transmission	6,436,911
Issued from small HPP-s in transmission	5,693,828
Issued from HPP-s connected on transmission	655,055
Issued from Peshqesh HPP	95,957
Issued from Banje HPP	292,561
Issued from Fang HPP	238,690
Issued from Ashta HPP	298,107
Issued from KURUM to Transmission (Ulez – Shkopet & Bistrica 1,2 h HPP	377,767
Issued in Interconnection (-)	2,685,045
Given to Interconnection (+)	1,771,740
Total Balance in Interconnection	913,306
Total of the given in transmission	9,848,431
Losses in transmission (including the personal needs)	242,705
Losses in transmission (%)	2.46
Losses in introduced in transmission	9,605,725
Introduced in interconnection (-)	2,685,045
Issued for customers connected in transmission	957,323
EL Kurum	279,775
Fushe Arrez	3,231
Titan	88,524
F.Kruje 220 kv	117,884
Colacem 220/6,3 Substation	9,978
ACR T1	106,061
ACR T2	8,195
AES T1	79,243
AES T2	9,925
Moglice 220 kv Substation	250
Peshqesh HPP	8
Ashta HPP	148
Banje HPP	287
Kurum Generation	103
Ballsh T1 TPP	34,737
Ferro Krom	141,673
Issued for the electricity distribution system	5,963,357
Issued for the electricity distribution system (110 kv level)	4,953,455
Issued for the electricity distribution system (35 kv level)	595,568
Issued for the electricity distribution system (medium voltage)	414,334

Figure 37 The indicators from the main operators of the Power System in Albania for 2018.

Based on the above mentioned data of the tables and the periodic or specific information of the energy market operators it is constructed the Power Balance for 2018 as follows.

Annual Power Balance for 2018 (MWh)												
	KESH net	Purchases in the open market of OSHEE company	(Selit) Net	Priv/Conc HPP-s in OSHEE Grid	Priv/Conc HPP-s in the TSO Grid	UKKO	Ashra Net	Banja Net	KURUM Net	Peshqesh HPP	Fangu HPP	Net domestic production
Net production KESH company	5,850,932	850,480	33,607	709,476	655,055		298,107	292,561	377,767	95,957	238,690	8,552,152
Exchanges balance in Interconnection												
Internal exchange balance (without TSO,OSHEE).												
Sold to TSO company for the losses and personal usage	-1,975,370											
Consumed from Vlora TPP												
Deviations from the Interconnection Program												
Energy for ancillary services + imbalances												
Energy for OSHEE company from KESH	3,875,562	850,480	33,607	709,476	655,055	0	298,107					
								292,561	377,767	95,957	238,690	
					6,422,287			14,624	<i>Energy for the Universal</i>			
					6,436,911							
					0							
					6,436,911							
												Interconnection Balance (intake)
<i>Energy transmitted to OSHEE grid for the Universal Service Supplier not Customers</i>				14,624								913,306
Sold to Household customers (Universal Service Supplier)	2,681,875	4,883,784										
Sold to Non Household Customers (FSHU)	2,145,223											
Sold to Non Household Customers (Supplier of Last Resort)	56,686											
Losses in the LV	125,974				6,422,287							8,552,152
Technical losses in the area	944,587		1,538,503									
Non technical losses in the area	467,943											
OSHEE consumption (sales +losses)				6,422,287								
Consumed from the Customers in LV ("qualified")				957,323								
Consumed from Vlora TPP for 2018				1,907								
Consumed from TSO (losses + personal needs)				242,705								
Transmitted energy on OSHEE grid for the Supplier of Last Resort not customers				14,624								
Total Consumption 2018				7,638,846								7,638,846
												Source TSO ,OSHEE companies

Figure 38 Power Balance for 2018.

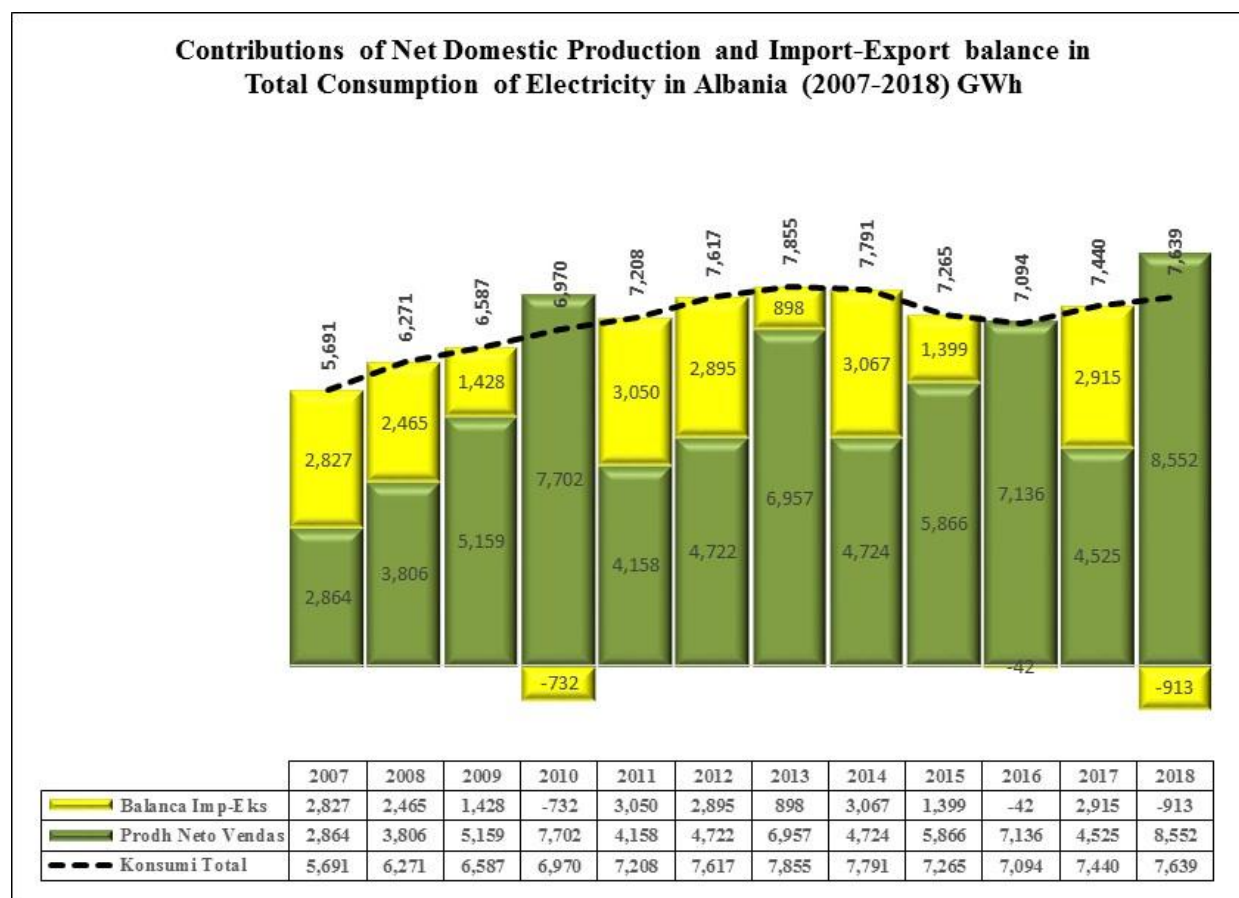


Figure 39 Contributions of net domestic production and Import- Export balance in total consumption of Electricity in Albania.

1.6.1 Electricity Consumption Profile

On the following figure there are submitted the specific weights in invoicing covering the tariff customers categories.

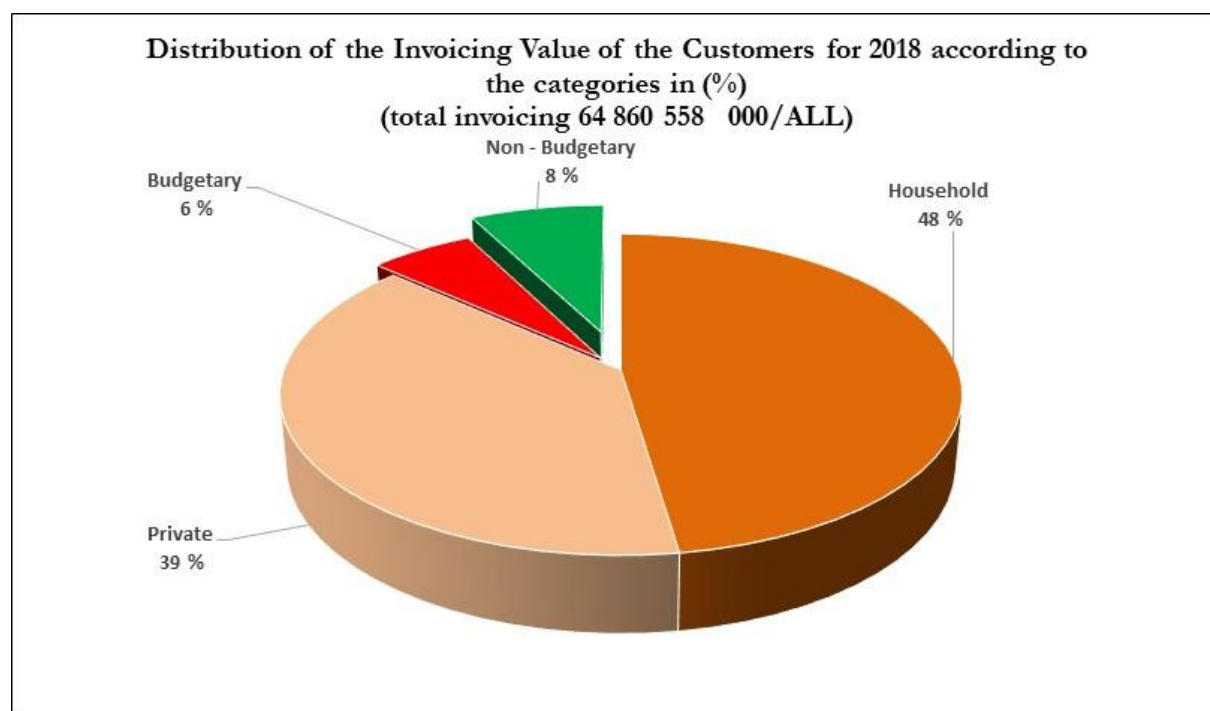
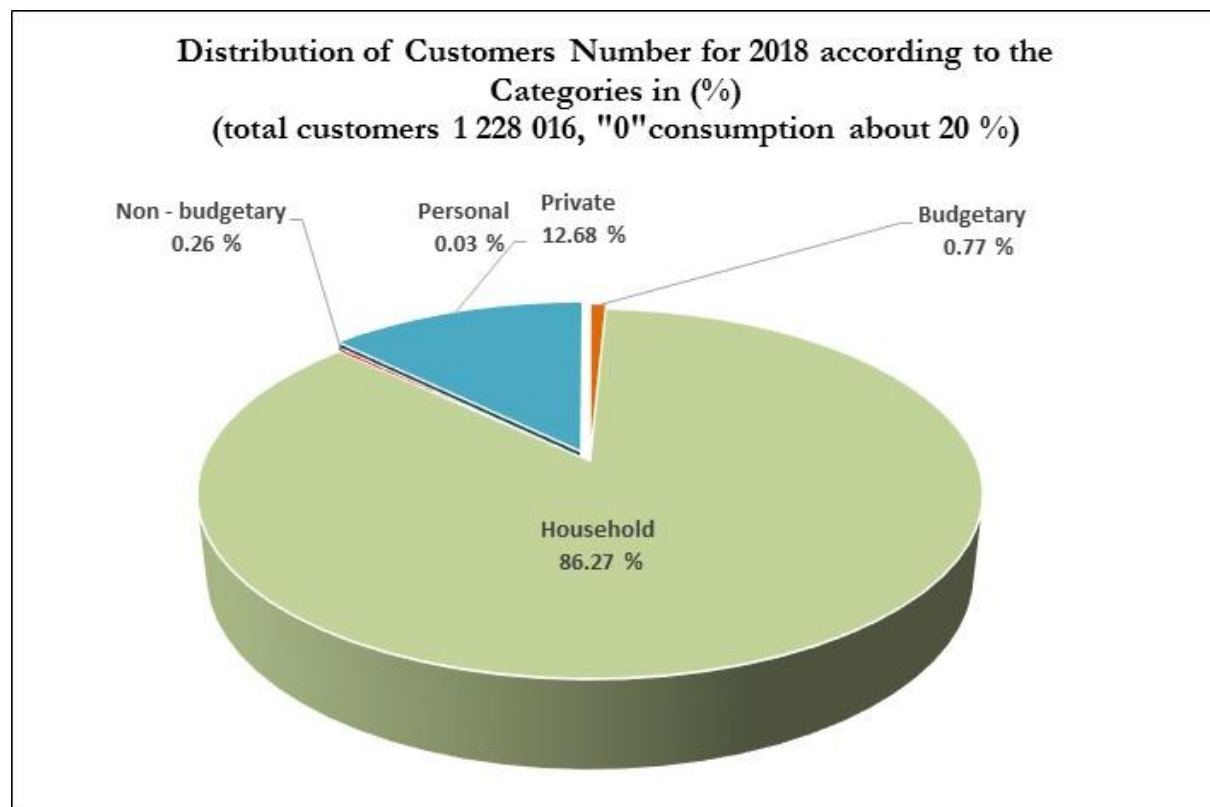
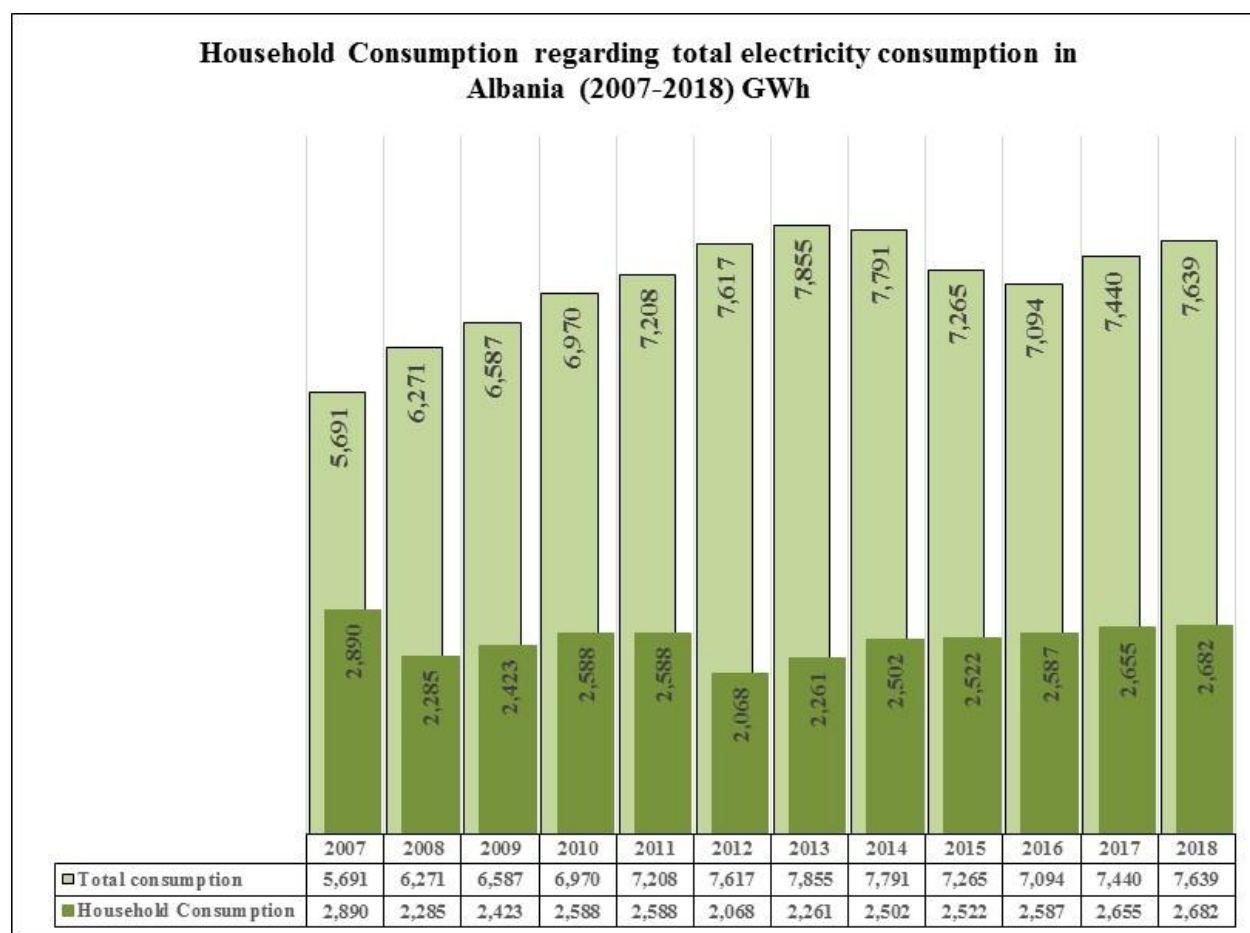


Figure 40 Invoicing Reports according to Customer Categories for 2018.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total consumption	5,691	6,271	6,587	6,970	7,208	7,617	7,855	7,791	7,265	7,094	7,440	7,639
Household Consumption	2,890	2,285	2,423	2,588	2,588	2,068	2,261	2,502	2,522	2,587	2,655	2,682

Figure 41 Household Customers to total consumption in the country during the years.

The household consumption pertains about 35.1% of the total consumption a figure that is low compared with the consumption for the same category for 2017 that 35.7%.

An important role in electricity consumption is occupied by budgetary and non-budgetary customers which occupy 12 % of total invoice for OSHEE company.

In our country the household consumption in report with the general invoiced consumption for tariff customers for 2018 composes about 48 % invoiced from OSHEE/FSHU.

1.6.2 Electricity Consumption Profile

From the study of the annual profile of electricity consumption, the characteristic feature of this profile is the almost complete symmetry of winter-summer consumption.

As in previous years reports even during this year it is noticed the same problem, that of using electricity for warming. Any change in the temperature environment is reflected immediately in electricity daily consumption, exactly the effect of using or not using the electric heat in the building.

During summer, in July and August it is seen that the peak trend is increasing it from one year to the other is becoming more evident and is connected with the climatic changes, the improve of the life conditions leading to a wide-scale use of climatic equipments during hot months of the year. As follows there are submitted the daily average consumption data for each month of 2018 compared with the average data of 2007-2017 period.

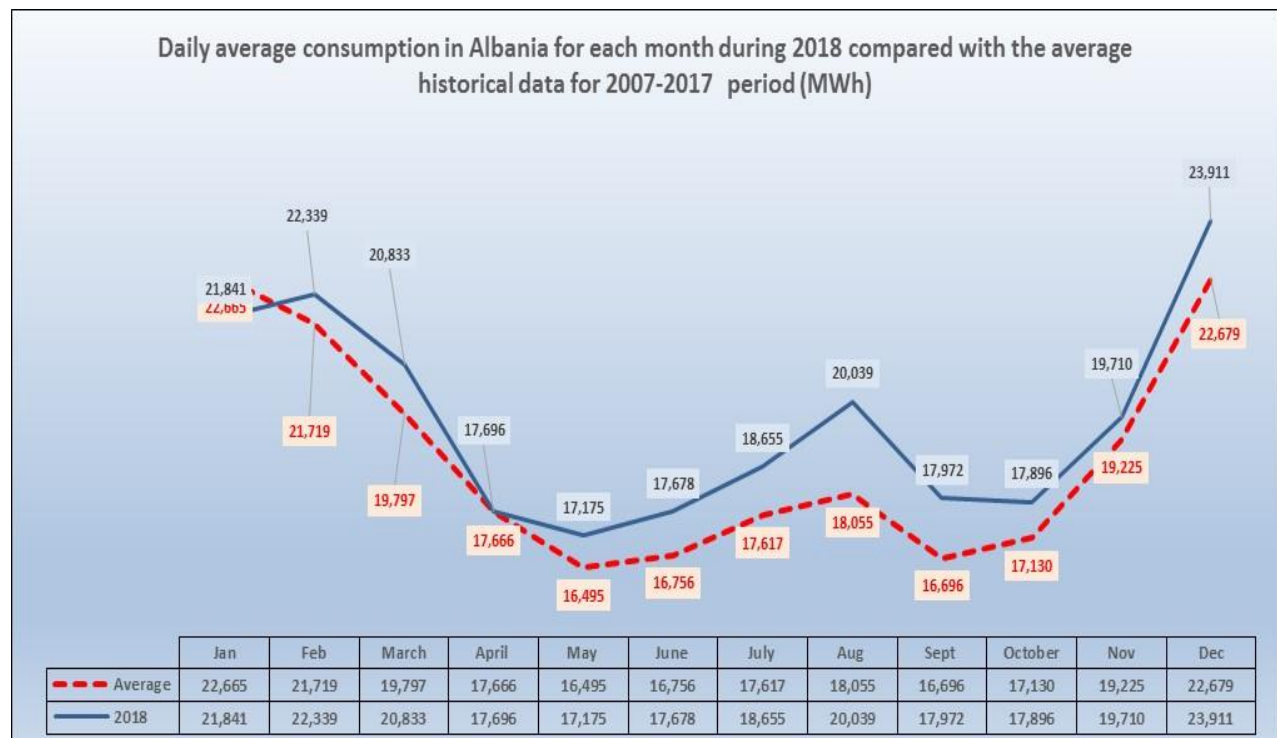


Figure 42 Average daily consumption for each month of 2018.

On the following graph is given the average daily profile on hourly basis of the load for 2018.

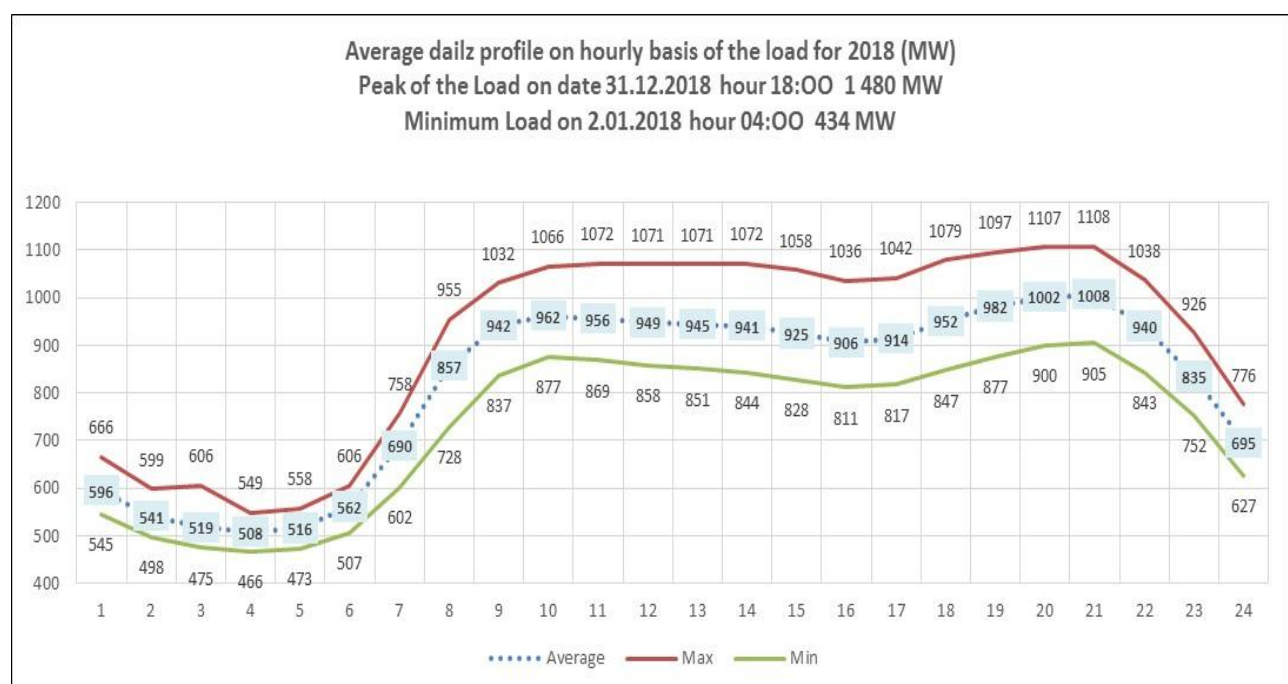


Figure 43 Average daily profile on hourly basis of the load for 2018.

PEAK LOAD for 2018 (1, 480 MW) on 31.12.2018 hour 18:00

THE PEAK LOAD for 2017 (1 424 MW) is marked on 12.01.2017 hour 19:00

Even during this year it is noted the load average profile and the one registered on PEAK hours and there is not a considerable change.

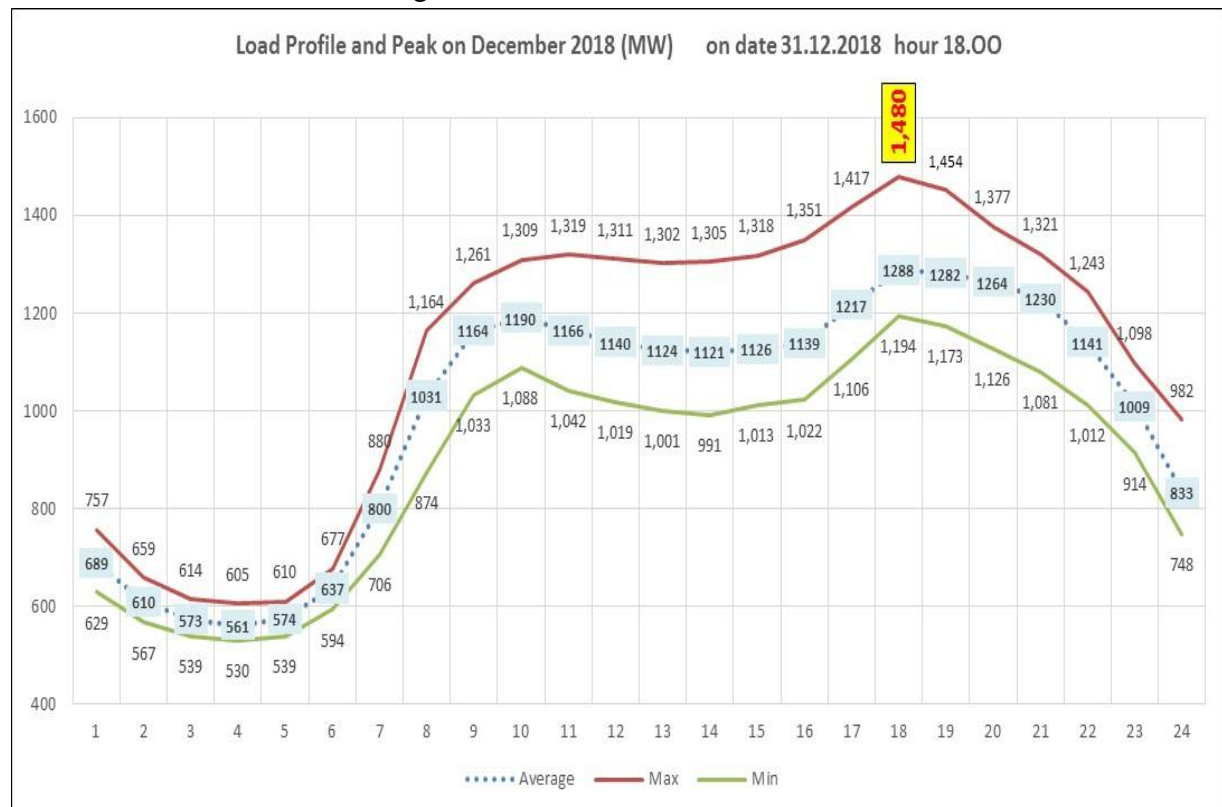


Figure 44 Profile and the load peak on December 2018 (MW)

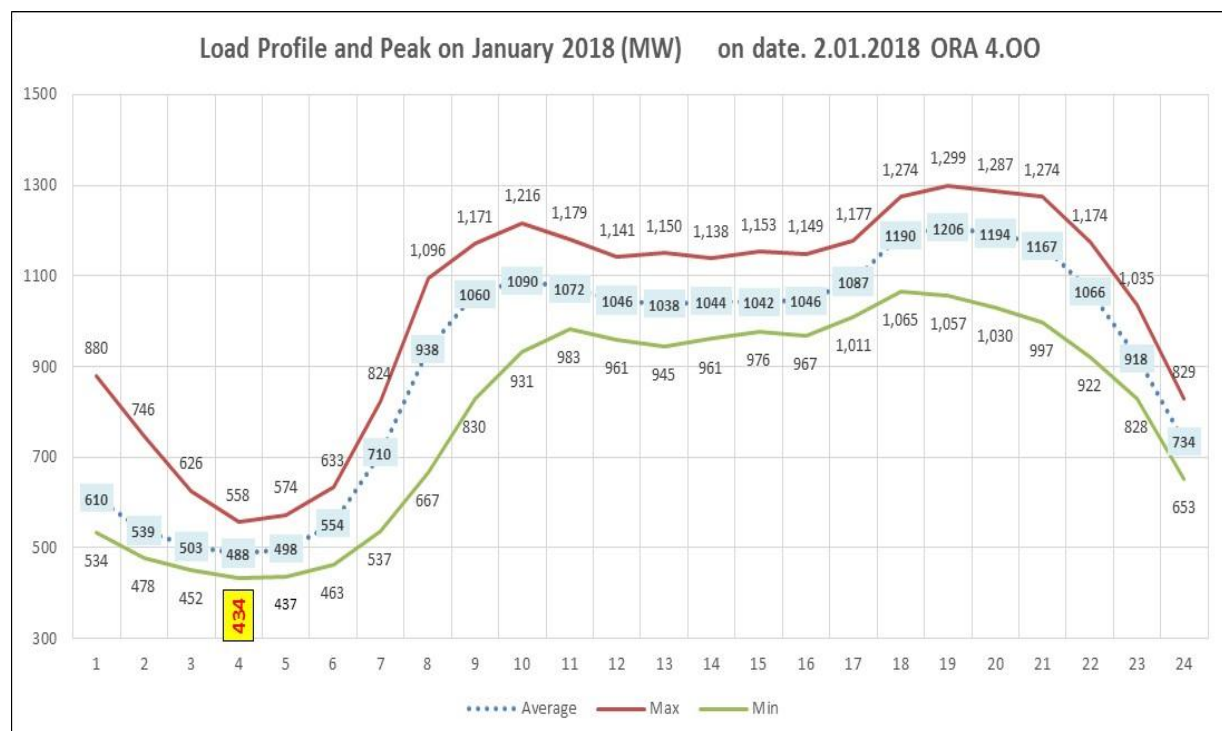


Figure 45 Load profile and minimum of the load for january 2018 (MW)

MINIMUM LOAD (434 MW) dated 02.01.2018 hour 04:00

1.7 Transactions performed from KESH, TSO and OSHEE company in the Irregulated Market for 2018

OSHEE company purchased in the irregulated market to ensure the electricity supply for the end-use customers, implementing the obligations deriving from Council of Minister Decision 244/2016 and the temporary market Rules as well as the Regulation for Electricity sale purchase approved with ERE Board Decision no. 102/2016, as amended.

KESH company for the first six months of 2018 has sold/purchased energy in the irregulated market implementing the Regulaion approved from ERE no. 30/2011, while for the second months KESH company sale/purchases in the irregulated market are performed implementing the “Regulation for Electricity Trading from the Albanian Power Cooperation KESH company” approved with decision no. 2762/8 dated 06.06.2018, of the Ministry of Infrastructure and Energy, as the owner of KESH company.

TSO company purchased in the irregulated market to cover the network transmission losses implementing the obligations deriving from Council of Minister Decision 244/2016 and according to the temporary market Rules as well as the Regulation for electricity sale/purchase approved with ERE Board Decision no. 103/2016, as amended.

As follows there is a table with the transaction data performed during 2018 from KESH and OSHEE companies.

TRANSACTIONS IN THE LIBERALIZED MARKET FOR KESH AND OSHEE companies during 2018														
KESH company		January	February	March	April	May	June	July	August	September	October	November	December	Total [MWh]
	Transactions from the interconnection	0	-1,533	-832	0	-1,910	-5,390	13,020	-13,098	-6,660	-2,880	-883	-4,926	-51,132
	Purchases in the internal market						22,330	27,342			-1,920	-8,104	-2,520	-62,216
	Outgoing transactions from the interconnection	62,120	126,942	277,090	249,953	248,229	13,640	21,000	0	0	300	5,201	1,910	1,006,385
OSHEE company	Sales in the internal market	19,560	181,148	228,731	324,167	195,762	25,529	26,596	8,767	2,185	3,490	31,046	21,121	1,068,102
OSHEE company		January	February	March	April	May	June	July	August	September	October	November	December	Total [MWh]
	Purchases in the liberalized market	-4,712	-3,360	-4,458	-2,880	-3,720	-5,040	0	0	0	218,795	-318,975	-288,540	850,480

Figure 46 Performed transactions during 2018 from KESH and OSHEE companies

On Figure 47 graph it is submitted the electricity import – export balance (entered – exit) for 2007 – 2018 period.

For the latest 10 year, except of 2010, 2016 (small amounts) and for 2018 our country results to be a net electricity importer. Shall be explained that the submitted values represent all the entered and exit flows from all the electricity market participants in Albania.

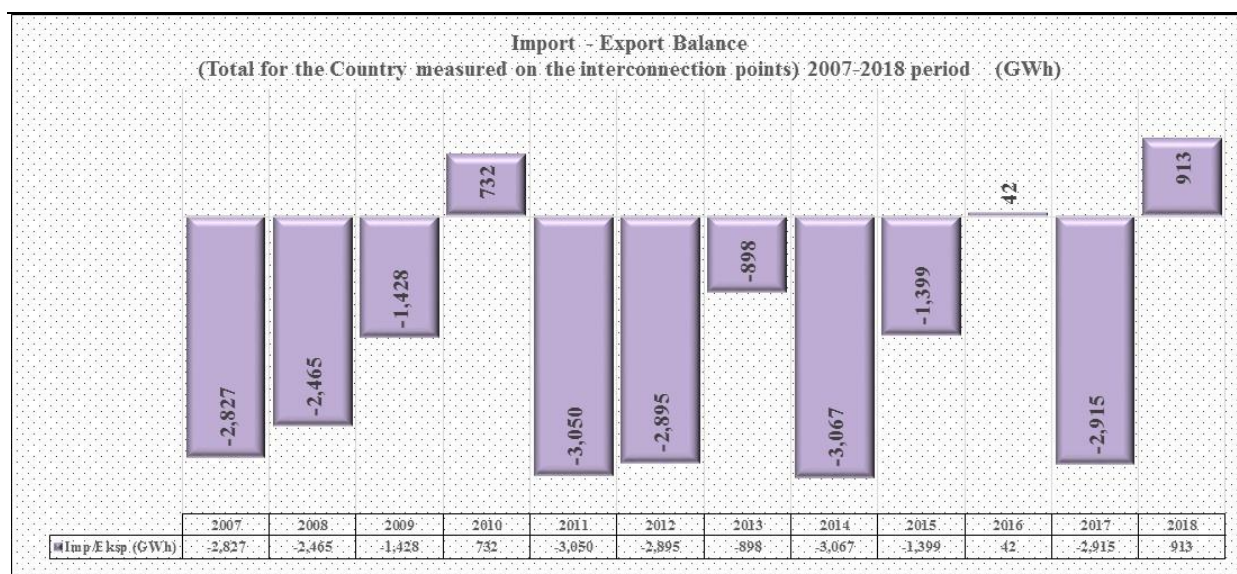


Figure 47 Electricity Import – Eksport balance throughout the years (Source: TSO company). Electricity Sale Activity from OSHEE company

On 2018 it is realized the highest export value on the amount 913 GWh, compared with the last 10 years or 11% of the total production.

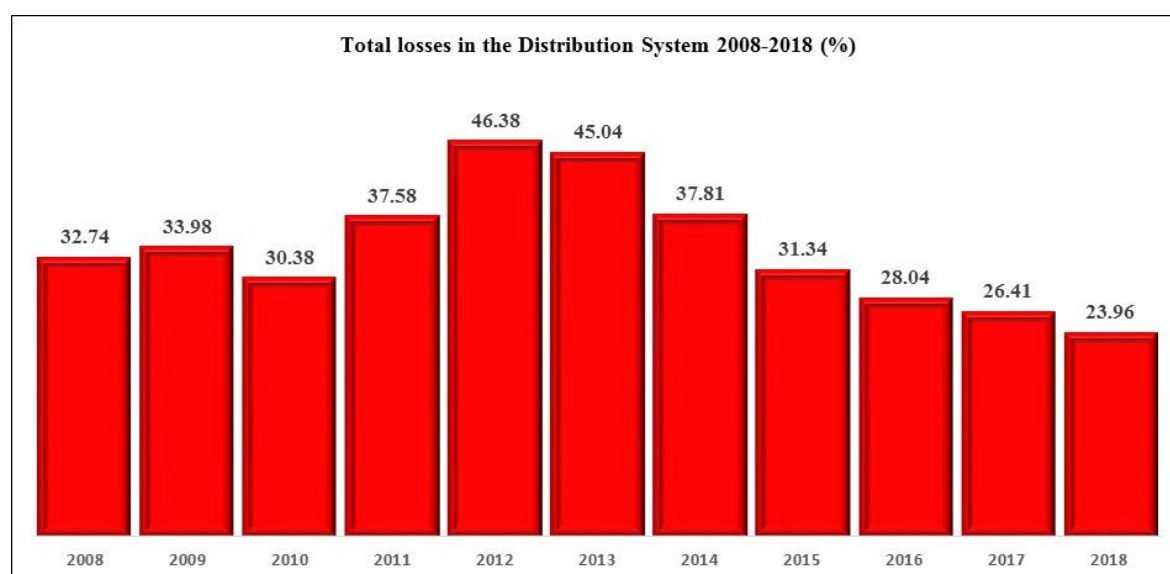
During 2018 the electricity sale efficiency continues to be increased always referring to the determining factors in the efficiency level of electricity consumption which are:

1. Electricity losses level in distribution.
2. Collection level of electricity invoiced.

Total losses reported from the Company for 2018, reach **23.96%**, marking a significant decrease compared even with 2017.

Total collection level reported from OSHEE is 101.9 % to invoiced electricity for 2018. (see the following Collection Invoice table)

This include even the arrears collection for 2007-2017 period in 7.676 billion ALL value.



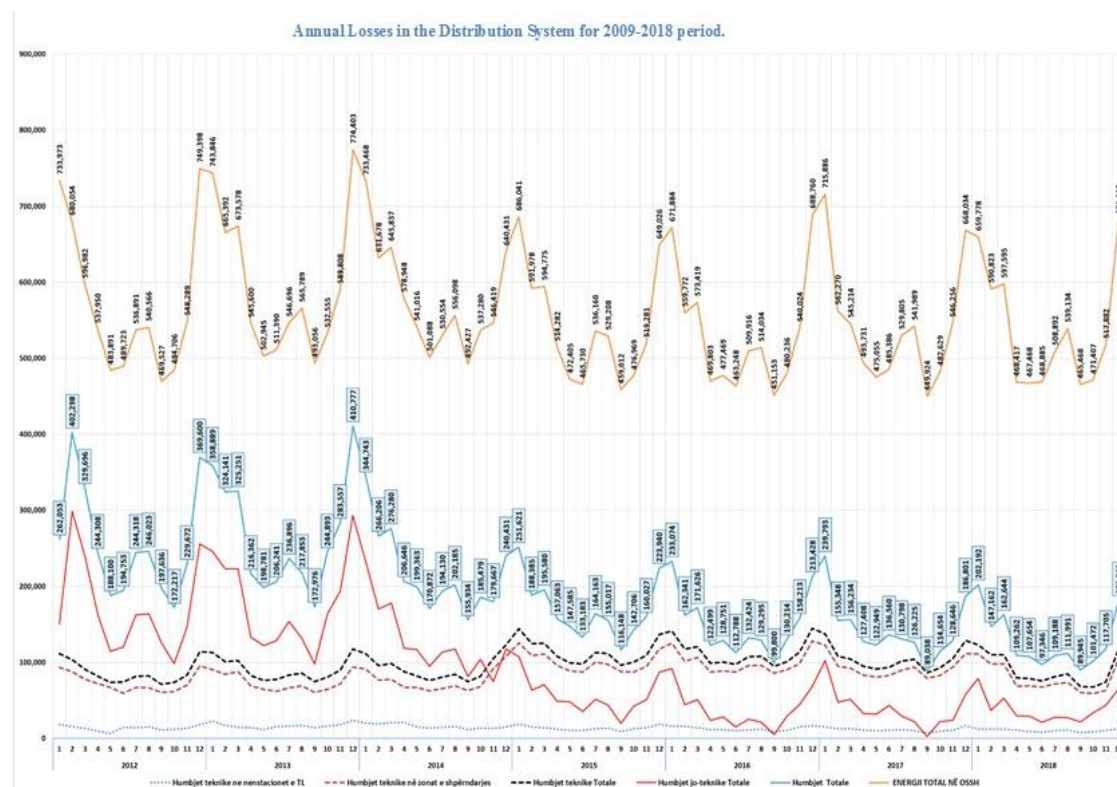
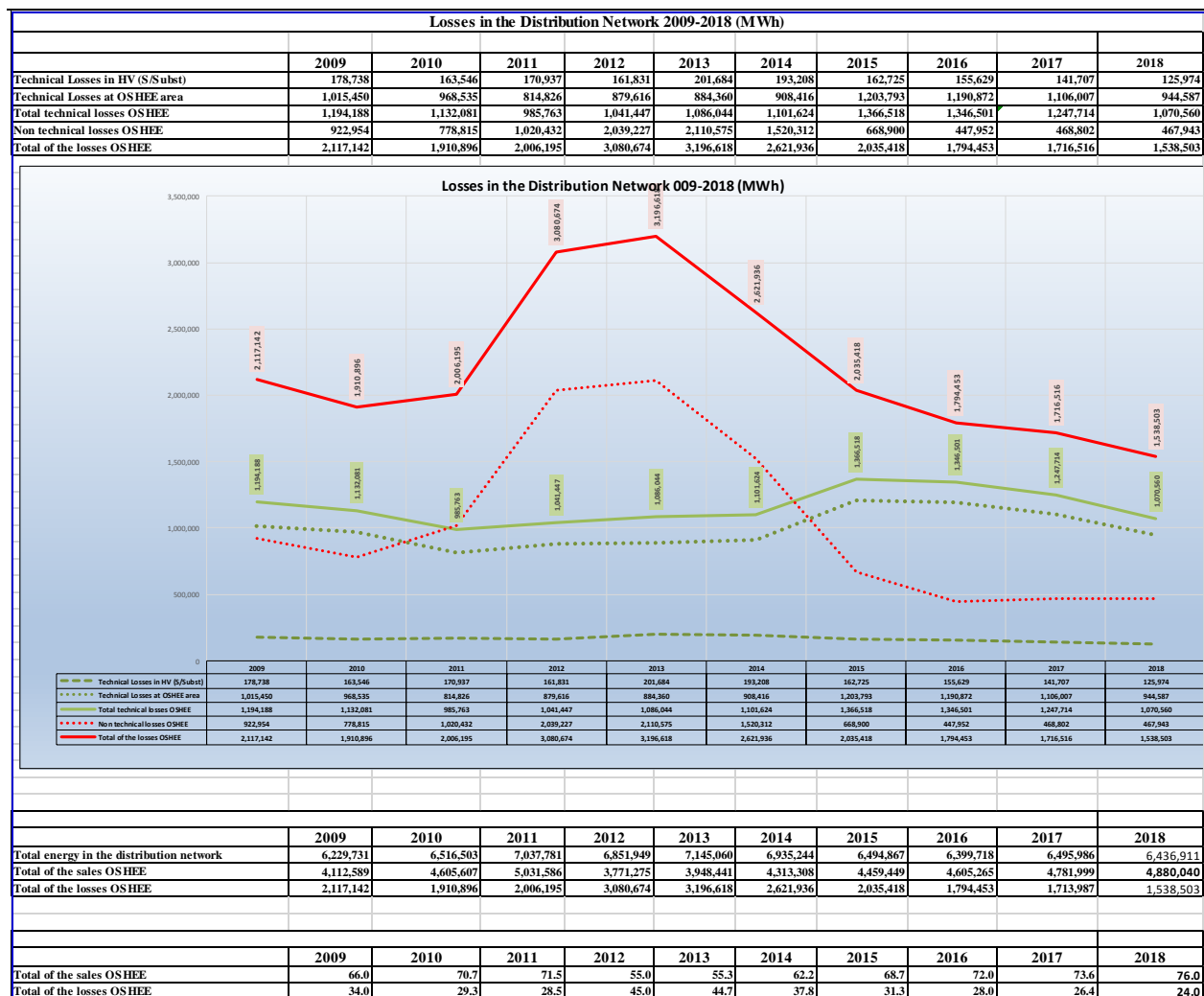


Figure 48 Annual Losses in the Distribution System for 2009-2018 period.

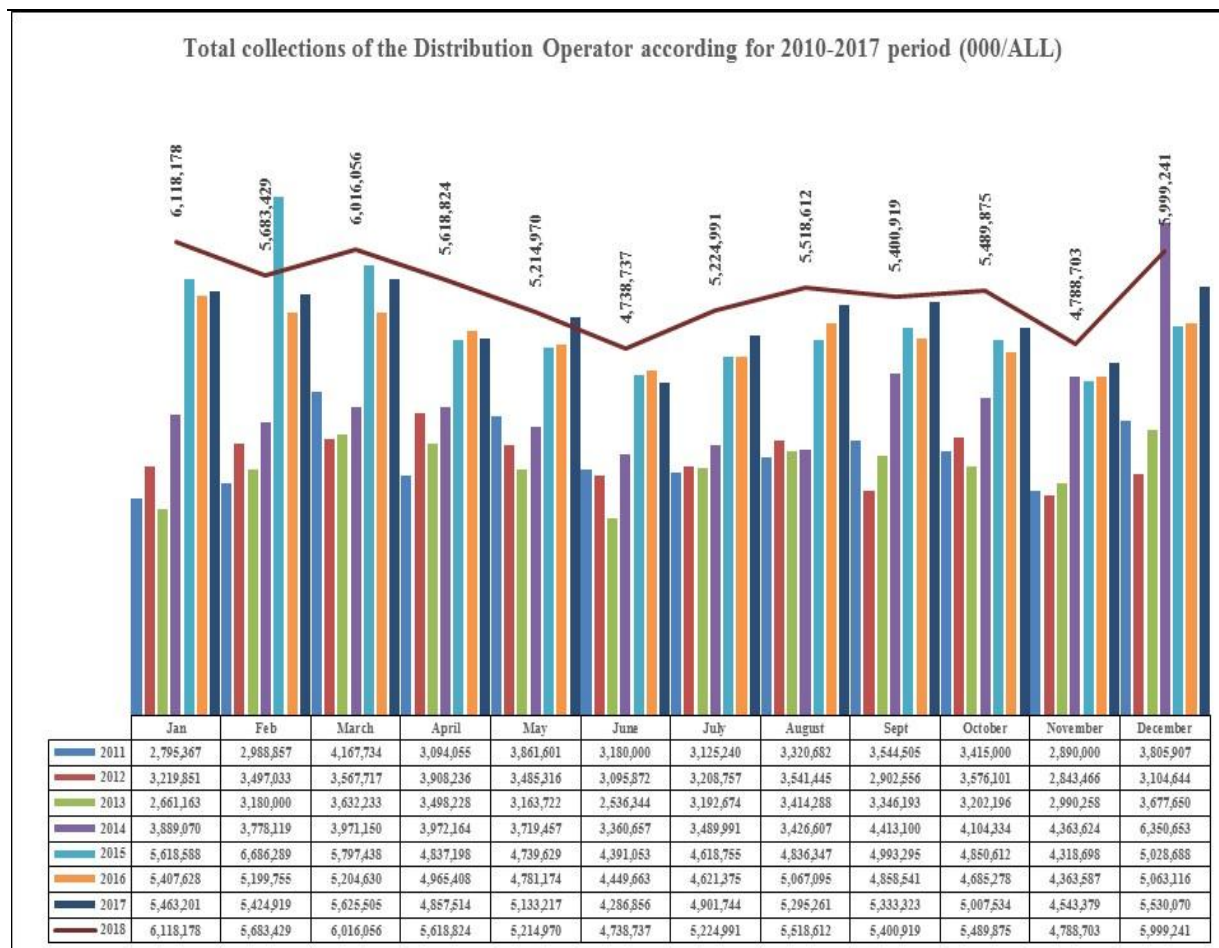


Figure 49 Monthly Collection level for 2011-2018 period.

Performance of the distribution operator for 2009-2018 (%)												
Level of the Losses (%) 2009-2018												
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor
2009	40.75	37.05	38.05	32.93	33.44	30.75	32.60	30.20	25.34	30.67	33.44	36.89
2010	38.62	35.41	36.90	31.37	35.17	31.45	26.94	29.69	21.47	20.61	22.16	29.05
2011	55.55	38.00	36.95	23.11	24.85	21.29	21.88	19.41	22.95	25.15	32.20	35.70
2012	35.72	59.16	55.23	45.41	38.87	39.77	45.51	45.51	42.09	35.53	41.89	49.32
2013	51.12	48.71	48.29	39.66	39.52	40.33	43.33	38.50	35.08	45.98	48.08	53.04
2014	47.00	42.14	42.78	35.69	36.85	34.10	36.59	36.36	31.67	34.52	32.88	37.54
2015	36.68	31.82	32.88	30.54	31.24	28.60	30.62	29.29	25.30	29.92	30.82	34.50
2016	34.69	29.00	29.93	26.07	26.97	24.35	25.97	25.15	22.12	27.11	29.30	30.99
2017	33.50	27.63	28.66	25.81	25.88	28.31	24.69	23.29	19.79	23.76	23.55	27.90
2018	30.65	24.91	27.22	23.33	23.03	20.76	21.46	20.77	19.32	21.53	22.73	26.70
												26.41
												23.9
Level of the Collections (%) 2009-2018												
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor
2009	69.32	85.95	74.38	86.58	86.31	76.37	75.40	72.46	83.20	80.82	61.77	70.01
2010	55.37	66.28	86.63	89.46	86.70	79.42	74.84	124.98	84.20	70.81	56.15	66.48
2011	67.26	57.61	87.66	71.61	96.73	73.00	65.00	81.00	66.00	63.86	51.47	87.30
2012	59.80	79.20	78.50	78.00	94.70	83.50	91.60	102.90	74.00	98.00	72.60	78.00
2013	61.40	63.70	86.20	80.70	79.10	69.60	87.90	90.10	78.50	84.30	89.00	102.00
2014	84.90	77.10	85.90	85.50	81.90	80.20	86.70	83.60	102.60	101.00	101.90	141.00
2015	112.70	120.50	103.70	86.60	95.70	97.10	98.40	104.70	95.30	100.30	92.20	100.70
2016	92.10	87.00	95.60	90.10	99.10	92.00	94.20	96.70	91.50	96.70	90.30	96.70
2017	85.20	87.60	105.70	94.50	105.70	91.80	104.80	97.40	94.60	103.80	92.70	100.10
2018	96.39	95.69	105.82	98.92	111.64	100.16	105.00	102.12	93.03	108.76	96.24	108.94
												96.6
												101.6
Sales effectiveness (%) 2009-2018												
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor
2009	41.1%	54.1%	46.1%	58.1%	57.4%	52.9%	50.8%	50.6%	62.1%	56.0%	41.1%	44.2%
2010	34.0%	42.8%	54.7%	61.4%	56.2%	54.4%	54.7%	87.9%	66.1%	56.2%	43.7%	47.2%
2011	29.9%	35.7%	55.3%	55.1%	72.7%	57.5%	50.8%	65.3%	50.9%	47.8%	34.9%	56.1%
2012	38.4%	32.3%	35.1%	42.6%	57.9%	50.3%	49.9%	56.1%	42.9%	63.2%	42.2%	39.5%
2013	30.0%	32.7%	44.6%	48.7%	47.8%	41.5%	49.8%	55.4%	51.0%	45.5%	46.2%	47.9%
2014	45.0%	44.6%	49.2%	55.0%	51.7%	52.9%	55.0%	53.2%	70.1%	66.1%	68.4%	88.1%
2015	71.4%	82.2%	69.6%	60.2%	65.8%	69.3%	68.3%	74.0%	71.2%	70.3%	63.8%	66.0%
2016	60.2%	61.8%	67.0%	66.6%	72.4%	69.6%	69.7%	72.4%	71.3%	70.5%	63.8%	66.7%
2017	56.7%	63.4%	75.4%	70.1%	78.3%	65.8%	78.9%	74.7%	75.9%	79.1%	70.9%	72.2%
2018	66.8%	71.9%	77.0%	75.8%	85.9%	79.4%	82.5%	80.9%	75.1%	85.3%	74.4%	79.9%
												71.1%
												77.3%

Figure 50 Progress of sales effectiveness indicators of the Distribution Operator (%)

The sales effectiveness practically represent the electricity that is sold and collected.

Sales effectiveness for 2009-2018 period is shown on the following graph.

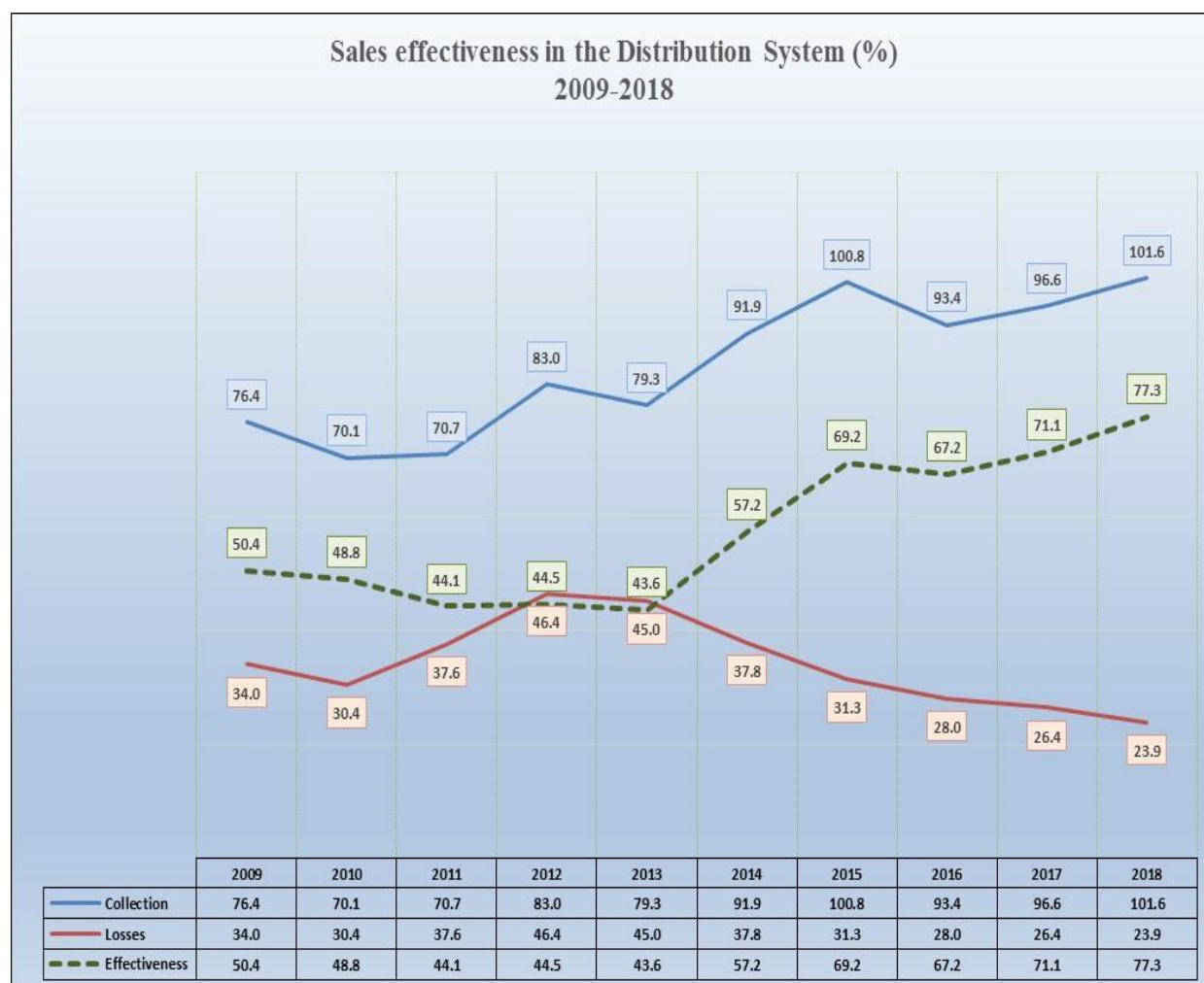


Figure 51 Sales effectiveness of OSHEE company for 2009-2018 period (Source: OSHEE).

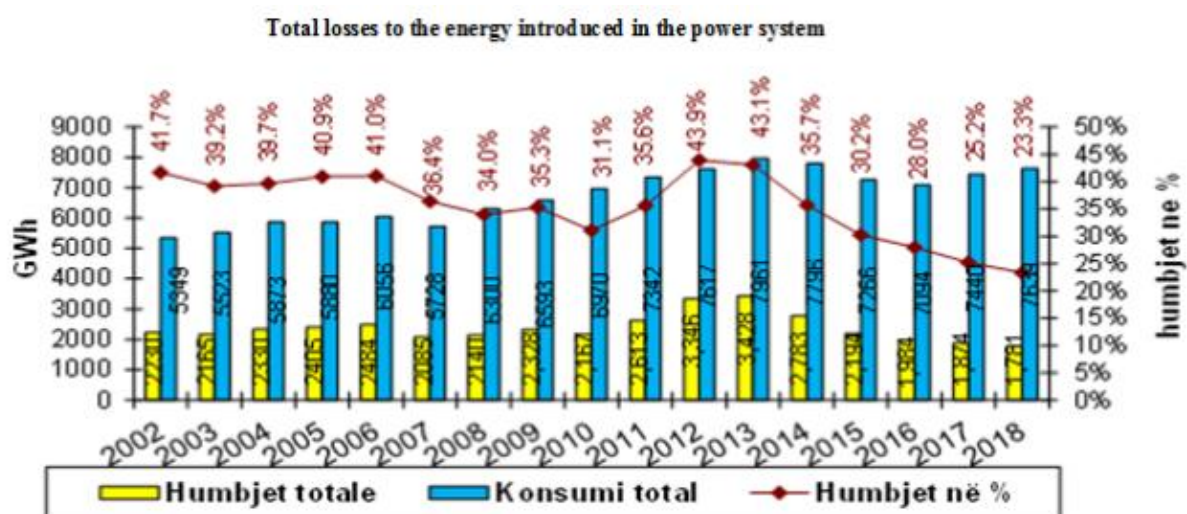


Figure 52 Total Losses to the Energy introduced in the Power system.

On figurën 52 it is submitted the progress of total losses that include those in the transmission system during 2002 – 2018 period, that shows an improvement in the 1.2 % measure of the losses level to the Albanian Power System where for 2018 period it is market 24.0 % value of the losses in the network compared to 25.2 % value for 2017 period.

On figurës 53 graph it is submitted the invoices – collection relationship during 2005-2018 period.

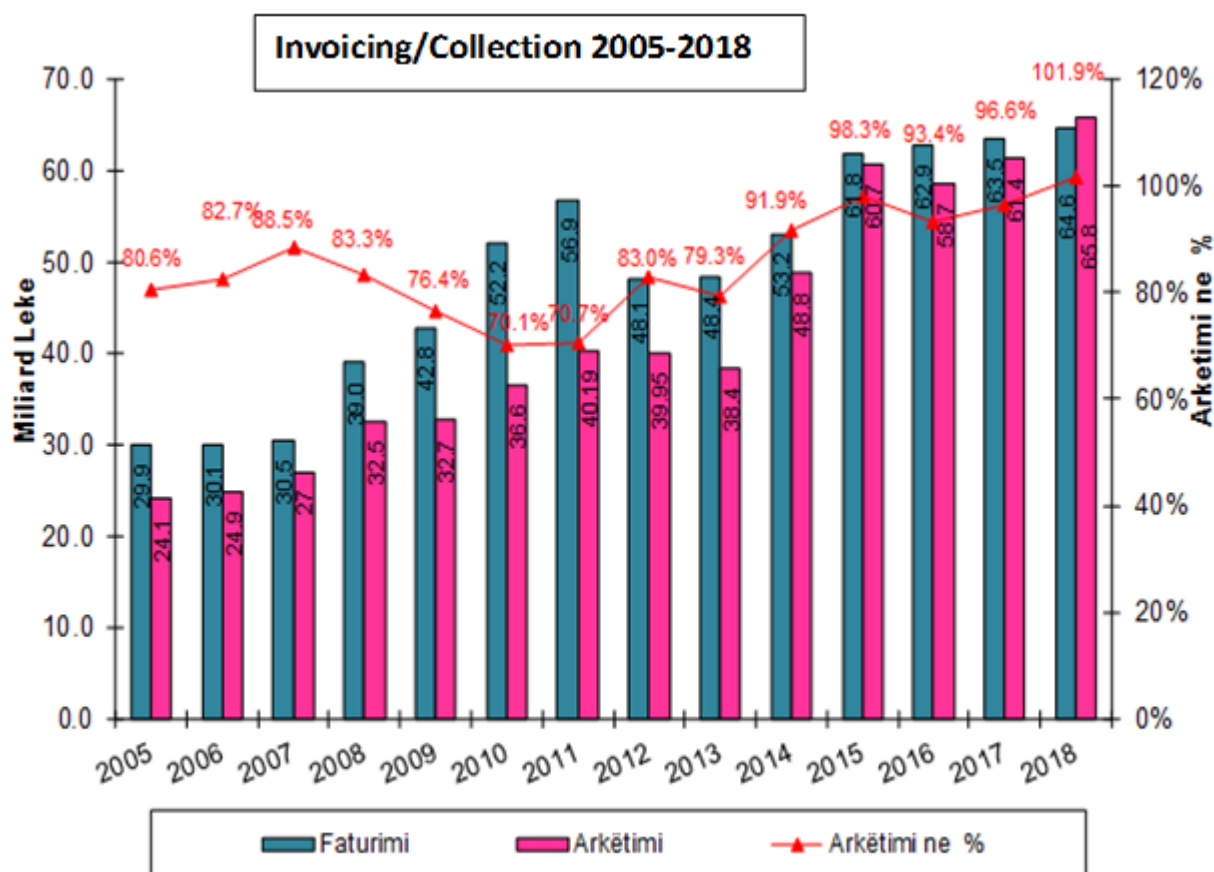


Figure 53 Invoices/Collection 2018 with VAT (Source OSHEE company).

SITUATION ON THE INVESTMENTS

INVESTMENT PLAN FOR 2018 WITH OSHEE FUNDS (according to the items) ALL		
No.	Name of the investment	Amount for 2018
I	Electricity construction/reconstruction of the Substations	128,528,375
II	High voltage lines construction/reconstruction	450,000,000
III	Machinery equipment purchase for the Substations and breakdowns liquidation	1,320,000,000
IV	Medium Voltage Network construction	87,991,908
V	Medium/Low Voltage Network Construction/Reconstruction	1,798,240,973
VI	Electricity cabins construction/reconstruction	500,000,000
VII	PRIORITY INVESTMENTS (low voltage network – ABC lines)	1,059,205,517
VIII	Monitoring technology	376,936,514
IX	METERING INVESTMENTS	1,380,000,000

X	The amount 10% that shall be paid by OSHEE for the World Bank investments	179,201,439
XI	Local cost for the World Bank investments	1,347,314,549
XII	Opposing, Supervision, Colaudation	10,000,000
XIII	Substation Projects	80,000,000
XIV	Amount foreseen for expropriation	
XV	Studies with third parties to take the construction permission (Topographical, geological, archeological, environmental)	10,000,000
XVI	Engineering programs	20,000,000
	TOTAL	8,757,419,274

There are realized some investments on the network construction Medium Voltage 20 kV, new electricity cabins, network in Low Voltage with ABC construction as well as reconstructions for the construction of the Substations during 2017-2018 period according to the following table.

Region/ Year	2017 and 2018 Contracts			
	Contracted works value (ALL)	Percentage of the cotracts (%)	Realisation of the on site works (ALL)	Realisation (%)
TIRANE Region	1,678,125,699	18	1,274,259,645	76
ELBASAN Region	427,030,288	5	427,030,288	100
BURREL Region	587,879,494	6	582,456,677	99
SHKODER Region	987,152,552	10	635,684,646	64
KUKES Unit	42,271,043	4	42,271,043	100
BERAT Region	207,904,365	2	178,130,072	86
DURRES Region	3,358,758,143	36	2,855,158,498	85
KORCE Region	233,233,035	2	232,600,233	99.7
GJIROKASTER Region	525,700,669	6	512,008,051	97
FIER Region	312,503,801	3	271,046,001	87
VLORE Region	1,075,170,920	11	937,533,490	87
Total	9,435,730,009	100	7,948,178,644	84

Accurate information on realising the provided investments as well as their accounting shall be performed after the submission of the financial statement audited copy for 2018 period of OSHEE company the deadline for which is June 2019.

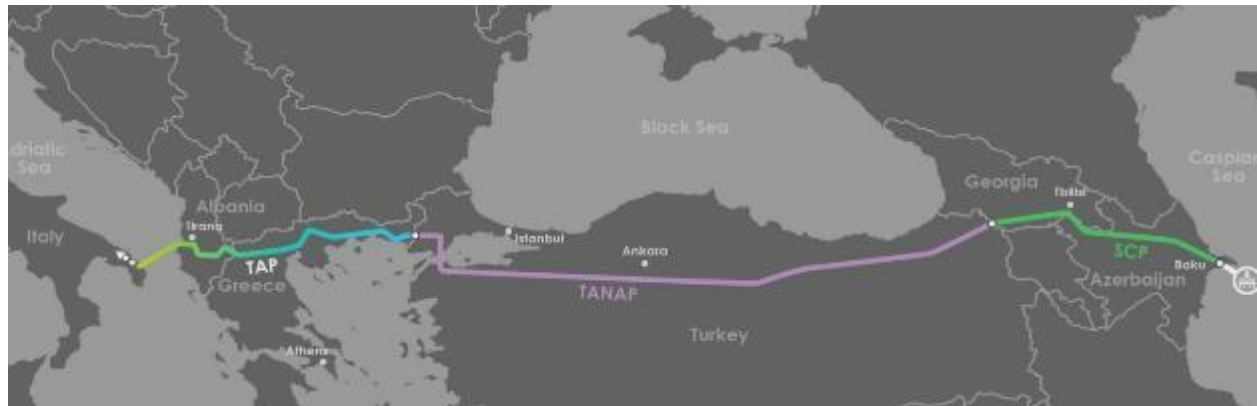
The Implementation of OSHEE company investments in some cases is expanded for a timeframe over one calendar year. From the study of the technical reports results that the realised investmens influenced on the improvement of the quality of service and electricity supply.

From the preliminary data results that OSHEE during 2018 shall realise an investment of about 6.8 billoon ALL, a figure that shall be verified with the issue a figure and this shall be verified with the issue of the audited financial statements.

PART II: Regulation of Natural Gas Sector

2.1 TAP Project, (Trans Adriatic Pipeline)

Trans Adriatic Pipeline Project (TAP) is part of gas transmission system generated from Shah Deniz 2 (SD 2) source country in Azerbaijan toward European Gas Market. Transportation through Azerbaijan and Georgia will be performed by South Caucasian Pipeline, while transportation through Turkey will be performed by TANAP pipeline to the Turkish-Greek border. Shall be underlined that on June 2018 shall start the operation of this line bringing toward Turkey a quantity of natural gas 6 bcm/year (6 billion cubic meters of natural gas per year).



South Gas Corridor (SGC)

The Southern Gas Corridor (SGC) is one of the most complex gas value chains being developed in the world, aiming to bring Caspian resources to European energy markets for the very first time. Natural gas from the Shah Deniz field will make a 3,500 km journey from the Caspian Sea into Europe. This will require enhancement of some existing infrastructure and development of a chain of new pipelines.

- The Shah Deniz II development, drilling wells and producing gas offshore in the Caspian Sea.
- Expansion of natural gas processing plant at the Sangachal Terminal on the Caspian Sea coast in Azerbaijan.
- Three pipeline projects:
 - South Caucasus Pipeline (SCPX) – Azerbaijan, Georgia
 - Trans Anatolian Pipeline (TANAP) – Turkey
 - Trans Adriatic Pipeline (TAP) – Greece, Albania, Italy
- Expansion of the Italian gas transmission network.

Possibilities for further connection to gas networks in South Eastern, Central and Western Europe

Until now it is not initiated the work at the Italian territory despite that SNAM is the shareholder at TAP AG but also the largest company dealing with the energy transmission, distribution and production from natural gas.

The further transportation will be performed by Trans Adriatic Pipeline (TAP). TAP will be expanded through Greece, Albania, Adriatic Sea floor to join the Italian Transmission Gas System in San Foca South Italy area which enables further movement toward European markets.

It is known that the territory where it is taken this gas quantity is the biggest one compared with Europe, North Africa and Russia. On the following figure are given the reserves owned by these regions. (trillion M3)

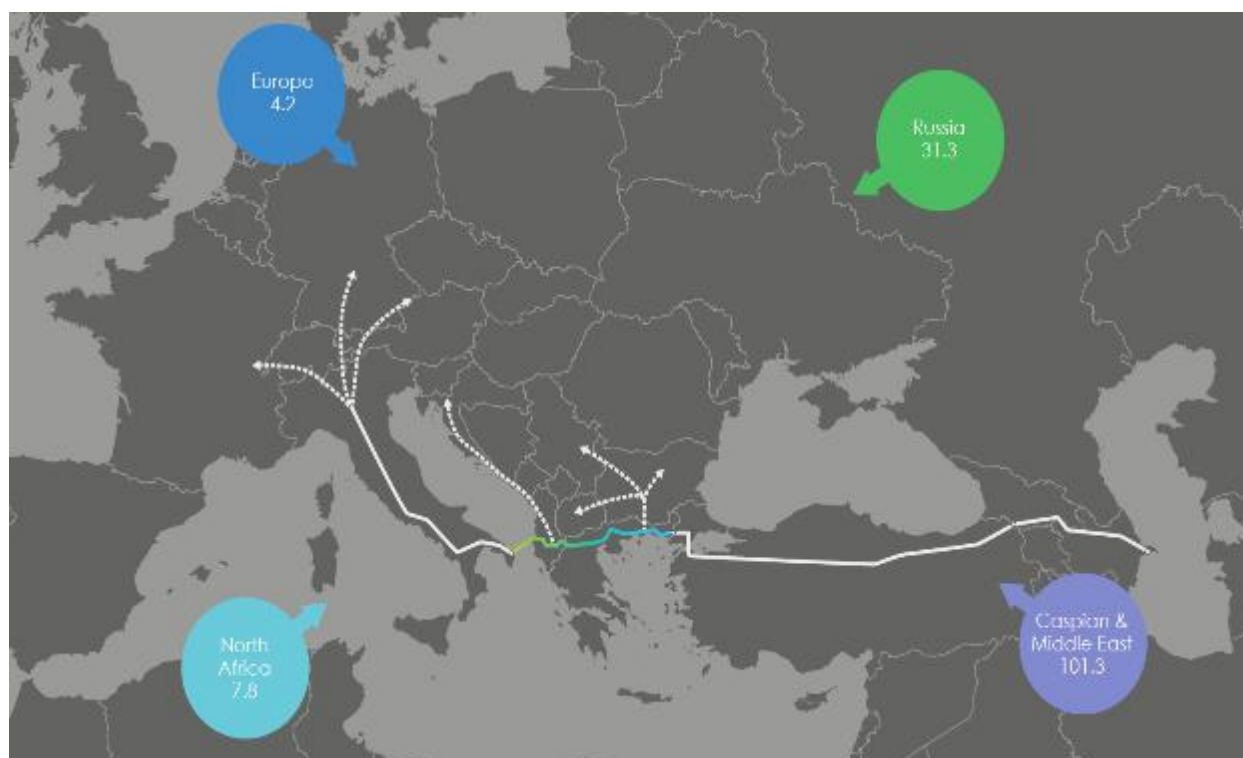


Figure 54 World Energy Statistical Review

TAP Project is developed from TAP AG company. The initial shareholders of the company have been: Swiss Company Axpo (42.5%), Norwegian company Statoil (42.5 %) and German Company E.ON Ruhrgas (15%). Statoil is also a shareholder (25,5 %) in Shah Deniz Consortium is the company that uses SD2.

There have been some changes of the shareholders, for which are informed all the stakeholders including here three national authorities, the Greek, Italian and Albanian Authority.

Some amendments in TAP AG ownership – mainly, general outage of Total Gas Transport Ventures S.A.S. and E.ON (through Global Commodities SE), the exit of Statoil ASA as shareholder and the entry of Enagás Internacional SLU and SNAM S.p.A (Italy). The current shareholders are submitted according to the following table:

Shareholders	Shareholders before the amendment provided on 23 July 2013	Current shareholders Për 2016	Amendment
AzTAP (before known as SOCAR GAS Pipelines GmbH)	20%	20%	0%
BP Gas Marketing Ltd	20%	20%	0%
SNAM S.p.A(Italy)	0%	20%	+20%

Fluxys Europe BV	16%	19%	+3%
Enagás Internacional S.L.U	0%	16%	+16%
Axpo Holding AG	5%	5%	0%
Total Gas Transport Ventures SAS	10%	0%	-10%
E.ON, Global Commodities SE	9%	0%	-9%
Statoil ASA	20%	0%	-20%

Figure 55 TAP current Shareholders

2.2 Progress of TAP –AG Albania Project

TAP a Strategic Project for Albania and South – East Europe

- TAP is European section of the Southern Gas Corridor value chain with \$40 bln investment, which has as a major strategic objective of diversification of energy supplies for Europe.
- TAP is a strategic natural gas pipeline and one of the largest infrastructure investments for Albania and SEE region, bringing diversification and security of energy supplies through new route of gas coming from Caspian Sea fields to the European markets.
- TAP will increase the energy security and supply diversification for Europe and have the natural gas as the cleanest fossil fuel continue to play a key role in ensuring a sustainable energy mix.
- The pipeline is designed to double the capacity at a later stage giving the possibility to Albania and other countries in the Western Balkan region to have access to gas from Caspian Sea fields and enabling the gasification of their economies.
- TAP is a project of great strategic, commercial and geopolitical importance to Albania, Western Balkans and Europe. This project makes Albania part of the European energy infrastructure increasing the security of the country.
- Natural gas provided and facilitated by TAP will contribute to the decarbonisation of domestic economies, particularly in South East Europe and the Western Balkans, where the energy sector is overly reliant on the use of heavy fossil fuels for power generation.
- TAP to facilitate greater interconnectivity and a stronger economic cooperation among the countries in the region, including creation of a regional gas market fully integrated with the European market.

TAP project progress (general) update:

- **Over 84% complete**, including all engineering, procurement and construction (Jan 2019)
- **100% cleared and graded** (in Greece and Albania)
- **97%** of the gas pipeline installations are backfilled
- **Over 89% of the pipeline are re reinstated** (In Albania and in Greece)
- Offshore section **progressing** according to the project schedule

TAP project progress update in Albania:

In Albania, construction works have progressed steadily and in line with the project's schedule. No major issues have been encountered in the Albanian section of the pipeline.

- | | |
|-----------------------------------|---------------|
| • Right of Way cleared and graded | 215 km |
| • Pipes Welded | 214 km |
| • Trenching | 214 km |
| • Right of Way Backfilled | 211 km |
| • Right of Way Reinstated | 183 km |
| • Block Valve Stations | 97% |
| • Compressor Station in Fieri | 75% |
| • Metering Station in Bilisht | 5% |

The offshore (Engineering, Procurement and Construction) Works:

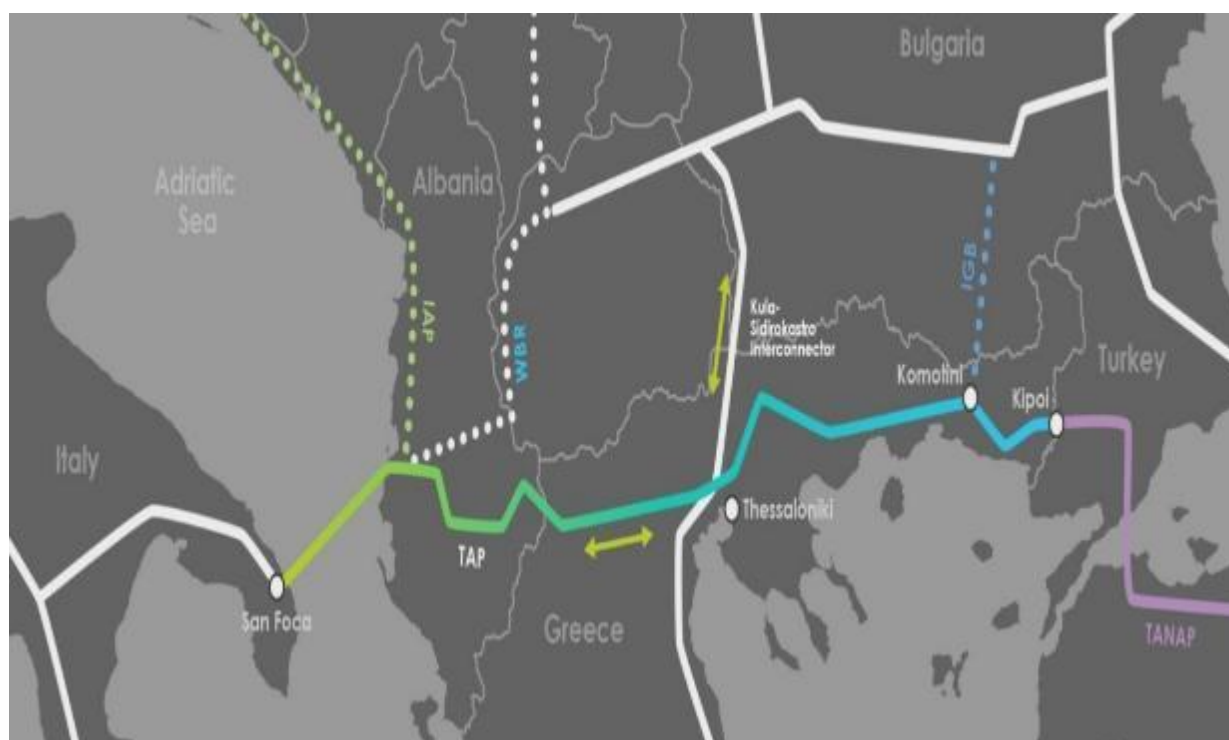
- It is completed the construction of temporary facilities (access road and camp) and it is close to be finalized the preparatory works for the offshore area.
- Instalation of the pipes in the offshore area is expected to start on March 2019. It is expected that the commissioning of both onshore and offshore sections to be completed in 2020.

Benefits for Albania:

- TAP is the largest Foreign Direct Investment (FDI) that is currently in the final construction stage, with a total investment amount of € 1.5bln in Albania.
- TAP is a project developed in compliance with the EU Acquis and the best environmental and social international standards leaving a positive experience and heritage for Albania.
- During peak construction activities around 3,800 workers have been hired for the project, with 85% of them originating from local communities.
- Within the project, TAP is contributing to enhancement and improvement of local infrastructure, including the construction and rehabilitation of roads and bridges.
- TAP is a key infrastructure investment in Albania foreseeing the opening up of gas markets and the cross-border connectivity in the South – East Europe /Western Balcans with the rest of the European gas network.
- TAP will be an opportunity for delivering natural gas in Albania, improving the energy security of the country, the diversification of Albanian energy resources and the development of the national gas network and market.
- An Exit Point in Kucove and in Fier may be used for the supply of the local gas distribution network and construction of other interconnectors with neighbouring countries.
- TAP provide tangible support for strengthening of the capacity of the recently established National natural gas TSO (Albgaz).
- The Albgaz-Snam Maintenance Agreement is part of TAP commitment to support the development of the gas market in Albania. It will bring sustainable, income and support the development of Albgaz as a European Operator of the Transportation System and counterpart of TAP.

TAP Project at glance:

- Total length: 878 km (Greece: 550 km; Albania: 215 km; Adriatic Sea: 105 km, and Italy: 8 km + ca. 1.5 km micro tunnel at landing)
- Initial capacity: 10 bcm/a, enough gas to supply around 7 million households.
- Outer Diameter: 48 inches (1.2 m) onshore; 36 inches (0.91 m) offshore.
- Base case: Two compressor stations (one in Kipoi, Greece and one in Fier, Albania)
- Expanded case: over 20 bcm/a capacity, by installing two additional compressor stations, one in Serres, Greece, and one in Bilisht, Albania.
- Built-in physical reverse flow of the pipe is integrated.



General information on TAP project in Albania (technical details)

Onshore section of the project in the Albanian territory

- Length of onshore pipeline: 215 km
- Starts at Bilisht in Korça region at the Albanian-Greek border and expands up to the landfall in the coastal area north of Fier, Topoje village.
- Outer pipe diameter: 48"
- Highest elevation: 2100 m, in Trepollar area, full length of the project. This is the difficult terrain for all the length of the project.
- Additional infrastructure is associated with the pipeline: compressor station near Fier; metering station near Bilisht; 8 block valve stations (BVS) and one landfall valve station
- Maximum operating pressure in Compressor Station is 97 / 147 bar
- Access roads: more than 175 km of road (in two phases)
- Bridges: more than 40 refurbished and 2 new build

Offshore section of the project

The subsea section of TAP will cross the Adriatic Sea in the strait of Otranto between the Albanian coast south-west of Fier and the Italian coast north of San Foca.

- Total length (including Albanian and Italian sections): 105 km
 - 37 km in Albanian territorial waters
 - 25 km in Italian territorial waters
 - 43 km in international waters.
- Water depth: 820 m
- Outer pipe diameter: 36''

Regulatory aspects of TAP Project:

Apart from its significant contribution for establishing the Albanian gas market, TAP is unique from a regulatory perspective:

- Firstly, TAP covers three regimes: our country, which is a Contracting Party to the Energy Community, and two EU Member States (Italy and Greece);
- Secondly, ERE granted TAP, along with the Greek and Italian NRAs (RAE and ARERA respectively), *the first exemption from the core provisions of the EU Third Gas Directive* (third party access, regulated tariff and ownership unbundling) for a period of 25 years;
- Thirdly, taking the Exemption Decision **involved an excellent cooperation between ERE and the other two NRAs (Greece and Italy), which practically acted for TAP purposes as one.**
- This is shown for instance in various common documents issued by the NRAs, such as the Joint Opinion on the Exemption, the ITO Joint Certification Decision, the Guidelines for the management and allocation of capacity, documents related to the first market test, approval of TAP's Regulatory Compliance Program and the Tariff Code.

TAP is currently cooperating closely with ERE on:

- The approval of TAP Network Code, which is aimed to govern the operation of TAP's transportation system. TAP submitted its Network Code to the NRAs for approval at the end of last year;
- In obtaining the Albanian Transmission licence and the implementation of the ITO certification requirements. Regarding the transmission licence, TAP submitted its application at the end of 2018, which is followed with ERE Board Decision and in conclusion it is issued the license for 25 years.

Regarding the entry/exit points in Fier, Kuçovë dhe Korçë

According to article 4.7.7 of the Final Joint Opinion of the Energy Regulators regarding TAP exemption (Final Joint Opinion), TAP constructs and sets into operation from the Commercial Operational Date, at least one exit point on the Albanian territory near Fier, or according to the agreement with the Albanian authorities. As agreed with the albanian authorities, TAP is

constructing an exit point in Kuçovë, Albania. To set into operation this exit point as TAP entry point, shall be undertaken additional actions which deal with the Ministry and TAP.

Engagement Agreement to Develop the Gas Market was reached on March 1 2017, between the Republic of Albania, acting between the Council of Ministers and TAP, approved with Council of Minister's Decision no.233/2017, dated March 21 2017 "On approving the Engagement Agreement for the Gas Market and Local Benefits Agreement", which defines TAP obligation to project, procure and construct the equipments to lower the pressure and fiscal meter in a sole exit point, respectively the Initial Exit Point in Fier Albania and TAP is constructing this exit point. Shall be underlined that the construction of an exit point in Kucove is a separate obligation allocated from other obligations within the terms and conditions according to the Final Opinion.

It is important to be underlined that the additional Entry/Exit points may be defined according to the results of a **Market Test**, which is foreseen during 2019. With the target to comply with the requirements of the Ministry, TAP added Kucovo and together with Fier point, as interconnection points reflected even on the TAP Network Code, it is continuing the work and currently they are to finalisation, although on these points the interconnection is not reserved as capacity.

On these conditions there is a cooperation between TAP and Albgaz to deliver ENTSOG (the European Network Transmission Operator for Gas) the request for the Identification Codes for the exit points in Kuçovë and Fier. Regarding the addition of a third interconnection point in Korçë, are continuing the negotiations between the Ministry and TAP. The government with decision no. 30/4 dated 14.02.2018, "On the conditional approval of the "Special Procedure of the strategic Investment/Investor".

For the investment project with a strategic potential "Gas Power Plant of Korca applying company "GPP Korça shpk" NUIS/NIPT: L73724004N". The project foresees the realisation in Korca area of a thermo power plant with gas with a combined cycle, on a efficiency of converting thermal energy to electricity on 60% (480 MW) capacity and a quantity of about 600 million cubic meters of gas per year. The plant shall be supplied with gas from TAP project according to a contract that the company itself the proposed entity shall negotiate with TAP AG company and with the gas suppliers.

An agreement shall be signed and this agreement should be proposed by TAP, to three energy agencies (ITALY; GREECE and Albania). It is on their power to approve it and moreover it is expected that during the Market Test period to be carried out this year shall be defined and the capacity for this exit point in Korça. Also it is an open option, to be required only the ensurance of the capacities for entry or exit points.

Bylaws issued by the Ministry and the Council of Ministers for the Natural Gas sector

- **Council of Minister Decision No. 417, dated 10. 05. 2017**, "On approving the emergency plan for natural gas, in conformity with the minimum standards of supply safety as well as the rules to guarantee a safe and efficient supply of natural gas"
- **Council of Minister Decision no. 69, dated 07.02.2018**, "On approving the conditions and procedures to define the supplier of last resort for natural gas"
- **Council of Minister Decision no. 590, dated 9.10.2018** "On approving the natural gas market model".

- **Council of Minister Decision no. 573, dated 3.10.2018** “On approving the rules and procedures to exercise the supervision operations on natural gas sector to the ministry responsible for energy.”
- **Council of Minister Decision no. 685, dated 14.11.2018**, “On approving the practices to promote the regional joint investments in the power sector infrastructure”.
- **Council of Minister Decision no. 612, dated 27.10.2017**, “On approving the technical rules and safety criteria, third part, for the minimum requirements of the technical projecting, construction and operation of the natural gas transmission and distribution systems operation LNG installations, the storage spaces and direct lines”.
- **Order no. 96, dated 23.01.2018, of the Ministry of Infrastructure and Energy**, “On approving the general conditions for access in the gas network of the activities demanding production”.
- **Order no. 912, dated 27.12.2018, of the Ministry of Infrastructure and Energy** “On approving the guideline for defining the areas for natural gas transmission and distribution activities”.

On this package are also included the secondary acts that were effective on the time when Law 102/2015, dated 23.09.2015, “On Natural Gas Sector” was approved, which are considered valid after the entry into force of this law:

- **Council of Minister Decision no. 713, dated 25.8.2010**, “On defining the rules for the conditions and procedures for permission issue about the construction and usage of the construction pipelines for natural gas systems”,
- **Council of Minister Decision no. 1030, dated 27.11.2013**, “On approving the technical rules and safety criteria, first part, regarding the minimum requirements of the technical project, the construction and operation of the transmission and distribution system operation for natural gas, LNG installations, the storage capacities and direct lines”,
- **Council of Minister Decision no. 104, dated 4.2.2015**, “On approving the technical rules and safety criteria, second part, regarding the minimum requirements of the technical project, the construction and operation of the transmission and distribution system operation for natural gas, LNG installations, the storage capacities and direct lines”,
- **Council of Minister Decision no. 551, dated 18.6.2015**, “On approving the criteria and procedures to be equipped with professional permission certification for study-designs and implementation activities for the research, production, processing, transport, depositing and trade of hydrocarbons”,
- **Order No. 666, dated 3.8.2009, of the Ministry of Economy, Trade and Energy**, “On approving the temporary technical rules and safety criteria, regarding the minimum requirements of the technical project, the construction and operation of the transmission and distribution systems for natural gas, LNG installations, the storage capacities and direct lines”,
- **Order no. 449, dated 21.6.2011, of the Ministry of Economy, Trade and Energy** “On the operation of the request assessment and accompanied documentation committee of the companies that shall be equipped with permission for the construction and usage of gas systems infrastructure.”.

2.3 Exemption Decision of TAP AG

The Exemption Decision is supported on 4.5 paragraph of the FJO which exempts TAP-AG from ownership provisions, as defined on article 9(1) of Gas Directive.

All the investment for this project shall be about 45 billion dollars traversing six countries with a pipeline length of about 3500 km.

Final Joint Opinion of June 2013 defined that Exemption Decision will lose its effect and validity if the construction will not begin within 3 years (so, within June 2016) and if the operational activity does not start within the next 6 years. However, EU Commission could approve a prolongation in case of any delay caused by major obstacles beyond TAP authorities. (this based on article 36.9 Directive 79/2003/EC).

In European Commission decision of May 2013 it was provided that TAP role is only one element in the series of investments performed to ensure Shah Deniz 2 Gas generation and gas transport in EU.

In particular, the decision provided that TAP has no influence on further development of the process; so, any influence on Shah Deniz 2 gas field, transport infrastructure from Azerbaijan and Georgia, as well as transport infrastructure along Turkey.

On the time that TAP Exemption Decision was taken, considering the request for postponement from the Consortium by TAP and approved by the three Authorities, January 2020 until December 2020, is estimated as the period when gas will enter for the first time on TAP transport system.

Energy Regulator Authority Board, implementing 2009/73/EC Directive of the Parliament and of the Council of Ministers dated 13 July 2009; the Regulation 715/2009/EC of the European Parliament and of the Council dated 13 July 2009, of Law No.102/2015 ‘‘On Natural Gas Sector’’; European Council Decision C(2013) 2949 dated 16 May 2013; ‘‘Final Joint Opinion of the Energy Regulators’’ on TAP AG Application for the Exemption (Authority for Energy and Gas in Italy) AEEGSI, Energy Regulator Authority in Albania (ERE) and the Greek Regulator Authority (RAE), following the Final Joint Opinion; ERE Board Decision No. 12, dated 14.02.2014 ‘‘On Approving the Regulatory Compliance Programme’’, submitted by TAP AG based on the Final Joint Opinion within the exemption procedure of TAP Pipeline. This is an addition or amendment realized through long discussions and is made in conformity with the latest amendments made by the European Commission within the transparency.

2.4 Other developments regarding the TAP Project

About the decisions taken for the project.

2018 has been the year when the work for the TAP project is intensified and the results have been concrete and significant. We are the first country that started the TAP works being compared with the two neighboring countries Italy and Greece.

The Energy Regulator Authority of Albania together with the Greek and Italian Regulator Authorities, has taken joint decisions regarding the TAP-AG project.

These decisions are taken in full conformity with the European Parliament and of the Council Directive, 2009/73/EC, the Regulation (EC) N0.715/2009 , of the Council of Ministers Decision No.D/2011/02/MC-EnC, as well as the law “On Natural Gas Sector” No.102/2015, which now has reflected all the European Union requirements.

The secondary acts approved during 2018 to exercise the activity in Natural Gas sector

The following decisions regarding the approval of ERE legal framework implementing Law 102/2015 on natural gas sector as well as the preparation of the market conditions with the operation of the gas in 2020, that corresponds with the initiation of TAP project, but, this shall not impede the opening of a gas market before this year as we are waiting for the positive results from our gas resources (taking into consideration SHELL results on Shpirag area).

The secondary acts are listed as follows:

1. “ON APPROVING THE STANDARD LICENSE IN NATURAL GAS DISTRIBUTION ACTIVITY DECISION no. 7, dated 10.01.2018

On approving the standard licenses on natural gas sector has been one of the priority objectives of ERE Legal sector during this year. Natural Gas Distribution License is a extensively worked and consulted practice with the stakeholders and with the companies having the appropriate expertise to construct a timely – resistant act. ERE required the comments and opinion of MIE, MFE, the Competition Authority, Albgaz, Albpetrol company. The draft is submitted for the opinion of Energy Community Secretariat. It resulted that for this draft license shown their opinion; the Competition Authority, the Energy Community Secretariat, the Ministry of Finance and Economy and Albgaz company, the comments of which are mainly accepted and processed by ERE, concluding with the approval of this license with the abovementioned decision.

2. “ ON APPROVING STANDARD LICENSE IN NATURAL GAS TRANSMISSION ACTIVITY” DECISION no. 8, dated 10.01.2018

Article 22 point 1 of Law no. 102/2015” On Natural Gas Sector“ defines that any legal person, performing an activity on natural gas sector, according to point 2 of this article, shall be equipped with the respective license, issued by ERE, in conformity with the definitions of this law. ERE is charged with the obligation to draft the STANDARD license as well as issued this license for the natural gas transmission activity. Even this practice is consulted with the stakeholders and expertise groups.

3. “ON APPROVING THE STANDARD LICENSE IN NATURAL GAS TRADING ACTIVITY “ DECISION No. 24, Dated 30.01.2018

Implementing the provisions of *Law no. 102/2015 “On Natural Gas Sector”*, ERE Board with decision no. 163 dated 12.10.2017 opened the procedure to approve the Natural Gas Trading License. Following this decision ERE published on the media the notification and required comments and opinions from MIE, MFE, the Competition Authority, Albgaz and Albpetrol companies. The draft is electronically submitted to Energy Community Secretariat. Over this draft – license expressed their opinion the Competition Authority, the Energy Community Secretariat

and the Ministry of Finance and Economy, the suggestions of which are mainly accepted and processed by ERE on this draft – license.

4. “ON APPROVING THE STANDARD LICENSE IN NATURAL GAS SUPPLY ACTIVITY” DECISION NO. 25, Dated 30.01.2018

Implementing the provisions of Law no. 102/2015 “On Natural Gas Sector”, ERE Board with decision no. 162 dated 12.10.2017, opened the procedure to approve the Natural Gas supply License. Following this decision ERE published on the media the notification and asked the comments and opinions from MIE, MFE, the Competition Authority, Albgaaz, Albpetrol companies. The draft is electronically submitted to Energy Community Secretariat.

By the end of the term to receive the comments and opinions from the stakeholders it resulted that on this draft license expressed their opinions the Competition Authority, the Energy Community Secretariat and the Ministry of Finance and Economy the comments of which are mainly accepted and processed from ERE in the draft – license.

5. “ON APPROVING THE REGULATION FOR THE GENERAL CONDITIONS OF THE NATURAL GAS SUPPLY SERVICE FOR THE END USE CUSTOMERS DECISION NO. 161, DATED 09.07.2018

Article 16, of Law 102/2015 “On Natural Gas Sector” on point 10 defines ERE responsibility “Approving the general conditions of supply, including here even the draft in a transparent way of the rights and general contractual obligations.” ERE asked for the opinion of all the third parties and stakeholders for the draft of the “Regulation on the General Conditions of Natural Gas Supply Service for the End – Use Customers”. Also ERE referring to article 16, point 25 of Law no. 102/2015 “On Natural Gas Sector” consulted this draft regulation even with the Energy Community Secretariat. The EnC submitted their comments and suggestions regarding this draft regulation, which shall be taken into consideration from the working group, being supported even on similar practices of the regulators.

The EnC comments and interventions deal with full and appropriate provision in conformity with Directive 2009/73/EC as well as Law no. 102/2015 “On Natural Gas Sector”.

6. “ON THE APPROVAL OF THE AMENDMENTS PROPOSED FROM TAP – AG ON THE TAP – AG TARIFF METHODOLOGY APPROVED WITH ERE BOARD DECISION NO.127 DATED 7/11/2013”. DECISION NO. 168, DATED 19. 07.2018

Based on the issued authority and in conformity with the definitions of Law no. 102/2015 “On Natural Gas Sector” ERE regulates the issues regarding with the exemption from third party access. The regulation of the issues regarding the exemption of third party access, is based on the definitions of : (1) Directive 2009/73/EC of the European Parliament and of the Council dated 13 July 2009 (hereinbelow: Directive); (2) the Regulation 713/2009/CE of the European Parliament and of the Council dated 13 July 2009 (hereinbelow: ACER Regulation), the Regulation 715/2009/CE of the European Parliament and of the Council dated 13 July 2009, (4) Regulation of the European Parliament and of the Council, dated 11 May 2016, (Regulation EU 2016/792), ERE Board Decision no. 27, dated 01.03.2013, “On approving the *ër miratimin e përjashtimit të kushtëzuar të*

kompanisë TAP – AG prej kërkesave të neneve 9, 32 dhe 41 (6), (8) dhe (10) të Direktivës 2009/73/EC për projektin Trans Adriatik Pipeline”; Vendimit nr. 64, datë 13.06.2013, të Bordit të Komisionerëve të ERE “Për amendimin e Vendimit të Bordit të Komisionerëve të ERE, nr. 27 datë 1.03.2013 “On approving the conditional exemption of TAP – AG from the requirements of article 9, article 32, and 41 (6), (8) and (10) of Directive 2009/73/EC on Trans Adriatic Pipeline project” to take into consideration the Opinion of Energy Community Secretariat for Energy (no. 1/2013) and the Decision of the European Council (C(2013)2949” by the approval of the document on the “Final Joint Opinion of the Energy Regulators on TAP AG's Exemption Application Autorita per l'Energia Elettrica e il Gas (Italy), Enti Rregullator i Energjisë (Albania) and Regulatory Authority of Greece (Greece)”. According to paragraph 4.2, point 1 of the Final Joint Decision, the issue of the exemption from the regulated tariffs for forward – flow products is sanctioned even with the fulfillments of some conditions such as:

- a. The tariff Methodology that shall be applied by TAP – AG shall be subject of joint approved of the Authorities;
- b. The tariffs shall be consistent with the principles set out on the Authorities Decision for the Exemption (Final Joint Opinion), above all including the application of the same tariff for the same product except if it is provided from the exempted capacity from third party access or from not exempted capacity;
- c. The tariff methodology shall compose a tariff structure of “entry – exit type”. It shall be composed of the mechanisms to define the prices for different types of products in the forward flow with different durations, that are continuous and may be interrupted depending on the entry and exit points.
- d. The tariff shall reflect the efficient costs, which shall be transparent and non discriminatory;
- e. The tariffs shall be decreasing following the increase in transport capacity that shall be used;
- f. The tariff shall consider the different risk level of the initial investment and that of further capacity expansion.

Paragraph 4.2 of the Final Joint Opinion attributes to the Authorities the obligation of continuous monitoring in a way that the applied tariff from TAP AG shall be in conformity with the approved methodology of the tariffs. TAP AG shall cooperate with the Authorities for this purpose. TAP AG company with the official letter dated 11 October 2013, within the meaning of point 4.2 of the Final Joint Opinion, presented at ERE a proposal of the document for the tariff methodology, TAP Tariff Code.

The same request, on the same time and accompanied with the same document is submitted for approval even to the Italian Regulatory Authorities (AEEG) and Greece (RAE). Within this framework the Energy Regulatory Authority, is approved the Tariff Methodology (TAP Tariff Code), proposed by TAP – AG, according to the obligations defined on the Final Joint Opinion”.

At the beginning of November 2013, the Authorities approved, with separate decisions the TAP Tariff Code. (AEEG Decision 495/2013/R/gas, dated, 6/11/2013, RAE decision 531/2013 dated 6/11/2013, ERE Board decision no. 127 datë 7/11/2013). The approved TAP Tariff Code includes

the following point: “The transporter shall take the approval of the regulator before approving the amendments at the TAP Tariff Code as required by Article 4.2.1 of the Joint Opinion.”

On 22 June 2018, TAP AG send a letter to the Authorities where required some amendments to the TAP Tariff Code, at the formula aiming the escalation of the revenues (§2.1), MUICP index (the Index of the Monetary Union for the Customers Prices) as defined on the Council Regulation (EC) No 2494/95 dated 23 October 1995 is substituted with HICP (the Harmonized Index of the Customer Prices) as defined on the (EU) Regulation 2016/792 of the European Parliament and of the Council dated 11 May 2016 on the harmonized indexes of the customers prices and the house price index, as defined by Eurostat.

The amendment foresee the prolongation of the redistribution period by the end of each year to enable the final calculation of the additional incomes compared with the Expected Incomes for the year. TAP AG is consulted with the current transporters/traders that have signed Gas Transportation Agreements and submitted their positive result, documentd for the Authorities from TAP AG; (Connection/Annex C), Considering that: - the proposed amendments are in conformity with the principles mentioned at the Final Joint Opinion and especially summarized on point from a to f; - especially they aim to improve the accuracy and transparency of the tariff methodology and do not submit unnecessary obstacles for the foreseen proces of reserving the short term capacity; - The approval of these amendments on the Tariff Code is consulted with the regulators of Greece and Italy, respectively RAE and ARERA.

7. “ON APPROVING THE MINIMUM REQUIREMENTS FOR THE COMPLIANCE OFFICER, THE PROFESSIONAL CRITERIA AND OTHER SELECTIVE CRITERIA” AS WELL AS THE PRELIMINARY APPROVAL OF THE COMPLIANCE OFFICER OF THE NATURAL GAS TSO COMPANY”, DECISION NO.223 DATED 16.10.2018

ERE Bordini with decision no. 179, dated 08.11.2017, certified the “Natural Gas Combined Operator” ALBGAZ company. ERE Board with decision no. 207, dated 27.09.2018 opened the procedure to review the request of “ALBGAZ” company on the preliminary approval of the Compliance Officer of Natural Gas TSO. Following this decision, ERE submitted the request for opinion to the Ministry of Infrastructure and Energy (MIE) and the Competition Authority, on the knowledge of “Albgaz” company, by which invited the abovementioned institutions to submit their opinions or comments on this decision.

ERE is addressed to “ALBGAZ” company and MIE informing them its decision for opening the procedure and requested to submit per approval at ERE, “the Minimum requirements for the Compliance Officer, the professional criteria as well as the other selection criteria”, according to the obligation deriving from the Compliance Program of the Transmission System Operator for Natural Gas approved with ERE Board decision no. 77, dated 26.05.2017.

As above mentioned “Albgaz” company submitted for approval the “Minimum criteria for the compliance officer, the professional criteria as well as the other selective criteria” ERE is charged to approve the Compliance Program proposed by TSO for Natural Gas, according to article 47, point 1 of Law no. 102/2015 “On Natural Gas Sector”. The Natural gas TSO through its managing bodies is charged to approve the Compliance Officer, after the preliminary ERE approval according to article 47, point 2 of Law no. 102/2015 “On Natural Gas Sector”.

ERE is charged to approve the criteria and obligations for the Compliance Officer, according to article 47, point 3 of Law no. 102/2015 “On Natural Gas Sector”. The conditions of the compliance officer contracts are in conformity with the effective legislation and ERE decision, regarding the transmission system operator for natural gas. The contract of the compliance officer listed the conditions that shall be fulfilled by the compliance officer and shall be signed after ERE approval of the Compliance Officer.

8. “ON AN AMENDMENT ON ERE BOARD DECISION NO.179, DATED 08.11.2017, ON THE CERTIFICATION OF THE “COMBINED OPERATOR OF NATURAL GAS ” ALBGAS COMPANY, DECISION NO. 236, DATED 02.11.2018

ERE Board with decision no. 179, dated 08.11.2017, certified “Albgaz” company as the combined operator of natural gas, in conformity with articles 37, 50, 59, 68, and 80 of Law no. 102/2015, “On natural gas sector” and article 9, point 6, of Directive 73/2009 EC. “Albgaz” company has not fulfilled the requirements of the abovementioned decision as follows:

Point 2. Within 1 month from the entry into force of this decision Albgaz shall replace MIE representatives at the Supervisory Council of the company with members which are not employed at MIE or other electricity generation and/or supply companies that are controlled by it.

Point 3. Albgaz shall report each month at ERE about the registration procedure of the transmission assets and conclude the procedure within 6 months after the approval of the Final Decision.

Point 4. Paragraph “ approval and shall draft and deliver at ERE the Report defined according to the regulatory Compliance Program not later than 12 months from the approval of the Certification Decision of ALBGAS company, in conformity with the definitions of article 21 Directive no.73/2009 of the European Commission “On the rules of natural gas market” and article 47 of Law no. 102/2015 “On Natural Gas Sector”.

Point 5. Within 12 months from the entry into force of this decision, to implement the recommendations of the Secretariat Opinion, Albgaz company, shall submit at ERE evidences for the guarantee regarding: 5.2 Cross-institutional cooperation for realising the amendments in the legal framework, Article 11 and 46 (10) of Law on Natural Gas Sector and transferring the competences to the Ministry of Economy.

To comply this obligation, Albgaz company shall submit at ERE the documentary evidences that the necessary legal and by-legal acts regarding with the transferring of the competences to the Ministry of Infrastructure and Energy to Albgaz shareholder, the Ministry of Economy and Finance, are effective. Point 7. Albgaz company shall report each 3 months to the ERE and to the Energy Community Secretariat regarding the compliance of points 2,3,4 and 5 of this decision the progress of the competences transferring process from the Ministry of Infrastructure and Energy to the Ministry of Economy and Finance.

Following the above mentioned, Albغاز company after the failure to complete the conditions set on ERE decision no.179, dated 08.11.2017, with the official letter ERE protocol no. 233/7, dated 16.10.2018, required to postpone the term to fulfill the conditions provided on decision no.179, dated 08.11.2017 until on 10.04.2019 and informs that is taking all the necessary means to fulfill the required points on this decision. Albغاز company is justified that failure to complete on time of the abovementioned conditions are the administrative delays from other institutions Real Estate Registration Office (cadastre), MIE etc.

2.5 Natural Gas Tariff Methodology for TAP AG

The Energy Regulatory Authority approved the Tariff Methodology for Gas with Decision no. 127, dated 07.11.2013, “On approving the Tariff Methodology (TAP Tariff Code), proposed from TAP AG, according to the obligations defined on the Final Joint Opinion.

On 8 November 2013, the three Regulators of Albania (ERE), Greece (RAE) and Italy (Aeeg) approved the Tariff Code proposed from TAP AG company for TAP, gas pipeline that will bring gas from Azerbaijan in Italy, through Greece and Albania.

TAP Tariff Code describes the methodologies used to define the terms and conditions for the prices that shall be applied for TAP and shall be applied for the capacities object of the obligatory access of the third parties and even for the exempted capacities from these requirements.

The tariff methodology proposed from TAP AG is transparent and non-discriminatory. The Tariff Code provides a tariff reduction in case the reserved capacity for the future is increased. On the other side, in conformity with the Final Joint Opinion, the tariff structure takes into consideration different risk levels between the investment in the initial capacity and the extension investment for the future.

The Tariff Methodology has undergone a series of amendments from its primary version according to the comments made from the three Regulators in a way the document shall reflect the basic principles mentioned on the Final Joint Opinion. The final version of the Tariff methodology is submitted at ERE for approval on 14 October 2013.

On 22 June 2018, TAP AG send a letter to the Authorities requiring some amendments on TAP Tariff Code, at the formula aiming an escalation of the incomes (§2.1) MUICP (Monetary Union Index of Consumer Prices) as defined on the Council Regulation (EC) No 2494/95 dated 23 October 1995 is substituted with Harmonized Index of Consumer Prices (HICP) as defined on Regulation (EU) 2016/792 of the European Parliament and of the Council dated 11 May 2016 on the harmonised index of customer prices and the index of the building prices, as defined by Eurostat.

On this methodology are implemented the basic requirements defined on the Joint Opinion regarding the tariffs; reflect in the tariff of the efficient costs, those to be transparent and non discriminatory; the mechanism that the tariffs shall be descending following the increase of the transporting capacities that shall be used; taking into consideration different risk level of the initial investment and further expansion; same tariff for the same product despite if it is provided from the exempted capacity from third party access or from not exempted capacity.

2.6 Natural Gas Tariff Methodology for Albagaz (OST/OSHT)

With the approval of Law no.102/2015 ‘‘On Natural Gas Sector’’ from the ministry there was proposed to the government the ‘‘Natural Gas Market Model’’ and then ERE shall continue with the approval of the ‘‘Natural Gas Tariff Methodology’’. Currently it is approved the ‘‘Natural Gas Tariff Methodology’’ being consulted with Becker Buttner Held (bbh) company, a company specialised on this area. Currently we are reviewing this methodology ECA a company selected by EBRD together with Albgaz to improve this methodology on concrete conditions of natural gas market in our country.

2.7 TAP AG Network Code and Albagaz Network Code

Energy Regulatory Authority is working together with TAP AG, Baringa Partners, an English company specialised for gas issues, as well as the representatives of Greek and Italian regulator, to terminate as soon as possible the Network Code.

It is very important the draft of Albgaz Network Code, because it precedes the commencement of operations processes for TAP AG in our country. EBRD is dealing with the national network code and has selected a specialized ECA English company. The collaboration of Albgaz with ERE and ECA is a very good one and the progress of the works is extremely fast.

Shall be underlined that the network code of TAP AG also that of Albgaz company, is a voluminous work and very specific for the current conditions. On their content are included:

Chapters of the production Capacities, booking capacities, nominations, the balances and allocations, congestion management, the secondary market, personal gas consumption and electricity production consumption, gas losses, the metering system, maintenance, the regulatory framework and different provisions for the penalisations.

2.8 ALBGAZ developments during 2018

With Government decision on **December 2016** on the establishment of ‘‘Albgaz company’’ and establishing it in practice, with a 100% state owned capital, was passed an important step to initiate the preparations for a natural gas market in our country.

Especially during 2018, ‘‘Abgaz company’’ exercised an intense activity in some market development aspects and concretely:

In the internal sector;

- Identification of the existing assets in Albgaz territory;
- ERE collaboration to update:
 - ✓ "The Network Code to harmonise the natural gas transmission tariff structures"
 - ✓ "The Network Code on the capacities allocation mechanisms in natural gas transmission systems"
 - ✓ Code on Harmonising the Tariff structure.

All of them are performed in collaboration with the Energy Community Secretariat in Vienna with the respective decisions no.2018106/PHLG-EnC and 2018107/PHLG-EnC, as well as implementing the Commission regulation (EU) 2017/460 dated 16 March 2017, establishing a network code on harmonised transmission tariff structures for gas this version is adopted according to Article 24 of Energy Community Treaty to be aligned from the Permanent High Level Group.

- Are collaborating with ECA, and EBRD for the **Transmission Network Code** of Albgaz company;
- Institutional collaboration with ERE regarding the certification and licensing aspects as well as the above codes;
- Licensing as the “**Combined Operator for Natural Gas**”, even for the Transmission (TSO level) and for the Distribution (DSO level);
- Restructuring of the company itself;
- Development of the **capacities and human resources** (relatively complex because of a complex regulatory framework) of the sector (...asset projection, administration, commercial management, etc);
- Starting an **Technical-Financial Analysis** for the realization of a LNG “pilot project” in a “small scale” in the Tiranë-Durrës industrial area, for on time development of the market, natural gas marketing as an electricity economic alternative source;
- Following the first important transmission project for Albgaz (PIP1) such as **FIER-VLORE Pipeline** that shall supply **Vlora TPP** with natural gas.

In the foreign sector;

- The negotiations to appoint a strategic partner for **TAP** maintenance, a finalized process: **SNAM** spa, Milan, Italy. Snam is Albgaz partner in the joint company **Albanian Gas Services Company** (AGS), where Albgaz controls 75% of the shares. AGS shall employ about 52 persons, only 5-6 in managing positions from SNAM and all the other part shall be from Albania. This latter are trained in Albania and Italy.
- The negotiations for TAP maintenance contract between AGS and TAP, which is signed on December 2018. The contract is signed for 5 years and is accounts in 18-20 million Eur.
- Strengthening the institutional collaboration with **Energy Community** within **WBIF** (Western Balkans Investment Framework) and in the framework of the regulatory relations with ERE and ENTSO-G, where in this latter one Albgaz company is an observer.
- The first contacts to configure the relations with the **Regional** and wider **Homologues** to exchange experience in analysing, projecting and implementing the gas network, in the Transmission (**TSO level**) even in Distribution (**DSO level**);
- Institutional follow-up of all the attempts for the analysis and feasibility of **IAP pipeline**, that shall interconnect **Albania, MonteNegro, Bosnia and Hercegovina and Croatia**;
- The follow-up and coordination of the work for the development of interconnection with Kosovo (**ALKOGAP**). During 2019 there are foreseen the results of a preliminary feasibility study.

The government on 2016 approved the **Master Plan for Natural Gas Market Development** in Albania, a project financed from European Associations and that access the Natural Gas Sector development possibilities “for the next 20 years in technology and the financial considerations”.

The pass of natural gas through Albania permits that in our country there are some important power developments, in line with those of the global industry of this sector, such as (i) the developments of the big electricity producers or the **TPP-s with natural gas**, as a “clear” version in utilising the hidrocarbon for energy production, (ii) supply of the **industrial customers**, enabling the lowering of their production cost, but even (iii) the supply of **residential customers**:

- One of the first developments of the sector shall be **Fier-Vlorë** pipeline line, to supply with natural gas **Vlora TPP** and the development of the **distribution network in Vlora** to support industry, local businesses and also the residential market.
- **Fier Region** is also being developed from TAP project. The vicinity with TAP pipeline, the concentration of some **gas traditional consumption industries**, the practical and household culture of using gas for historical reasons, makes possible the development of the industrial and residential market in this city.
- **Korça Region**, is expected to be part of natural gas market developments considering the pass of TAP pipeline in this territory, as well as developing the additional energy resources, such as **Korça TPP**.
- While the short term objectives of developing the sector are the abovementioned, the middle term objectives are more demanding, in relation to the financing as well as work volume,

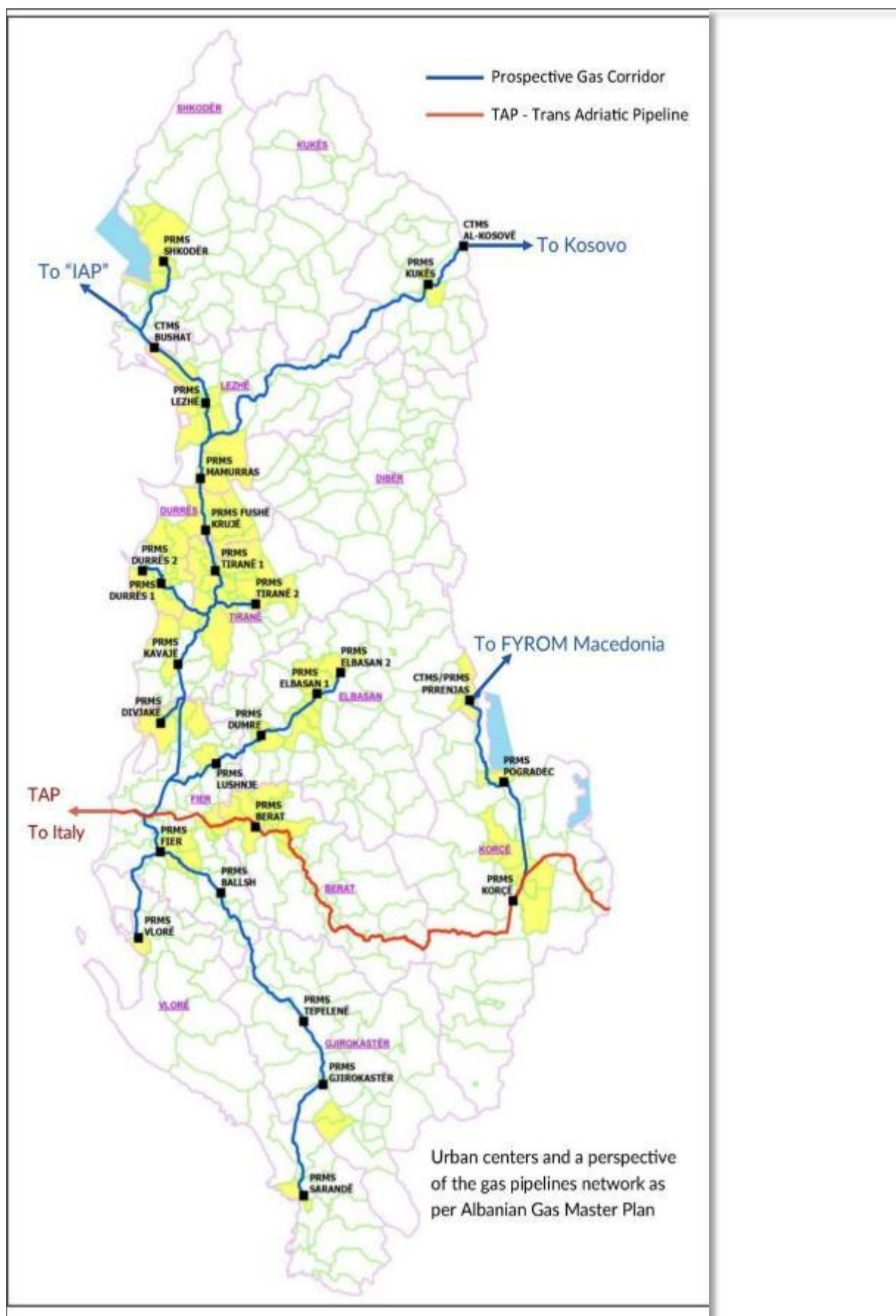


Figure 56 Master Plan

- **Perspective of Developing the Natural Gas Network in Albania (Gas Master Plan).**
- Connection of the most economically developed area in Albania **Tirana – Durres** and that of **Elbasan**, because of the big energy industrial customers in the city and surrounding area.
- Connection with Elbasan city is interesting even for another aspect, dealing with the **potential development of gas underground storages (Dumre area)**, to establish the necessary reserves as well as the utilisation of the transmission assets that shall be constructed in the country (TSO leve), but even to guarantee an security and stability in gas supply of the market and its operators in end use level. On this framework the underground storages of Dumre area take a totally different prospective.
- The middle term development of the transmission network in Albania from Albgaz shall enable even the gas transmission that eventually may be produced in Albania, from that of **SHELL** in Berat area, or other gas – detection activities and especially gas-producing in the south of Albania (Delvinë, Jon area etc).

Being that this sector is not developed, Albania does not have a local experience in human resources. In this framework Albgaz is included in some activities developing these capacities beginning from the current situation.

The establishment of the Joint-Venture “AGS” company and SNAM company (Italy) within the maintenance of TAP network on the Albanian territory, makes possible that the Albanian selected staff (for the above project) shall be trained and certified with the European standards of the sector, at SNAM qualified schools. SNAM is one of TAP company shareholders with 20%, is the TAP maintainer at the Italian territory, a company with over 70 years of experience and the largest operator in Europe, with about 42,000 Km of pipeline under its control. Albgaz association within AGS with SNAM is one of the best examples of real efforts for the establishment of the sector capacities and the preparation of its capital developments in the country.

2.9 Cooperation with EBRD

In cooperation with **EBRD** (European Bank for Reconstruction and Development) Albgaz company is working for the **specialised training** of its staff for the: termination of the network code, the methodology of calculating the tariffs, commercial local and cross - border concepts, in balancing natural gas, capacities allocation and operation of the network system, etc. All these elements are the basic knowledges for the establishment of a **TSO or “Transmission System Operator”**, that composes the main activity of Albgaz company.

The benefits of this development policy, with its first steps as above, through the completion of full legal framework (laws and secondary acts) **in cooperation with MIE, ERE and European Organizations and Instruments** covering the gas sector (such as the fulfillment of the respective framework at ERE and the align with the European legislation, within the commitments that come for Albania on its integration process, etc) is expected to establish real opportunities, safety and transparency for capital developments on the Albanian natural gas sector.

It shall be emphasised that this is a complex process, extended on time because such activities are very intensive in the “capital investments”, in projecting and financing volumes, as well as time extension but their final expected and gradual result is:

1. The establishment of the conditions to benefit from foreign direct investments on this segment of economy;
2. Increase of sector employment and on the industries that have impact from gas sector;
3. Improvement of electricity supply in industrial, services and residential level;
4. Establishment of the conditions for the industrial sustainable development and lowering of energy costs in “ goods and services” production level;
5. Lowering in general of the “electricity invoice” of the end use household customer;
6. Establishment of human capacities in the country for the prior – projecting, the projecting, the management of the investments realising on the effective and efficient implementation of the respective activities on gas industry.

2.10 Cooperation with International Institutions

The Energy Regulatory Authority has a close with all the Organizations and international institutions dealing with Electricity and Natural Gas.

Currently we are members of the SOUTH SOUTH-EAST GAS REGIONAL INITIATIVE(GRI SSE), for common studies regarding gas market.

ERE is very active according to the multilateral cooperation between the Regulatory Authorities participating at MEDREG (Association of Mediterranean Energy Regulators).

On the Action Plans for the 2016- 2018 period on Gas Working Group Mr. Maksim Shuli submitted the study “Gas infrastructure map of the Mediterranean” as well as the study on the “Contribution to the setting up of an operational platform for the exchange of information and data on Mediterranean Gas Market”. Also, he participated on all other common studies part of the middle and long term action plans. <http://www.medreg-regulators.org>

PART III: Activity of the Energy Regulatory Entity

3.1 On the fulfilment of ERE obligations for 2018. (The Assembly Resolution)

Within the implementation of the obligations imposed by Law No. 43/2015 “*On Power Sector*”, Law No. 102/2015 “*On Natural Gas Sector*” as well as Law No.7/2017 “*The promotion of the use of energy from renewable sources*” and the obligations deriving from the resolution of the Albanian Assembly, ERE organized the performance and the mobilization of the staff to meet the all of the charged obligations. Analysing the obligations it results as follows:

Regarding the recovery of the established delays and making effective the legal and operational unbundling of the Distribution System Operator for Electricity from that of the Universal Service Supplier, Free Market Supplier and the Distribution System Operator we inform that:

Within the reform in the Power Sector and the implementation of; (i) Law No. 43/2015 “*On Power Sector*” as amended with Law No.7/2018 “*On some amendments and additions in Law No. 43/2015, “ On Power Sector*”, (ii) Council of Ministers Decision No. 519, dated 13.07.2016 “*On the approval of the Electricity Market Model*” as well as (iii) Order No. 157 dated 12.02.2018 on “*The establishment of three companies controlled by the Distribution System Operator for Electricity*” for the initiation and the development of the allocation process, OSHEE company has established three companies as follows:

“Distribution System Operator” (DSO) company, “Universal Service Supplier” and “Free Market Supplier”

Further implementing the legal obligations with the official letter No. 7818, dated 27.04.2018 “OSHEE” company presented to ERE the documentation for the transferring/ licensing of the companies the Universal Service Supplier, the Free Market Supplier, and the Distribution System Operator.

Implementing the provision of article 17, paragraph 7, Decision No.109 dated 29.06.2016 of the “*Regulation on the Procedures and Terms for License Issue, Modification, Transferring, Renewal or License Termination in the Power Sector*” ERE took the decisions as follows:

ERE Board Decision No. 198, dated 03.09.2018 “On licensing the “ Free Market Supplier” in electricity trading activity Series T18, No. 422, for a 5 year period.

ERE Board Decision No. 199, dated 03.09.2018 On licensing the “ Free Market Supplier” in electricity supply activity . Series F18 , No. 423, for a 5 year period.

ERE Board Decision No. 215, dated 11.10.2018, “On transferring the electricity supply license No. 251 Series P14FPP approved with ERE Board Decision No. 97, dated 27.10.2014, valid until 27.10.2019 and the universal service obligation for the electricity supply, of the Electricity Distribution Operator (OSHEE) Company , approved with ERE Board Decision No. 112, dated 08.07.2016 to the "Universal Service Supplier" (FSHU) company.

ERE Board Decision No. 216, dated 11.10.2018 “On transferring the electricity distribution system operation license, of Electricity Distribution Operator (OSHEE) company No.250, Series P14SH, approved with ERE Board decision No.96 dated 27.10.2014, to the "Distribution System Operator" (OSHEE) company, valid until 27.10.2044.”

ERE decided as abovementioned, considering even the Order of the General Assembly of the Electricity Distribution Operator Protocol No. 157, dated 12.02.2018, whereby the latter one, issued the Internal Order Protocol. No. 7224, dated 20.04.2018 “*On the establishment of a working group for the coordination of the transferring process of the the licenses from the Electricity Distribution Operator company or the license issue for the companies established from “OSHEE” company.*”

The Electricity Distribution Operator (OSHEE) company and the three established companies, seen as necessary the establishment of a clear framework determined through the respective legal acts in relation to the complete structure of the Electricity Market operation.

The abovementioned definition, would enable the three companies controlled for: (i) the accurate definition of the organizational structures and the management processes of the Electricity portfolio in accordance with the functions and activities that each operator shall cover, that is expected to be referred to the new Electricity Market Model that shall be defined/ amended, as well as their approval to the decision making structures of the Electricity Distribution Operator company; (ii) The continuation to draft the respective budgets for each company; (iii) The application at ERE for the tariffs of each operator, making possible the reflection of the required incomes to support the approved budgets, or the fulfillment of other obligations which are fundamental to ensure the quality of the distribution service and the ensurance of the uninterrupted supply with electricity.

In this aspect, referred to the guarantee of the supply and quality of service, the Electricity Distribution Operator (OSHEE) observed that there were three elements on which it was required accuracy for the obligations and the rights that generate for the Electricity Distribution Operator, from:

- a. the requirements for the quality regulation
- b. the requirements for access to the distribution system of the generating Sources;
- c. ensure of access for the users.

The three aforementioned requirements are determined on the regulation for the quality of the distribution service, for which OSHEE company applied at ERE regarding the extention of the terms and requirements in an escalating way of the standard criterions of performance for different areas, based on the reassertion of the performance in these areas during the transitory period and the situation of the electricity distribution sector.

Further, a part of the significant effects in the quality of the distribution service, derives from the connection of the generating sources in the distribution system. In these areas, the distribution system is unplanned to inject electricity from other alternative sources.

In cooperation with its consultants, OSHEE proposed several bylegal amenments, referred to a market model, which can be considered as an optimal model not only for OSHEE company, but even for the other operators of the Power Sector with their primary purpose the achievement of the sector sustainability and the exit from the financial difficulties with which the sector is currently dealing with. OSHEE company emphasizes that this approach is not only in accordance with Directive 72/2009, of the Energy Community, but it also ensures in short terms, the liberalization of the market, in accordance with Law 43/2015, “*On Power Sector*”, as amended.

As above Electricity Distribution Operator (OSHEE) company with the official letter Protocol No. 21171, dated 26.11.2018, presented to the Ministry of Infrastructure and Energy the request for

orientation within the allocation of the Electricity Distribution Operator (OSHEE) company, requiring the consideration of the transitional measures which would offer the possibility to realize the actions, the completion of the functions regarding the draft of the respective budgets for each company, their presentation to the decision making structures, the realization of the applications for tariffs at ERE for each operator that performs regulated activities, with the final purpose final realization of the allocation .

As follows the Ministry of Infrastructure and Energy, with the official letter ERE Protocol No. 798/1 , dated 19.12.2018, presented for information, the orientation within the allocation of the of OSHEE company.

In this correspondence, the Ministry of Infrastructure and Energy shares the concerns related to:

- The correct determination of the organizational structures and the management processes of the Electricity portfolio, in accordance with the functions and the activities that each operator shall cover.
- The review and the fulfillment of the legal and by- legal framework in accordance to the obligations to ensure the uninterrupted supply and according to the quality standards to the customers;
- By – legal amendments proposed referring to a market model which can be considered as an optimal model, not only for Electricity Distribution Operator (OSHEE) company but also for the other operators of the Power Sector, where the objective remains the sustainability of the sector or the fulfillment of the other obligations provided by the law.

In the preliminary assessment of the proposed solutions, the Ministry of Infrastructure and Energy (MIE) as the shareholder of the Electricity Distribution Operator (OSHEE) company deems it appropriate a transitory period of 12 months to make effective the transfer of the licenses approved by ERE with respective decisions, a required time to issue the respective legal and by – legal acts.

As follows OSHEE company with the official letter Protocol no.789, dated 19.12.2018, based on article 37 of Law no. 43/2015, “On Power Sector”, as amended, required from ERE the designation of a transitional period to transfer the licenses approved by ERE according to the proposal presented by the Ministry of Infrastructure and Energy (MIE).

ERE considering the conclusions of OSHEE company on making effective the allocation of the companies’ , its Internal Order Protocol. No. 7224, dated 20.04.2018 “ *On the establishment of a working group for the coordination of the transferring process for the licenses from OSHEE company* as well as the proposal by the Ministry of Infrastructure and Energy (MIE) regarding the determination of a transitory period for the transfer of licenses approved by ERE, for a period of 12 months as well as the implementation of articles 16 and 37, point 2, letters “c”, “ç”, of Law No. 43/2015 “*On Power Sector*”, as amended, article 113, point 3 of Law No.44/2015, “*The Code of Administrative Procedures of the Republic of Albania*”, as well as article 15 of “ *Regulation for ERE Organization, Operation and Procedures*” with the decision No. 264, dated 20.12.2018, decided:

- The determination of a transitory period of 12 months, to make effective the transfer of operational licenses for the electricity distribution system, of the Electricity Distribution Operator *(OSHEE) company to the “ The Distribution System Operator” company, approved with ERE Board decision No. 216, dated 11.10.2018, electricity supplier license

and the obligation of the universal service of electricity supplier, of the Electricity Distribution Operator (OSHEE) company to “ the Universal Service Supplier” company, approved with ERE Board decision No. 215, dated 11.10.2018;

- Until the termination of the transitory period of 12 months, the activities of the operational system of the electricity distribution, the electricity supply and the obligation of the universal service for electricity supply, shall continue to be carried out by OSHEE company.

With regard to the increase of the efforts and collaboration with the respective institutions to enable the establishment and the effectiveness of the power exchange , we inform you that:

With the entry into force of Law No. 7/2018 “*For some amendments and additions on Law No. 43/2015, “On Power Sector”*”, it was decided about the complete unbundling of the Market Operator from the Transmission System Operator and the /establishment of the Albanian Power Exchange.

Within the work to make effective the Albanian Power Exchange, as well as implementing the Council of Minister’s Decision no. 519/2016 “*On approving the Electricity Market Model*” during 2018, in cooperation with the Ministry of Infrastructure and Energy and under USAID consultancy are established 3 technical – operational, commercial and legal and regulatory working groups, on which ERE has its representatives. During 2018 are held three joint cross-institutional meetings, where primarily it is drafted the Measures Plan to make effective the Albanian Power Exchange and then its update. Currently the working groups are informed by MIE and are currently drafted even with Council of Minister’s Decision “*On the establishment and capital structure of the Market Operator.*” and with Council of Minister Decision “*On defining the criteria and procedures for appointing the participants at the Market Operator capital.*”

In accordance with Article 19 Law No. 43/2015 “*On Power Sector*” as amended, as well as within the Memorandum of Cooperation for 6 countries of the Western Balkan, on the Development of the Regional Energy Market and the Establishment of a Legal Framework for further Cooperation signed in Vienna on date 27.04.2016, ERE Board with decision No.170, dated 03.08.2018, approved “*the Memorandum of understanding on the cooperation in daily electricity markets between the parties*” the Energy Regulatory Authority (ERE), the Energy Regulatory Office in Kosovo (ZRRÉ), the Transmission System Operator of Albania (OST company), the Transmission System Operator of Kosovo (KOSTT company). This memorandum defines the conditions for cooperation between the parties for the possibility to establish a common market between Albania and Kosovo.

ERE during the procedures to approve the electricity transmission tariff required information to the Transmission System Operator (OST company) regarding the estimated costs from the latter one for the operation of the Transmission Operator (OT) for 2019 period, costs which were taken into consideration to define the transmission service tariff for 2019.

ERE opened the procedure to review the “*Regulation on the procedures and terms for license issue, modification, transfer, renewal or license termination on Power Sector*”, in which it shall be integrated as a licensed activity even for the market operation of electricity activity.

Also during 2018, ERE with Board decision No.59, dated 15.03.2018, approved the request of TSO company to postpone the term for point 2 of ERE Board decision No. 43 dated 15.03.2017 “*On the final approval of the Transmission System Operator (OST) certification according to Article 54,*

paragraph 6, Law No.43/2015 “On Power Sector” and Article 9, paragraph 6, Directive 72/2009 EC “On Power Sector ” and article 9, point 6, of Directive 72/2009 EC after receiving the Opinion of Energy Community Secretariat. This postponement came as the result of failure to realize on time the Unbundling of the Market Operator and the realization of the amendments within the legal framework and transferring the competences to the Ministry of Economy.

Regarding the proposal on the amendments in its organizational chart to enable the ensure of the sufficient capacities and the needed expertise to confront with the challenges of the sector, we inform that:

Article 9, point 1 of Law No. 43/2015 “On Power Sector”, as amended, clearly provides that ERE is the Regulatory institution of Power and Natural Gas Sector in Albania, that is governed by the Board of Commissioners, ERE Board of Commissioners is composed of the Chairman and 4 members appointed by the Albanian Parliament. The organizational chart with which ERE performs its activity, including the Board with five members, is composed of 32 employees. Shall be mentioned that, ERE from the approval Albanian Parliament decision no.181 dated 05.05.2008, excercised its functions being supported on the organizational chart as follows:

(i) The Board composed by 5 members, the Board Adviser, the Board Secretary, the technical Staff organized in 4 Directories as follows: (ii) Licensing and Market Monitoring Directory, 7 employees, , , (iii) Legal and Customer Protection Directory, 5 employees,(iv) Tariff and Prices Directory, 5 employees, (v) Finance Administration, and Human Resources, 8 employees.

With the current developments in the Power and Natural Gas Sectors, ERE is confronted on the conditions of a restricted number of the technical staff , about 13 employees in total, without considering the essential supporting staff, to meet the requirements issued to the regulator as one of the main stakeholders of the sector to the requirements and developments of an increasing Electricity Market and the establishment of a Natural Gas Market which is being developed.

Shall be mentioned that after the issue of the new Power Sector Law No. 43/2015, implementing its provisions, ERE had the obligation to realize the requirements imposed by the law within the provided terms and has approved, or has opened the procedures for the approval of about 60 regulatory acts and secondary legislation.

As abovementioned, it has been a remarkable challenge for the staff but even for the board regarding their personal investment to review the practices prepared by the technical staff as well as the decision taking. This, without including a series of acts for the operation of the Sector regulation related to the revision and approval of the contracts or agreements regulated by Law of the Power Sector and Natural Gas Operators, which are acts that are periodically approved, in some cases and some times within the year by the regulator.

Also an important role in the work of ERE staff is held by the practices regarding the reviewed licensing procedures as well as the decisions taken regarding them, within the meaning of the initial licensing but even in the operation to reflect the requirements of the operators itself to amend the current licenses.

ERE's work, except of the limited number of the supporting staff, is focused even in monitoring of the Electricity Market, within observing and finding the implementation of the effective legislation from the sector operators.

Over the recent years, ERE had the continuous support and cooperated closely with international organizations such as: (i) ERRA - Energy Regulators Regional Association, (ii) Energy Community Secretariat, (iii) NARUC - National Association of Regulatory Utilities (USA), (iv) MEDREG- Mediterranean Energy Regulators, (v) E-Control- Energy Control Austria, (vi) ARERA- the Italian Regulatory Authority for Energy, Networks and Environment, (vii) CEER- Council of European Energy Regulators, (viii) RAE- the Regulatory Authority for Greece etc. and participated in the working groups held by these organizations as well as the seminars held by these institutions, a fact that required the commitment of ERE's staff.

In conclusion of what is mentioned above and also taking in consideration that:

- According to the provisions of Article 10 point 1 of Law No. 43/2015 "On Power Sector" as amended which provides that ERE is a legal, public person, independent from any other public or private entity.

ERE Board and its Technical Staff:

- a) perform their operations in an impartial and transparent way.
- b) act independently from market interest of any private or public institution/entity.
- Article 11 point 7 of Law no.43/2015 "On Power Sector", as amended provides that: the Board defines ERE organization chart and the number of employees, their salary and financial treatment of the Chairperson and the Board members as well as technical staff.
- Based on article 16, Article 11, point 7 of Law No. 43/2015 "On Power Sector" as amended, Articles 7 and 8 of the "Regulation on ERE organization, operation and procedures" approved with ERE Board Decision No. 96, dated 17.06.2016,
- Energy Community Secretariat, occasionally and repeatably has required to the ERE Board as well as the Ministry in charge for Electricity, to undertake the necessary steps to adapt the technical capacities and ERE staff with the market requirements as well as with the best international practices.
- The Resolution of the Albanian Parliament, for accessing the activity of the Energy Regulatory Authority, for 2017, issued an obligation that: ERE shall propose the amendments on its organizational chart to make it possible the ensurance of the adequate capacities and the necessary expertise required to confront the challenges of the sector.

From the above mentioned;**ERE Board on its meeting dated 02.04.2019, with decision No. 52 decided to approve the organizational chart of the Energy Regulator Authority, stating:**

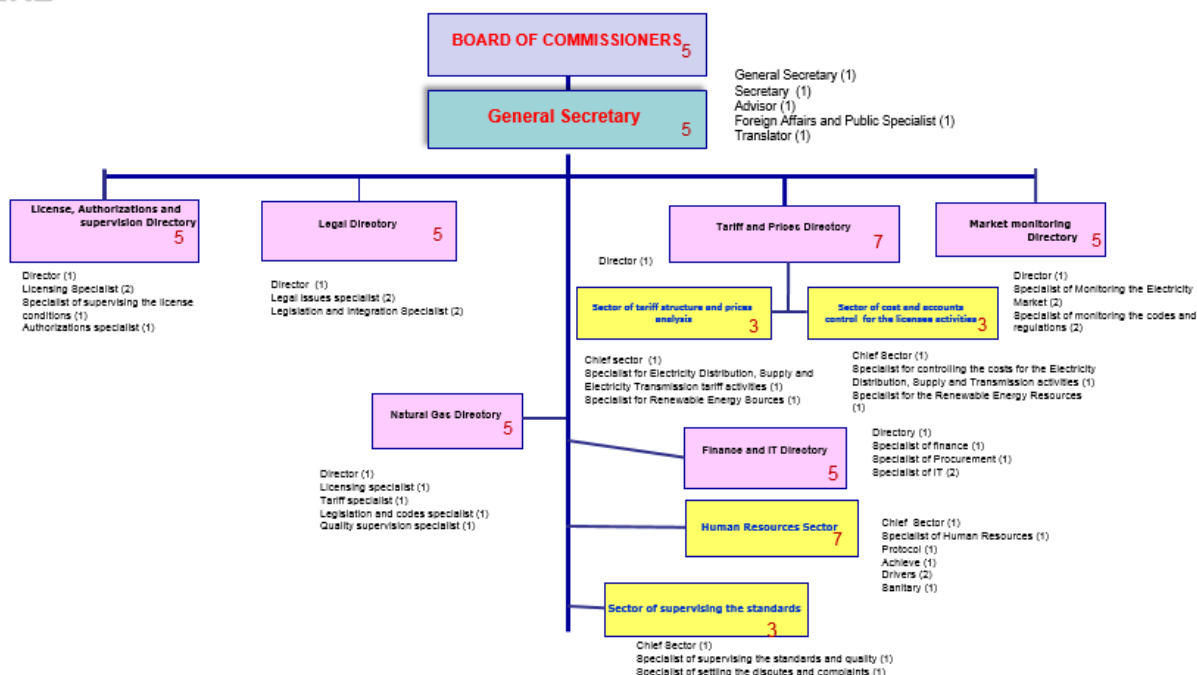
1. To approve the organizational chart of the Energy Regulatory Authority.
2. The maximum number of the employees at Energy Regulatory Authority is 52.

The new organizational chart reflects;

- (i) The challenges that ERE encounters regarding the developments in the Electricity Market and that of Natural Gas not only in Albania but also within the integration in the regional market in accordance to the commitments deriving from Western Balkan 6 Memorandum.
- (ii) The need to draft, approve and review the by-legal acts that provide the implementation of the laws and policy of the Albanian government in Power Sector, natural gas and renewable resources.
- (iii) ERE responsibilities regarding the monitoring of Electricity Market the increase of the market participants throughout these years, ERE role regarding end use customer's protection and Market Transparency establishing special units regarding the monitoring of the standards and quality as well as settling the disputes.
- (iv) Progress for the development of Natural Gas Market, which with the set into operation of TAP project shall require the development and training of the human resources of the Regulator to confront the challenges in the establishment of this market in Albania creating spaces for the establishment of a regional market, considering even the expectations regarding the investments within the Ionian Adriatic Pipeline (IAP) project.
- (v) The commitments in the regional and international structures that require the active participation of the Regulatory staff .
- (vi) The provisions of Law No.152/2013, "On Civil Servants" as amended and the published acts on its implementation related to way of the organizational chart for the public administration.
- (vii) Also this organizational chart comes as an analysis of the practices for the homologous institutions in the countries and the regulatory organisations where we participate as permanent members.

ERE

Total no of employees 52



Regarding the cooperation with OSHEE company and the responsible institutions, to take the steps to settle the electricity cabins ownership issue, 51.3% of which are not in OSHEE ownership establishin obsatcles for the right to interfere and execute the financial expenses from OSHEE to the necessary cases, we inform that:

ERE sent to OSHEE company and a copy to the Ministry of Infrastructure and Energy the official letter Protocol No.578 dated 04.09.2018, by which it requires OSHEE concrete proposals for the appropriate settling including the necessary amendments in the legal framework. In several meetings organized at ERE, OSHEE company informed that it is working to review the proposals submitted earlier, for the purpose of the amendments on the effective legislation and the final settlement of this issue.

Regarding the proposal for the necessary amendments in the legislation for settling this issue in the future, we inform you that it is on the OSHEE company discretion which had and continues to have all ERE support and expertise, for the proposal of most suitable amendments in the effective legislation. These amendments shall be reflected on the legal acts that regulate the ownership relations.

In the continuous communications with OSHEE company, to find a solution for the ownership of the cabins, ERE expressed the recommendation for careful assessment of the objects (cabins) with minimal effects in the costs that are transferred at the distribution service tariff. As above mentioned, ERE expressed its readiness and support for OSHEE company for an optimal solution.

Regarding the undertaken provisions to make possible a full evaluation of the losses for OSHEE from the connection point of the energy producers, to have a fair and accurate system for the execution of the respective financial obligations, we inform that:

ERE continuously required to OSHEE company the preparation of an assessment study/analysis and the losses effect for OSHEE company from the connection point of the electricity producers and the proposed solutions. For this purpose OSHEE company informed that it has contacted third parties for the service “The study to access the electricity losses in the connection tract from the generating unit up to the connection point with OSHEE company network” and shall send to ERE the result and specific proposals according to the terms of reference, immediately after the termination of this service from the contractor.

Based on the legislation in force (article 94, letter “e” of Law 43/2015 “On Power Sector”) and the best international experiences, to work for the establishment of the new assessment mechanisms, which, from one side, influence to the increase of the service quality and on the other side serve to consumer protection, reimbursing/compensating in case of outage of energy service for low voltage (LV) shall be explained that:

After the repeated correspondences by ERE, in their response, OSHEE company reported regarding the implementation of the “*Regulation on the standard criteria for the electricity distribution service*”, approved with ERE Board Decision No. 181, dated 10.11.2017. From OSHEE company it is performed the full study and analysis of the main indicators for metering the electricity service quality from OSHEE company during 2015-2016-2017-2018 period.

This analysis is referred to the main indicators of the quality SAIDI (The System Average Interruption Duration Index) , SAIFI (System Average Interruption Frequency Index) allocated for urban and rural areas. Referring to the performance indicators of OSHEE company, it was observed that the distribution network for 2015-2018 period is significantly improved, but the number and duration of the defects in the rural areas continues to remain higher in relation to the European Community norms and the requirements of the Electricity Market. SAIDI and SAIFI for 2018 have respectively been 65.18 min and 34.02.

These values of SAIDI and SAIFI for 2017 have respectively been 35.58 min and 74.43.

This improvement for 2015-2018 period is a result of:

The realisation of investments planned in accordance with the policies and the development of Power Sector;

- a) for the security of supply in normal and emergency situations;
- b) for the improvement of the distribution system to maintain and improve the network performance.

ERE approved the Regulation on the standard criteria for the quality of supply service and security performance the electricity distribution network with decision no. 181, dated 10.11.2017. In relation with this regulation OSHEE company required the postpone of the defined terms in this regulation, requiring an escalated application to approve the allowed level of the standard criteria of performance in different areas.

ERE in consultation even with MIE, with decision no. 271, dated 21.12.2018, decided the postpone of the term for the realization of the parameters required by “*Standard criteria of the quality of distribution service of Electricity*” , for a 6 month period with the condition that

within this period the Company shall submit at ERE a detailed study on the escalation of the realization of the required parameters according to the above mentioned areas.

ERE with decision no. 207, dated 18.12.2017 approved the “ *Regulation on the standard criteria of electricity transmission service*”.

ERE with decision no.270, dated 21.12.2017, after observing the failure to fulfill the required obligations from the abovementioned regulation due to reasons that do not depended on TSO company and may not be avoided despite the will to avoid them, the efforts or TSO company care, decided the postponement of the determined terms on decision no. 2017, dated 18.12.2017 until 1 July 2019.

Having into consideration as it is informed by TSO company, during the assets transferring by OSHEE company, (the busbars of the substations 110 kV, elements which relatively resulted depreciated regarding the technical condition), it came the need to transfer the data for these assets requiring a transitory period for the implementation of the quality of service regulation by TSO company.

Regarding OSHEE encouragement to set as soon as possible into operation the new invoicing system, which facilitates the electricity metering and establishes new necessary possibilities and options, including the periodical metering, for a couple of months, as well as the inclusion in the standard contract for year 2019 of this way of metering.

ERE with official letter Proto No. 574, dated 04.09.2019, addressed to OSHEE company requiring the OSHEE collaboration for setting into operation as soon as possible of the new invoicing system, which shall significantly facilitate the electricity metering and establishes new necessary opportunities, including the monthly periodical metering for a couple of months, as well the inclusion in the standard contract for 2019, of this way of metering as well as sending the concrete proposals accompanied with a cost benefit analysis of setting a reading – invoicing system. Also it was required that OSHEE shall inform even the identified mechanisms for the avoidance of the abuses in the reading and invoicing process on several monthly basis.

Regarding the conditions of a significant increase of private HPP production, to promote the relevant authorities to access the need for an update of the regulation for dam utilization, we inform that:

ERE with the official letter Proto No.571, dated 04.09.2018, addressed to the National Committee on Large Dams, to the knowledge of MIE, KESH company, FIAA and AREA, requiring the verification of observed issues related to the current condition of the dams in our country, as well as the corresponding proposals for the necessary amendments in the regulation for dam utilization.

As follows the National Committee on Large Dams submitted at ERE the official letter Proto No. 571/1, dated 04.10.2018, in which among other issues evidenced the need for the attitude of the Contracting Authority implementing the concession contracts and the legal responsibilities belonging to the owners of dam utilizers at any period, being that on its practice the National Committee on Large Dams, encountered in the following cases:

Dams, which despite of having a concession contract are projected, constructed and set into utilisation without being presented at the National Committee on Large Dams for approval. Furthermore, the object is issued with a Construction Permission.

The materials for the dam project or the acts that can affect on its operation, are not clearly reflected. Consequently there shall be uncertainties for the decisiontaking and the responsibilities.

In the projects prepared by foreigners, there are lacks in recognising the concrete conditions, previously constructed acts and the influence from the new acts. Following the above mentioned, ERE with official letter Protocol No. 571/2, dated 29.10.2018 required to MIE to the knowledge of the National Committee on Large Dams, the support of the Ministry of Infrastructure and Energy to prevent the evidenced situations by the National Committee on Large Dams with the official letter Protocol No. 571/1, dated 04.10.2018.

Meanwhile ERE with decision No. 239, dated 02.11.2018, opened the procedure to review the “*Regulation on the procedures and terms for license issue, modification, transferring, renewal or license termination in the power sector*”, on which shall be integrated as criteria to be equipped with a license issued by ERE even the approval from the National Committee on Large Dams for the dam project as well as the permission to set into power for the first time of the dam and the facilities.

Regarding the collaboration with the Ministry of Infrastructure and Energy regarding the lacks, as well as the further extension of the responsibilities and ERE competences, in the framework of implementing the objectives and principles defined on the Third Energy Package, we inform that:

ERE considering very important the increase of the Regulator’s independence to exercise the functional obligations within the framework of the abovementioned laws with official letter Protocol No. 568, dated 04.09.2018, required from MIE the collaboration for the lacks as well as for the further extension of the ERE responsibilities and competencies, in the framework of implementing the objectives and the defined principles in the Third Energy Package.

These proposals relate to an addition on Law No. 152/2013, “On Civil Servant as amended”, the approval of these amendments from the Assembly fulfills one of the main conditions of the Implementation of the Third Energy Package, “For an Operational and Financial Independence of Energy Regulators Authorities”, based on Directive 2009/72/EC for Electricity, article 35 (4, 5) letters a,b and Directive 2009/73/EC on Natural Gas, article 39(4,5), letter (a,b) as well as of Law 43/2015 “On Power Sector”, article 11, point 7.

Also these proposals to enable the harmonization of this Law with the “Power Sector Law” and “Natural Gas Law” are connected even with some amendments on Law No. 9584, dated 17.07.2006 “On Salaries, Rewards and Structures of the Constitutional Independent Institutions and other Independent institutions established by law.”

Regarding the objective in completing the legal framework with the secondary legislation, in the function of Council of Minister Decision, implementing Law No. 43/2015 “On Power Sector” as well as the amendments that this law has encountered with Law No. 7/2018, shall be informed that:

During 2018, ERE has continued the drafting process and the approval of a series of by-legal acts, implementing the provisions of Law 43/2015 “*On Power Sector*” as amended as well as Law 102/2015 “*On Natural Gas Sector*”.

Among them we can mention “*Regulation on the general conditions of electricity supply service for the end use customers*”, “*Rules on defining the data form and the procedure for the supplier’s access to the data of the Electricity Distribution Operator*”, “*Rule on Supplier of Last Resort*” and the “*the Contractual conditions of the electricity supply*”, “*Regulation on the protection of confidential information*”, “*Operational license of the Distribution System Operator for Electricity*”.

Other acts that ERE has drafted and approved are those regarding the natural gas sector, and implementing Law 102/2015 “*On Natural Gas Sector*”. During 2018 are approved the standard licenses on natural gas distribution, natural gas trading, natural gas supply as well as the “*Regulation on the general conditions of natural gas supply for the end use customers*”.

Considering the obligations that arise from the implementation of the approved decisions from the Permanent High Level Group PHLG of the Energy Community Secretariat and the membership of TSO company as a full rights member in the European Network of Transmission System Operators for Electricity (ENTSO-E), it was necessary to adapt part of the legal acts including the Codes and Regulations according to the European Union legislation (EU).

In relation to the process of reviewing and approving the investment plan of the distribution and transmission operators for electricity, requiring the orientation of the investments to cost reduction and the identification of the system parts where the intervention is more necessary for an integrated system in the regional market.

With decision no. 212, dated 28.12.2017, ERE approved the investments plan for 2017 and the 10 year plan 2015-2025 for the development of the transmission network of TSO company and with decisions no. 181 and 182, dated 20.08.2018, ERE approved the investment plan of “OSHEE” company, for 2018 and that for the development of the electricity distribution network, for a 5 year period (2018-2022).

Among others in the development plan of TSO company in the framework of the integration in the regional market it is provided the construction of the interconnection line Albania- North Macedonia and the extension of the 400 kV voltage level of Koman substation, to increase the transmission capacities toward Kosovo.

During the process to approve the investment plan of Transmission System Operator, ERE monitored the implementation of Law No.43/2015 “*On Power Sector*” as amended and the “*Regulation on the procedures of submitting and approving the investment plans of electricity transmission and distribution operators*” approved with decision no.135, dated 06.09.2017, in particular the request for support with cost-benefit analysis for each proposed project in the investments plan.

ERE continuously monitored the realization of the investments for the Transmission System Operator observing that despite of the approved amendments by the Supervisory Board of TSO

company the implemented results correspond with the trends of the 10 year plan for the development of the transmission network. Regarding the monitoring of the Distribution System Operator it results that, this plan has undergone on approved amendments in the implementation phase adhering to the targets expressed at the 5 year network development plan.

The review of the investments plan is performed according to the requirements of the “*Regulation on the procedures for the submission and approval of the investment plans from transmission and distribution operators of electricity*” approved with ERE Borad decision No. 135, dated 06.09.2017.

Regarding the continuance collaboration with the Energy Community, the Ministry of Infrastructure and Energy and the Competition Authority regarding the issues related to the regulatory framework on power sector and other important issues of this sector, shall be infored that:

During 2018, ERE had continuous collaboration with Energy Community Secretariat, the Ministry of Infrastructure and Energy and the Competition Authority, regarding the process of approving the regulatory by-legal acts of power and natural gas sector, for which these institutions have expressed comments and suggestions. Also with Energy Community Secretariat during 2018 are handled the issues submitted by Energji Ashta company regarding the operation and balancing according to the contracts related to the operation of the cascade and the effective legislation. Also “GEN-I Tirana” company submitted at ERE several complaints related to the implementation of the electricity sale-purchase procedures from KESH company as well as the contracts related to the deviations and energy storage. These issues are currently being reviewed by ERE in consultation with Energy Community Secretariat.

With the Ministry of Infrastructure and Energy and the Competition Authority during 2018 it is collaborated and are taken opinions regarding the issues dealing with the review of the metodologies on imposing the tariffs and prices as well as decisions that are taken regarding the impose of the tariffs and prices which are reflected on ERE Board Decisions as follows:

- Decision no. 97, dated 23.04.2018 “On approving the natural gas distribution service tariff by Albgaz company, for 2018”
- Decision no. 144, dated 25.06.2018 “On reviewing the methodology on defining the electricity sale Price from the supplier of last resort” approved with ERE Board decision no. 201, dated 04.12.2017”
- Decision No. 190, dated 30.08.2018 “On reviewing the application of “OSHEE” company for the electricity distribution service tariffs according to the voltage level and the let into force the retail prices for the customers served by the universal service supplier for 2018.”
- Decision no.266, dated 21.12.2018 “On defining the electricity distribution service tariff from “TSO” company for 2019”
- Decision No. 268, dated 21.12.2018 to let into force ERE Board Decision no.190 dated 30.08.2018 regarding the tariff for using the distribution network according to the voltage level and the retail prices for the end use customers served from the universal service supplier for 2019.

Regarding the work to reflect in the current regulatory legislation the necessary amendments, in conformity with the European Union Third Energy Package in the electricity area, to make possible the establishment of a competitive, efficient and that encourages the safety and quality of electricity supply in the country, shall be informed that:

ERE during 2018, approved several regulatory acts in conformity with the European Union Third Energy Package which are as following:

- ERE Board Decision no.127, dated 04.06.2018, “On establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules (HVDC)”
- ERE Board Decision no. 128, dated 04.06.2018 “ On approving the Network Code on Demand Connection”
- ERE Board Decision no. 129, dated 04.06.2018 “On establishing a network code on requirements for grid connection of generators.”
- ERE Board Decision no. 214, dated 11.10.2018 ,”On establishing a network code on interoperability and data exchange.”
- ERE Board Decision no. 249, dated 11.12.2018, “On approving all TSO-s proposal for a generation and load data provision methodology in accordance with Article 17 of Commission Regulation (EU) 2016/1719 dated 26 September 2016 on establishing a guideline on forward capacity allocation
- ERE Board Decision No.250, dated 11.12.2018, “ On approving an TSO-s proposal for a common grid model methodology in accordance with articles 67 (1) and 70 (1) of the Commission Regulation (EU) 2017/1485 of date 02 August 2017 on establishing a guideline on electricity transmission system operation”
- ERE Board Decision No. 251, dated 11.12.2018 , “On approving some amendments on all TSO-s proposal on the Key Organisational Requirements, Roles and Responsibilities” (KORRR) regarding the data exchange”
- ERE Board Decision no. 252, dated 11.12.2018, “On approving all Continental Europe and Nordic TSOs' proposal for assumptions and a Cost Benefit Analysis methodology in accordance with Article 156(11) of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation”.
- All TSO-s proposal on the Key Organisational Requirements, Roles and Responsibilities” (KORRR) regarding the Data Exchange in accordance with Article 40 (6) of the Commission Regulation (EU) 2017/1485 dated 2 August 2017 a Guideline on Electricity Transmission System Operation.

Following the certification of the transmission operators in the respective sectors, to continuously monitor these operators to provide the fulfillment of the obligations that derive from the certified operator status.

During the year 2018, ERE has made the decisions as follows:

- Decision No. 59, dated 15.03.2018 “ On approving the request by TSO company to postpone the term for point 2 of ERE Board Decision No. 43 dated 15.03.2017, on approving the final certification of transmission system operator for electricity TSO company in conformity with article 54, point 6, of law no. 43/2015, “On power sector ” and article 9, point 6, of Directive 72/2009 EC after receiving the opinion of Energy Community Secretariat.

This decision consists in postponing the term to fulfill its conditions, from TSO company.

Regarding the fulfillment of the certification decision conditions from TSO company after the abovementioned postponement, ERE monitored the process for the fulfillment of the conditions requiring from TSO company to inform the status of their fulfillment.

TSO company reported informing that are remaining unfulfilled, the conditions, for which are presented the relevant proposals for their settlement:

- *The unbundling of the Market Operator. To realize this purpose, TSO company shall take the appropriate measures to collaborate within its competencies for the fulfillment of the legal obligations defined in law, to ensure the fulfillment of the obligation for the financial and legal unbundling of the Market Operator, provided in article 57/2 of Law No. 43/2015, “On Power Sector” as amended and in accordance with the Council of Ministers decision for the Market Rules approve by ERE and in accordance to the decision of the Council of Ministers for the unbundling of the Market Operator.*
- *The cross-institutional collaboration to realize the amendments within the legal framework and transferring the competencies at the Ministry of Economy. To fulfill this obligation, TSO company shall submit at ERE the documentary evidences that the necessary legal and by-legal amendments related to the transferring of the competences of the Ministry of Energy and the Industry at the shareholder of TSO company, the Ministry of Economy, occurred and are effective.*

For this purpose ERE exchanged communications even with MIE to require the support of the latter for implementing article 56 of Law No. 43/2015 “On Power Sector” as amended and ERE Board Decisions No. 43, dated 15.03.2017 and No.59, dated 15.03.2017, to ensure the unbundling of TSO from Market Operator and the establishment of the Power Exchange as well as the Council of Ministers drafts “On defining the criteria and procedures for the appointment of the participants on Market Operator capital ”.

- Decision No. 236, dated 02.11.2018, “On an amendment on ERE Board Decision No. 179, dated 08.11.2017 “ On the certification “Natural Gas Combined Operator” Albgas company.

This decision consists in the postponement of the terms for the fulfillment of its conditions, from Albgas company, since the latter failed to fulfill within the term defined by decision No. 179, dated 08.11.2017.

ERE for this purpose exchanged communications even with MIE to require the support of the latter on the fulfillment of the conditions as follows:

- Point 2. Within 1 month from the entry into force of this decision Albgaz shall replace MIE representatives at the supervisory council of the company with members which are not employed at MIE or other electricity generation and/or supply companies that are controlled by it.
- Point 3. Albgaz shall report each month at ERE on the registration procedure of the transmission assets and conclude the procedure within 6 (six) months after the approval of the Final Decision.
- Point 4. as well as shall draft and deliver at ERE the Report defined according to the regulatory Compliance Program not later than 12 months from the approval of the Certification Decision of ALBGAS company, in conformity with the definitions of article 21 Directive no.73/2009 of the European Commission “On the rules of natural gas market” and article 47 of Law no. 102/2015 “*On Natural Gas Sector*”
- Point 5. Within 12 months from the entry into force of this decision, to implement the recommendations of the Secretariat Opinion, Albgaz company, shall submit at ERE evidences for the guarantee regarding: 5.2 Cross-institutional cooperation for realising the amendments in the legal framework and transferring the competences to the Ministry of Economy. To fulfill this obligation, Albgaz company shall submit at ERE the documentary evidences that show the necessary legal and by-legal amendments regarding the transfer of the competences of the Ministry of Infrastructure and Energy to the Albgaz shareholder the Ministry of Economy and finance, are performed and are effective.
- Point 7. Albgaz sh.a shall report each 3 months to the ERE and to the Energy Community Secretariat regarding the compliance of points 2,3,4 and 5 of this decision the progress of the competences transferring process from the Ministry of Infrastructure and Energy to the Ministry of Economy and Finance.

Regarding the increase of the efforts and performing a proactive role for the gradual liberalisation and the effective opening of the electricity market, to ensure fair and reliable services for the customers and increasing the competition in the electricity market, shall be informed that:

During 2018 it has proceeded the issue of the customers in the electricity open market. Currently despite those connected in the 220 kV voltage level: 110 kV (a total of 17 customers with annual consumption 957 GWh) issued in the open market even those connected in 35 kV voltage level, where 16 customers with a consumption of about 15 GWh, receive only the distribution service, whereas the customers supplied from Supplier of Last Resort there are 79 customers with a consumption of 57 GWh.

Regarding the increase in number of the implementation of the photovoltaic plants in the buildings, to monitor the progress and to collaborate with the Ministry of Infrastructure and Energy and the other institutions for the draft and the approval of the relevant decisions for the settlement of the issues, from the technological and financial point of view for the excess energy generated from these plants, shall be informed that:

ERE with the official letter Proto no. 573, dated 07.09.2018, required MIE and OSHEE company collaboration for the evidence of the technical and financial issues caused from the implementation of these plants in the buildings, to continue with the appropriate settlement including the proposals to issue the legal and by-legal acts.

As follows OSHEE company with official letter Protocol No. 573/1, dated 06.12.2018, submitted at ERE the failure to connect in the distribution network this producers category.

ERE with the official letter Protocol No.166, dated 18.02.2019, send to OSHEE company to the knowledge of MIE where it brings in mind to OSHEE company the legal obligation defined on Law no. 7/2017 “*On the promotion of the use of energy from the renewable resources*”, which shall be implemented by OSHEE company taking the measures regarding the connection of these plants in the electricity distribution network.

Regarding the continuance of the work for the development of the natural gas market, as an important condition to ensure long term security of the supply with natural gas and the diversification of the sources in the country, shall be informed that:

During this year ERE with decision No. 256, dated 17.12.2018, “Balkgaz” company in the natural gas trading activity (wholesale).

ERE also approved the regulatory by-legal acts on natural gas sector as follows:

- Decision no. 7, dated 10.01.2018 “ On approving the standard license in natural gas distribution activity.”
- Decision no. 8, dated 10.01.2018 “ On approving the standard license in natural gas transmission activity.”
- Decision no. 18, dated 10.01.2018 “On approving the Regulation on the procedures of submitting the investments plan by the natural gas transmission and distribution operators”.
- Decision no. 23, dated 30.01.2018 “ On approving the Regulation for switching the supplier in natural gas sector”.
- Decision no. 24, dated 30.01.2018 “On approving the standard license of natural gas trading activity.”
- Decision No. 25, dated 30.01.2018 “On approving the standard license in the natural gas supply activity.”
- Decision No. 80, dated 06.04.2018 “ On approving the operational rules for the supplier of last resort of natural gas.”
- Decision No. 81, dated 06.04.2018 “ On approving the rules for the security of third party access in the transmission system and transparency in the natural gas sector”.
- Decision No. 161, dated 09.07.2018 “ On approving the Regulation on the general conditions of natural gas supply service for the end-use customers.”
- Decision No. 223, dated 16.10.2018 “On approving the minimum requirements for the compliance officer , the professional qualities and the other selection criteria “ and the preliminary approval of the natural gas TSO compliance officer.
- Decision No. 248, dated 11.12.2018 “On approving the contract no.116, dated 20.11.2018 “on the transmission service of the natural gas signed by “Albgaz” company and “Albpetrol” company for 01.01.2018 – 31.12.2018 period.”

Within the consumer protection framework, through the competencies provided by law, shall require from OSHEE to implement the customer rights, to improve the customer care service, the identification and the penalization of arbitrary and irresponsible behavior by OSHEE employees, as well as the respecting the term for the respective services, which are mostly non respected, creating delays, which give space for abuse and corruption.

Regarding this issue at ERE are submitted 279 complaints. Mainly the object of these complaints was the violation of the universal service contract for electricity supply.

As follows ERE required from OSHEE company to handle without delay and within the legal terms of all the electricity customers complaints. This defining the terms for the responses from the company to handle the complaints requiring, the implementation of these obligations that derive from Law. 43/2015 “*On Power Sector*” as amended as well as the effective by-legal acts and concretely : “Regulation on the general conditions of the electricity supply service for the end use customers”. ERE is in a monitoring process to review all the not handled complaints.

Also within this framework, ERE started and continues to monitor OSHEE company activity to meet the customer rights implementing the regulations approved by ERE for this purpose.

Within the customer protection framework and to make possible that the customers shall not be unprotected in the market, which is not liberalized, ERE with Decisions no. 201, dated 03.09.2018 approved and set as an obligation to OSHEE company the implementation of a measures plan with concrete obligations.

This plan clearly identifies the responsibilities of the Supplier within the public service obligation such as : The right to information, customer access service, the right to submit a complaint to the provided service, the right to choose, including the right of payment modalities, the right to choose the supplier, the right to be informed for the prices.

Regarding the work to increase the customer awareness for their rights, in relation to the electricity supply service, ERE has completed this mission through the publications on ERE official web-site, as well as in the social networks.

Shall continue to pay special attention to the customer protection interests, by handling not only the complaints submitted at ERE, but participating in the legal processes, at which the customers exercise their constitutional right for the complaint to the Distribution Operator.

Within this framework ERE in the administrative way reviewed in conformity with the procedure and within the legal terms the submitted complaints by the electricity customers. This of course has not prevented this latter, to address to the legal authorities requiring their right, claimed as violated by the supply company OSHEE. In these conditions they considered reasonable that ERE shall be part of the legal process, as a third party, when OSHEE company is called as defendant in the court.

3.2 Licensing and monitoring of Electricity Market Activities.

3.2.1 The licenses and the handled requirements during 2018.

During 2018, ERE performed a wide activity for licensing the entities in different activities of power and natural gas sector, implementing the effective legal and by-legal framework. It was highlighted this year the increased number of the applications for licensing in electricity production activity from the photovoltaic plants.

For all of the submitted applications, it is implemented the transparency provided in the licensing procedures, implementing Law No. 43/2015 “*On Power Sector*”, as amended, Law No. 102/2015 “*On Natural Gas Sector*” as well as the “*The Regulation on the procedures and terms for license issue, modification, transferring, renewal or license termination in the Power and Natural Gas Sectors*”. In accordance with the above mentioned legal framework are implemented the terms for publication in the written media to take the opinion from the stakeholders. Shall be mentioned that any licensing application is subject to a careful analysis of regularity and correctly meeting the legal, financial, administrative, technical documentation and taking the relevant water use or environmental permits issued from other institutions in conformity with the activity that the entities have applied for license.

Licensed entities in electricity production activity for 2018:

ENTITY	ELECTRICITY PRODUCER	INSTALLED CAPACITY
“Llënge HPP”	“Llënga 1” HPP “Llënga 2” HPP “Llënga 3” HPP	1730 kW 300 kW 1500 kW
“Alesio - 2014” company	“Kryezi” HPP	1990 kW
“Lucente Koncesionare” company	“Spatharë” HPP	1038 kW
“Hydro Seta” company	“Seta 1+2” HPP “Seta 3” HPP “Seta 4” HPP	7454 kW 2722 kW 4724 kW
“Favina 1” company	“Voskopojë” HPP	1970 kW
“AGE Sunpower” company	Photovoltaic plant Topojë (Sheq Marinas)	2000 kW
“Seman Sunpower” company	Photovoltaic plant Topojë (Sheq Marinas)	2000 kW
“Malësia Solar 1” company	Photovoltaic plant “Lahë e Poshtëme” Shkrel, Koplik, Malësi e Madhe District, Shkodër.	2500 kW

“Malësia Solar 2” company	Photovoltaic plant “Lahë e Poshtëme” Shkrel, Koplik, Malësi e Madhe District, Shkodër.	2500 kW
“Malësia Solar 3” company	Photovoltaic plant “Lahë e Poshtëme” Shkrel, Koplik, District Malësi e Madhe, Shkodër.	2500 kW
“OSOJA Energy” company	Photovoltaic plant Seman-1 Sheq Marinas Fier.	2000 kW
“Seman2Sun” company	Photovoltaic plant Seman – 2, Sheq Marinas, Fier	2000 kW
“Caushi Energy” company	“Qafzezë” HPP	400 kW
“SONNE” company	Photovoltaic plant, Topojë	1998 kW
“AED Solar” company	Photovoltaic plant Topojë	1998 kW
“Domi - Tec” company	“Plepi” HPP	2285 kW
“Blac Energy” company	“Blac” HPP	1300 kW
“Ediani” company	“Shëngjon 1” HPP “Shëngjon 2” HPP “Shëngjon 3” HPP	651 kW 356 kW 341 kW
“Alesio - 2014” company	“Fushë Arrëz” HPP	1990 kW
DERBI – E	“Antena” HPP	1105 kW
“AEE” company	Photovoltaic plant “Plug”	2000 kW
“OSOJA HPP” company	“Osoja” HPP	1952 kW
“BE-IS Energy”	“Kalivar 1” HPP “Kalivar 2” HPP “Kalivar 3” HPP “Kalivar 4” HPP	1475 kW 1526 kW 3321 kW 275 kW

- From ERE Decision Board during 2018 it is approved the modification of electricity production license of “Hidropower Electric” company, no. 130, Series PV11K, approved with ERE Board Decision No. 59, dated 22.06,2011, for electricity production from “SLABINJE 2A” 2MW capacity, “SLABINJE 2B” 1600 kW capacity, “ SLABINJE 2C” capacity 1800 kW, “SLABINJE 2D” 5000 kW capacity and “SLABINJE 2E” 3400 kW capacity, HPP-s , approving the names and capacities as follows:

- “Sllabinja 2B”HPP, installed capacity 1800 kW;

- “Sllabinja 2C” HPP installed capacity 3400 kW;
 - “Sllabinja 2D & 2D/1”(installed capacity $N/1 = 4885$ kW and $N/2 = 1200$ kW);
 - “Sllabinja 2E” HPP with installed capacity 3800 kW;
- Total installed capacity $N = 15085$ kW.*
- It is also approved the modification of license No. 181, Series PV12K of “ÇAUSHI ENERGJI” entity for electricity production from “Qafëzezë” HPP, with installed capacity 400 kW, approved with ERE Board Decision No. 122, dated 29.08.2012, on the condition that within 3 months from the decision, shall submit at ERE the environmental and water utilization permits, issued by the competent institutions for the installed capacity 1450 kW. Given that the condition failed to be fulfilled from the entity, ERE Board with decision no. 218, dated 11.10.2018, decided:
 1. *The abrogation of ERE Board Decision no.133, dated 07.06.2018, “On the request of “Çaushi - Energji” company for Electricity Production license modification No. 181, Series PV12K, approved with ERE Board Decision No. 122, dated 29.08.2012”.*
 2. *The abrogation of “Çaushi Energji” company request for electricity production license modification No. 181, Series PV12K, approved with ERE Board Decision No. 122, dated 29.08.2012.*
 - ERE Board during 2018, being supported on article 16, article 19, letter “ d”; article 37, point 2, letter “ç” and article 44 of Law No. 43/2015 “On Power Sector” as amended, article 2 and article 4 of the Council of Ministers Decision No. 244, dated 30.03.2016 as amended, “Conditions for setting the public service obligation that shall be implemented to the licensees on power sector that perform electricity production, transmission, distribution and electricity supply activity” article 4, point 1, letter “c”; article 5, point 1, letter “c”; article 13, article 17, points 1,2,4 and 5 of the “Regulation on the Procedures and Terms for License Issue, Modification, Transferring, Renewal or License Termination in the Power Sector” , approved with ERE Board Decision No. 109, dated 29.06.2016, as well as article 15 of the “Regulation on ERE Organization, Operation and Procedures” approved with ERE Board Decision No. 96, dated 17.06.2016, approved the electricity supply license transfer no. 251, Series P14FPP approved with ERE Board Decision No. 97, dated 27.10.2014, valid until 27.10.2019 and the obligation of the universal service for electricity supply, of the Electricity Distribution Operator (OSHEE) company approved with ERE Board Decision No. 112, dated 08.07.2016 to the “ Universal Service Supplier” company
 - ERE Board being supported on article 16, article 37, point 2 letter “c”, and article 44 of Law No. 43/2015 “On Power Sector” as amended, article 4, point 1, letter “c”; article 5, point 1 letter “c”; article 13 and article 17, points 1,2,4 and 5, of the “Regulation on the Procedures and Terms for License Issue, Modification, Transferring, Renewal or License Termination in the Power Sector” approved with ERE Board Decision No. 109, dated 29.06.2016, and article 15 of the “Regulation on ERE Organization, Operation and Procedures”, approved with ERE Board Decision No. 96, dated 17.06.2016, approved the license transfer of the “Electricity Distribution Operator” (OSHEE) company, no.250, Series P14SH, approved with ERE Board Decision No.96, dated 27.10.2014, to the “Distribution System Operator” company valid until 27.10.2014.

Licenses in Electricity Trading activity during 2018

No.	ENTITY	LICENSED ACTIVITY	DATE OF BOARD DECISION
1	“Wind Power Albania” company	Trading	Decision no. 58, dated 12.03.2018
2.	“Smart Watt” company	Trading	Decision no. 72, dated 26.03.2018
3.	“DON - UCD” company	Trading	Decision no. 158, dated 09.07.2018
4.	“ReNRGY Trading Group” company	Trading	Decision no. 163, dated 19.07.2018
5.	“Uradrin” company	Trading	Decision no. 172, dated 03.08.2018
6.	“FLT” company	Trading	Decision no. 198, dated 03.09.2018
7.	“AEE” company	Trading	Decision no. 210, dated 27.09.2018
8.	“ENER TRADE” company	Trading	Decision no. 226, dated 26.10.2018

- License removal no.124, Series T11P, “Dunicë HPP” for electricity trading, approved with ERE Board Decision No.28, dated 10.03.2011. The license removal was done with the request of the entity being in the conditions of inability to continue the activity.
- The abrogation of ERE Board Decision No. 8, dated 04.02.2009, “On licensing “ENPOWER ALBANIA” company for performing the electricity trading activity”, as amended, after observing violations of license conditions from the entity.
- License removal no. 255, Series T14, “EFT ALBANIA” company for electricity trading, approved with ERE Board Decision No. 108, dated 14.11.2014. License Removal was conducted due to the requirement of the subject in a reorganization framework within the group of companies EFT Group.
- License modification of “Energia Gas and Power Albania” company, in electricity trading activity no. 258, Series T14, approved with ERE Board Decision No.133,dated 24.12.2014. With this modification it is changed the name of the entity and the commercial name as follows:
 - The new name of the entity becomes: “Energia Gas and Power Albania”
 - The commercial name of the entity becomes: “Energia Gas and Power Albania”
- License Modification of “ GEN-I Tirana” company no. 74, Series T08P, in electricity trading activity, for a 5 year period.
- License removal no. 278, Series T15, “ROBERTO OIL” company, for electricity trading, approved with ERE Board Decision no. 49, dated 17.04.2015. License removal is on the request of the entity for not exercising the activity.

Entities licensed in Electricity Supply activity during 2018 :

No.	ENTITY	LICENSED ACTIVITY	DATE OF BOARD DECISION
1	“Energji Ashta” company	Supply	Decision no. 26, dated 30.01.2018
2.	“Wind Power Albania” company	Supply	Decision no. 126, dated 04.06.2018
3.	“FTL” company	Supply	Decision no. 199, dated 03.09.2018
4.	“DON - UCD” company	Supply	Decision no. 219, dated 11.10.2018
5.	“ENER TRADE” company	Supply	Decision no. 227, dated 26.10.2018
6.	“ReNRGY Trading Group” company	Supply	Decision no. 245, dated 26.11.2018

- License removal of “EFT Albania” company no. 256, Series FK14, approved with ERE Board Decision No. 109, dated 14.11.2014. License removal is on the request of the entity in the framework of the re-organization within the group of companies EFT Group.
- License Modification of “Energia Gas and Power Albania” company, in electricity supply activity no. 322, Series F15, approved with ERE Board Decision no.159, dated 28.12.2015. With this modification it is changed the name and the commercial name of the entity as follows:
 - The new name of the entity becomes: “Energia Gas and Power Albania”
 - The new commercial name becomes: “Energia Gas and Power Albania”
- License Modification of “ GEN-I Tirana” company no. 73, Series FK08, in electricity supply activity, for a 5 year period.
- License transfer of Electricity Supply no. 251, Series P14FPP, approved with ERE Board Decision No. 97, dated 27.10.2014, valid until 27.10.2019 and the Universal Service Obligation of electricity supply of “Electricity Distribution Operator” company (OSHEE), approved with ERE Board Decision No.112, dated 08.07.2016, to the “Universal Service Supplier” company (USS).
- License removal no. 279, series FK15, of “ROBERTO OIL” company for electricity supply, approved with ERE Board Decision No. 50, dated 14.11.2015. License removal is on the request of the entity for not exercising the activity.

Entities licensed in natural gas activity for 2018			
No.	Entity	Activity	Date of board decision
1	“Balkgaz” company	Trading	Decision no. 256, dated 17.12.2018

For all the entities licensed by ERE, it is maintained and archived the register for each activity, with the necessary data for the entity and the license type, which are updated on ERE website and may be consulted by any of the stakeholders.

3.3 Monitoring the Activities in the Electricity Market.

3.3.1 Electricity Market Monitoring.

During 2018 it continued the same monitoring structure based on the fulfillment of the functional obligations of ERE organizational charts and in cross-section collaboration related to the issues from the generated situations.

Implementing Law No. 43/2015 “ *On Power Sector*”, article 7, article 20, letter ç), d), f) and g), article 22, article 58, point 9, article 62, point 4 and article 72, letter dh); Council of Ministers Decision No. 244, dated 30.03.2016 “*On approving the conditions to impose public service obligation for the licensees on power sector, which perform the electricity generation, transmission, distribution, and electricity supply*”, article 13; as well as the conditions of the licenses issued by ERE, the services of the operators licensed by ERE are monitoring object regarding the meeting of the legal obligations and the implementation of ERE rules, decisions and orders.

The monitorings are performed based on Law No.43/2015 “On Power Sector”; at Council of Minister’s Decision No. 244, dated 30.03.2016 as amended, with Council of Ministers Decision

No. 519, dated 13.07.2016, on the Market Rules, as well as on the relevant regulations on the basis of which the market participants act.

- Collection and processing of the periodical (monthly) results and information.
- The processing of the results obtained by the operators or concluded by the onsite monitoring.
- The identification of the issues for onsite monitoring.
- The monitoring to implement the regulations
- Performing the onsite monitoring and their analysis.

Regarding the periodical monitoring of the realization level of indicators from the operators, are collected and processed the planned indicators utilising the periodical information of the electricity market participants. Currently every month it is performed the collection and process of the indicators necessary that contribute all the structures to judge regarding the progress, issues and development tendencies in this sector.

There are submitted in a summarized way the majority of the processed data giving comparison opportunity with previous years.

It is necessary the preparation and the operation of an electronic Platform for all of the sector which shall impose the electricity market participants to fulfill the obligations that derive from Directives and Regulations of EC as well as Laws 43/2015 and 102/2015, at the same time shall serve to all the stakeholders to receive in real time the necessary information.

Analysing the results and processing the received information issues, from ERE management structures, it is judged according to the case to develop the verifications, analysis, hearing sessions and onsite monitoring.

The results of these activities serve to the respective structures for a fair decision taking.

The groups for specific monitoring are organized with participation from other departments and sectors to ensure the necessary specialists in the monitoring process.

It is analysed the periodical reporting situation for the licensees where are observed deficiencies by them to meet the obligation for the periodical reporting.

ERE Departments Representatives are members of the working groups of the international organizations according to the ERE Chairman orders and Guidelines informing occasionally on about the developments.

The fulfillment with the required information of the institutions and different organizations collaborating with ERE, as well as the attendance in meetings, is subject of an ERE specific work.

To increase transparency in the electricity market, with ERE Decision No. 118 dated 27.07.2017 there are approved "Rules on the publication of electricity market fundamental data", while the publication of the main quarterly data for the operation of the electricity market are regularly approved on ERE website according to the provisions of Law no. 43/2015 "On Power Sector". To

ensure the implementation of the legal and by-legal provisions for the obligations regarding the transparency in the electricity market, ERE periodically monitored the official website of the main operators in the electricity market and results that these obligations are mainly implemented.

3.3.2 Specific Monitoring from the periodical informations of OSHEE company

In the following table there are submitted the results of continuity indicators of electricity supply for OSHEE customers during the year 2018.

Continuity Indicators of Electricity Supply in High and Medium Voltage during 2018																							
		Cause of the Interruption				Number of the affected customers			Planned interruptions					Unplanned Interruptions					SAIFI	SAIDI	CAIDI	N1	D1
		Planned Interruption	Force Majeure	Third Parties Responsibility	OSHEE responsibility	Total	Urban Area	Rural Area	Number of affected customers in Total	Number of affected customers Urban Area	Number of affected customers Rural Area	Number of customers X Time	Duration (hour)	No of affected customers in Total	Number of affected customers Urban Area	Number of affected customers Rural Area	Number of customers X Time	Duration (hour)	Number of customers affected from the interruptions /No. Customers in total	Number of hours in total /No of Customers in total	Number of hours of unplanned interruptions for a customer affected from the interruptions	Total number of unplanned interruptions for an affected customer	Total duration for a customer affected from unplanned interruptions
January	HV total	75	16	2	65	1,215,818	682,435	533,383	207,900	49,196	158,704	476,358	148	499,421	104,929	394,492	1,062,557	193	0.58	1.27	2.18	0.41	0.87
	MV total	186	457	130	1,729	1,215,818	682,435	533,383	181,101	33,256	142,654	399,962	431	2,605,916	528,329	2,077,587	5,639,181	7,537	2.29	4.97	2.17	2.14	4.64
February	HV total	59	41	27	114	1,215,818	682,435	533,383	181,286	39,166	142,120	444,516	140	432,065	111,712	320,353	872,023	275	0.50	1.08	2.15	0.36	0.72
	MV total	189	698	150	2,506	1,215,818	682,435	533,383	205,921	37,230	1,803	452,501	463	3,335,149	757,654	5,043	7,216,476	13,399	2.91	6.31	2.17	2.74	5.94
March	HV total	83	54	54	219	1,215,818	682,435	533,383	194,788	44,050	150,738	457,639	193	833,096	228,173	604,923	1,102,213	360	0.85	1.28	1.52	0.69	0.91
	MV total	208	1,161	182	2,795	1,215,818	682,435	533,383	224,625	55,907	168,718	444,160	492	4,022,998	739,706	3,278,727	8,975,923	14,713	3.40	7.75	2.28	3.31	7.38
April	HV total	114	6	23	108	1,215,818	682,435	533,383	421,032	171,515	249,517	1,153,638	315	385,225	107,387	277,838	588,095	137	0.66	1.43	2.16	0.32	0.48
	MV total	411	214	169	1,339	1,215,818	682,435	533,383	390,423	93,459	296,964	820,653	997	1,894,616	470,482	1,424,134	2,760,168	4,633	1.88	2.95	1.57	1.56	2.27
May	HV total	132	20	9	84	1,215,818	682,435	533,383	426,096	117,582	308,514	1,139,344	338	328,753	74,668	254,085	676,297	226	0.62	1.49	2.41	0.27	0.56
	MV total	392	508	155	1,962	1,215,818	682,435	533,383	398,200	96,993	301,207	783,877	895	2,691,989	666,054	2,025,935	4,240,180	7,677	2.54	4.13	1.63	2.21	3.49
June	HV total	73	20	25	67	1,293,433	743,287	550,146	238,450	58,237	180,213	629,413	182	401,107	166,891	234,216	686,447	184	0.49	1.02	2.06	0.31	0.53
	MV total	248	508	160	2,112	1,293,433	743,287	550,146	243,765	40,605	203,160	479,079	565	3,032,627	739,045	2,616,054	4,414,032	7,638	2.53	3.78	1.49	2.34	3.41
July	HV total	67	25	0	77	1,293,433	743,287	550,146	200,191	63,473	136,718	541,803	210	574,273	227,980	346,293	676,619	218	0.60	0.94	1.57	0.44	0.52
	MV total	313	402	135	1,786	1,293,433	743,287	550,146	314,971	51,184	265,454	767,680	805	2,336,647	513,836	1,821,370	3,936,484	6,089	2.05	3.64	1.77	1.81	3.04
August	HV total	35	12	4	135	1,293,433	743,287	550,146	136,740	18,867	117,873	205,950	63	365,188	82,332	282,942	581,566	260	0.39	0.61	1.57	0.28	0.45
	MV total	212	481	114	1,830	1,293,433	743,287	550,146	229,679	57,424	172,255	485,578	511	2,618,092	524,820	2,093,262	3,894,707	5,735	2.20	3.39	1.54	2.02	3.01
September	HV total	119	8	2	45	1,293,433	743,287	550,146	339,606	79,030	260,576	1,048,630	350	232,705	115,424	117,281	298,541	123	0.44	1.04	2.35	0.18	0.23
	MV total	310	287	137	1,694	1,293,433	743,287	550,146	323,282	119,123	210,044	667,440	756	2,174,438	464,289	1,706,549	4,338,251	6,386	1.93	3.87	2.00	1.68	3.35
October	HV total	158	9	13	57	1,293,433	743,287	550,146	544,652	191,645	353,007	1,398,604	465	266,738	70,555	196,183	768,297	162	0.63	1.68	2.67	0.21	0.59
	MV total	426	270	160	2,045	1,293,433	743,287	550,146	444,035	124,793	319,242	1,135,458	1,127	2,591,528	645,408	1,946,220	4,950,078	6,650	2.35	4.70	2.00	2.00	3.83
November	HV total	84	25	12	88	1,293,433	743,287	550,146	283,265	77,928	205,337	750,150	268	404,304	105,162	299,142	595,328	223	0.53	1.04	1.96	0.31	0.46
	MV total	263	296	149	2,394	1,293,433	743,287	550,146	242,896	53,107	191,776	577,280	847	2,645,822	543,864	2,278,031	4,734,061	6,449	2.23	4.11	1.84	2.05	3.66
December	HV total	47	0	16	120	1,293,433	743,287	550,146	211,133	62,984	148,149	471,982	106	434,930	177,069	257,861	1,094,557	348	0.50	1.21	2.42	0.34	0.85
	MV total	299	151	122	1,518	1,293,433	743,287	550,146	343,433	87,250	256,183	556,769	648	1,972,892	535,585	1,437,314	3,912,113	4,836	1.79	3.46	1.93	1.53	3.02
2018	HV in total	1,046	236	187	1,179	1,293,433	743,287	550,146	3,385,139	973,673	2,411,466	8,718,027	2,779	5,157,805	1,572,282	3,585,609	9,002,539	2,710	6.60	13.70	2.07	3.99	6.96
	MV in Total	3,457	5,433	1,763	23,710	1,293,433	743,287	550,146	3,542,331	850,331	2,529,460	7,570,437	8,536	31,922,714	7,129,072	22,710,226	59,011,653	91,743	27.42	51.48	1.88	24.68	45.62
	MV+HV	4,503	5,669	1,950	24,889	1,293,433	743,287	550,146	6,927,470	1,824,004	4,940,926	16,288,465	11,315	37,080,519	8,701,354	26,295,835	68,014,192	94,453	34.02	65.18	1.92	28.67	52.58

$$\text{SAIFI} = \frac{\text{Total number of the affected customers}}{\text{Total Number of the customers}}$$

$$\text{SAIDI} = \frac{\text{Total time of the interruptions}}{\text{Total Number of the Customers}}$$

$$\text{CAIDI} = \frac{\text{Total time of the interruptions}}{\text{Total number of the interruptions}}$$

3.3.3 Specific Monitoring from periodical information of TSO company.

The allocation of interconnection capacities

On the following table there are submitted the interconnection capacity allocation according to the borders and their frequency.

Auction																					
Auction	Period	Albania - Monte Negro						Albania - Greece						Albania - Kosovo							
		ATC provided in the Auction		ATC sold in the Auction		Auction Price		ATC provided in the Auction		ATC sold in the Auction		Auction Price		ATC provided in the Auction		ATC sold in the Auction		Auction Price			
		Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import		
		[MW]	[MW]	[MW]	[MW]	[Euro/MWh]	[Euro/MWh]	[MW]	[MW]	[MW]	[MW]	[Euro/MWh]	[Euro/MWh]	[MW]	[MW]	[MW]	[MW]	[Euro/MWh]	[Euro/MWh]		
Jan	1.01.2018-31.01.2018	150.5	125	150.5	125	0.14	0.99	50	50	50	50	3.37	1.25	125	125	125	125	0.21	0.37		
Feb	1.02.2018-28.02.2018	125.5	125	125.5	124	0.14	0.27	50	50	50	50	7.16	0.18	125	125	125	125	0.12	0.1		
March	1.03.2018-25.03.2018	150.5	150	150	149	0.71	0.07	50	60	50	60	9.1	0.04	125	125	125	125	0.66	0.05		
	26.03.2018-31.03.2018	100.5		100.5		0.93															
April	1.04.2018-22.04.2018	100.5	125	100.5	124.5	2.09	0.09	50	50	50	49	6.54	0.05	105	105	105	105	1.18	0.04		
	26.04.2018-30.04.2018													105	105	105	105	0.8	0.04		
May	1.05.2018-6.05.2018	100.5	100	100.5	100	0.87	0.19	50	50	50	48.5	10.87	0.03	105	105	105	105	1.15	0.07		
	7.05.2017-7.05.2018	25.5	25	25.5	25	10.55	0.33														
	8.05.2018-11.05.2018	75.5	100	75.5	100	1.2	0.19														
	12.05.2018-31.05.2018	100.5		100.5		0.87															
June	1.06.2018-30.06.2018	100.5	125	100.5	125	0.87	0.09	50	50	50	50	13.55	0.3	75	105	75	105	1.03	0.05		
July	1.07.2018-31.07.2018	100.5	125	100.5	125	0.5	0.56	50	50	50	50	5.52	2.38	105	105	105	105	0.19	0.47		
Aug	1.08.2018-31.08.2018	100.5	125	100.5	124.5	0.19	0.25	50	50	50	50	7.24	0.73	105	105	105	105	0.08	0.15		
Sept	1.09.2018-2.09.2018							50	50	50	50	5.37	1.12	105	105	105	105	0.1	0.11		
	3.09.2018-7.09.2018															75	75	75	75	0.14	0.34
	8.09.2018-30.09.2018															105	105	105	105	0.2	0.16
	1.09.2018-12.09.2018	100.5	125	100.5	125	0.13	0.12														
	13.09.2018-14.09.2018	25.5	25	25.5	25	0.44	1.4														
	15.09.2018-30.09.2018	100.5	125	100.5	125	0.13	0.12														
Oct	1.10.2018-7.10.2018							0	0	0	0	5.88	4.12	125	125	112	125	0	0.04		
	8.10.2018-31.10.2018	100.5	125	100	125	0.17	0.2	50	50	50	49.5	5.88	4.12								
Nov	1.11.2018-30.11.2018	100.5	125	100.5	125	0.03	1.47	50	50	50	50	4.89	5.11	125	125	125	125	0.09	0.88		
Dec	1.12.2018-31.12.2018	125.5	125	125.5	125	0.06	2.22	50	50	49.5	50	5.27	3.33	125	125	125	125	0.07	1.78		

As it shows, in the majority of the cases there have been congestion in capacities allocation in both import/export.

Regarding the interconnection capacity allocation, during 2018 are followed the procedures according to the rules approved with ERE Board Decision No.140 dated 22.11.2013 as amended “Interconnection Capacity Allocation Rules” for the Albania – Kosovo Border and the “Southeast Europe Coordinated Auction Office (SEE CAO) version 1.4, approved with ERE Board Decision No. 167, dated 18.10.2016 for Albania- Montenegro and Albania – Greece Borders.

- The auctions of the interconnection capacities are developed in accordance with the defined terms and procedures, ERE regulations or the respective decisions.
- Shall be underlined that there is no complaint from the Market Participants, auction participants, for the terms, procedures, auction development process, bid evaluation process, defining the winners and auction prices, the communication and publication of the auction announcement and their results.
- Evaluating that the implementation of electricity Market is even a bilateral collaboration and evaluation process between the Market Operator and the Market Participants, according to their relevant role in the energy market, the Market Operator continues the contacts, meetings and continuous consultations with the Market Participants.

Imbalances

Implementing the Market Rules and the Transitional Rules for the Electricity Balancing Mechanism regarding the handling of the balancing market issue, on the basis of the hourly data received from the metering system of the TSO, there are made the imbalances calculations for each market participant which are responsible for the imbalance on hourly basis.

Every 10 days from TSO company there are informed the Market Participants regarding the performed imbalances. There are accessed the parties imbalances on monthly basis, which then are invoiced to market participants.

The penalisations for the deviations during 2018 caused by the Market Participants which are responsible for the imbalance, in MWh, are calculated and invoiced according to the Market Rules approved with the relevant ERE Board Decisions.

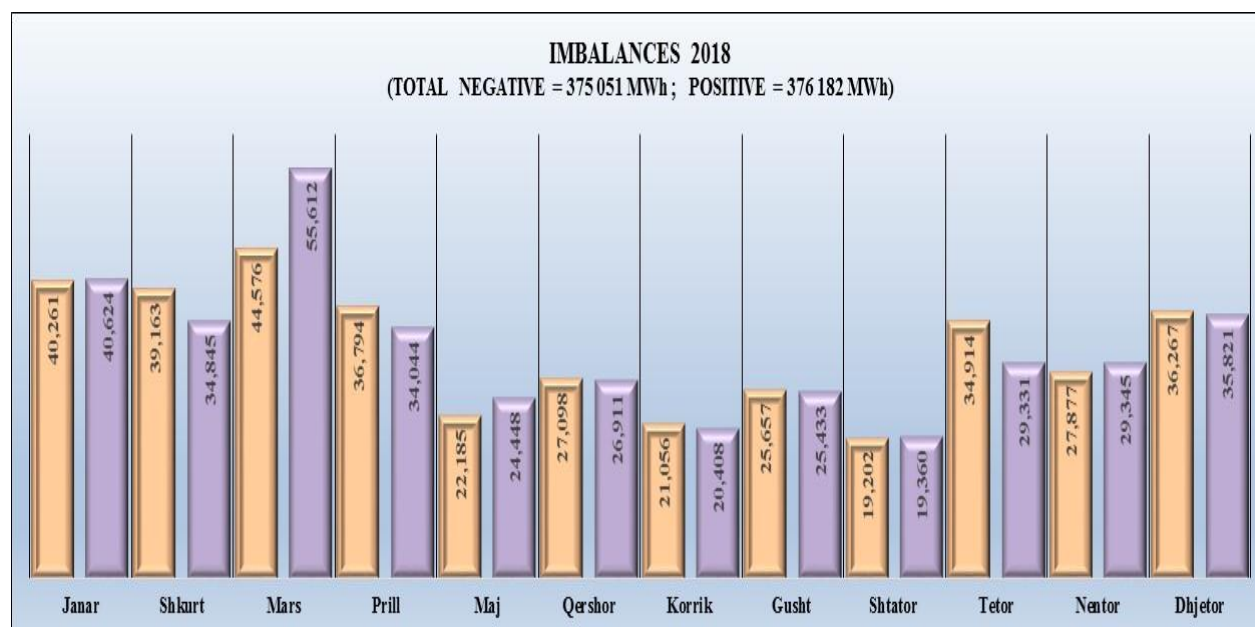


Figure 57 Total imbalances for 2018 (MWh)

As it can be seen the value of the highest positive imbalances, is recorded on March, whereas the value of the highest negative imbalances is recorded on September.

Table of the Invoices for the obligations between Qualified Suppliers and TSO company for 2018																										
IMBALANCES																										
2018	From	GSA	TSO	GEN - I	TSO	OSHEE - I	TSO	TSO	GRUP KURUM	TSO	ASHTA	TSO	Ayen AS Energi	TSO	AYEN Trading	TSO	DEVOLL	TSO	KESH as BRP	TSO	KESH as FSHN	TSO	TSO	TSO	AES	TSO
	For	TSO	GSA	TSO	GEN - I	TSO	OSHEE	NOA	TSO	KURUM	TSO	ASHTA	TSO	Ayen AS Energi	TSO	AYEN Trading	TSO	DEVOLL	TSO	KESH as BRP	TSO	KESH as FSHN	TSO	TSO	TSO	AES
		MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh
Jan		329	1,923	277	174	5,849	28,126			325	462	1,073	812			185	632	839	28	794	0	26,123	7,427	2,711	788	1,756
Feb		386	647	223	303	13,349	21,553			804	833	451	259			386	467	22	71	683	0	16,119	9,202	4,931	1,008	1,809
Mar		780	1,582	657	703	12,884	34,331			1,312	902	248	304			1,002	295	418	70	222	9	22,509	15,490	3,894	1,116	651
April		814	621	83	441	2,292	22,094	4		756	1,196	360	253			584	208	120	60	20	50	29,410	6,522	1,483	1,951	872
May		722	1,306	202	235	6,011	11,511			794	1,290	578	384			781	342	15	45	63	18	11,206	5,217	1,065	3,628	748
June		965	889	104	209	3,395	16,581			764	1,339	565	520	734	189	57	0	34	1,050	67	10	18,471	3,585	1,381	1,942	561
July		737	1,121				4,205	11,735			555	1,548	430	365	454	140	282	133	25	34	75	9	12,111	4,202	1,588	485
August		925	1,404				2,111	16,587			1,136	2,087	529	442	319	125	192	306	16	19	107	0	18,840	2,417	944	1,708
Sept		433	2,954				5,156	9,043			854	1,051	497	452	88	7	206	268	13	23	74	5	10,011	4,238	1,194	795
Oct		937	1,277				25,051	2,373			1,272	476	751	800	293	233	26		14	373	64	40	2,874	23,090	2,852	192
Nov		741	1,139				7,091	17,046			1,358	732	1,090	935	872	502			15	15	88	26	12,865	8,299	2,537	347
Dec		880	1,501				10,592	20,664			1,063	579	714	837	1,297	401			13	22	157	5	18,971	10,730	1,736	815
Sum		8,650	16,364	1,545	2,065	97,987	211,644	4	10,990	12,495	7,283	6,363	4,056	1,597	3,702	2,652	1,544	1,809	2,414	172	199,511	100,418	26,317	14,776	11,053	

IMBALANCES				2018	From	Reserve lowering activation from KESH company	
2018		Negative Imbalance	Positive Imbalance			To	TSO company
		MWh	MWh			Unit	MWh
Jan		40,261	40,624	Jan		26,123	
Feb		39,163	34,845	Feb		16,119	
March		44,576	55,612	March		22,509	
April		36,794	34,044	April		29,410	
May		22,185	24,448	May		11,206	
June		27,098	26,911	June		18,471	
July		21,056	20,408	July		12,111	
August		25,657	25,433	August		18,840	
September		19,202	19,360	Sept		10,011	
October		34,914	29,331	Oct		2,874	
November		27,877	29,345	Nov		12,865	
December		36,267	35,821	Dec		18,971	
Sum		375,051	376,182	Sum		199,511	

Register of Active Participants in the Electricity Market during 2018

Register of Market Participants for 2018 (31 December 2018) (active)			Producer		P
			Trader		T
			Supplier		F
			Universal Service Supplier		FSHU
			Distribution		SH
No	Name of the Company	EIC Code	nr MPT	registration date	TEE Role
1	Albanian Energy Supplier	54X-AEG-02-1603G	58	26.05.2015	T; F
2	AXPO Albania	23X--150330-AA-K	3	20.01.2011	T; F
3	Ayen AS Energji	23X--150416-A--N	47	17.12.2014	P; T; F
4	Ayen Energy Trading	23X--140426-AY-W	40	04.05.2014	T; F
5	Danske Commodities Albania	23X--121120DCALG	21	30.10.2012	T; F
6	Devoll Hydropower	23X--150409-DHP5	62	11.06.2015	T; F
7	EMIKEL	54X-E-SHPK-16044	56	15.04.2015	T
8	Energija doo Veternik	54X-EDOOV-15-020	68	15.12.2015	T; F
9	Energji Ashta	54X-HECASHTA-059	20	25.05.2012	P
10	Energy Supply-AL	34X-0000000017-C	24	15.05.2013	T; F
11	Erdat Lura	54X-HEC-LURA-069	32	17.09.2013	P
12	GEN-I Tirana	23X---120709GEN0	4	31.01.2011	T; F
13	Gjo-Spa Power	54X-HEC-LAPAJ075	33	17.09.2013	P
14	Green Energy Trading Albania	23X--150702GE--3	65	01.07.2015	T
15	Grupi Sistemeve Automatike	22XGSA-----N	16	09.05.2011	T; F
16	Korporata Elektroenergjitike Shqiptare	23X--130918APC-M	12	25.04.2011	P; T
17	KURUM International	23X--131115KI--1	35	17.12.2013	P; T; F
18	Alb Energy Market	54X-ALBEM----11Y	74	07.07.2017	T, F
19	NOA Energy Trade	23X--150630-NE-6	52	10.03.2015	T; F
20	Operatori Shperndarjes Energjise Elektrike	23X--130503--CS-2	7	25.04.2011	SH; FSHU
21	Stravaj Energy	54X-STRAVAJ-E086	38	25.04.2014	P; T
22	WENERG	54X-WENERG---10E	64	10.06.2015	P
23	YLLIAD	29XYLLIAD-AL---W	6	03.03.2011	T
24	Energy Market Albania	54X-ENMARKETAL99	71	23.03.2017	T
25	Grid Energy	54X-GRID-ENERGYR	72	05.04.2017	T; F
26	GAEA-Energjia Alternative e Gjelber	54X-GAEA11-1501R	66	07.12.2015	T; F
27	Energy Financing Team Tirana	54X-EFT-TIRANA-V	76	24.08.2017	T; F
29	Alpiq Energy Albania	23X--141204AEA-T	10	29.04.2011	T; F
30	Le Trading Albania	23X--150309-LT-Y	49	16.02.2015	T
31	Energy to Energy	54X-EN-TO-EN-13F	77	13.10.2017	T
32	DON-UCD	54X-DON-UCD--15T	80	17.07.2018	T; F
33	URADRIN	54X-100ID101218J	81	10.08.2018	T
34	Energia Gas and Power Albania shpk	23x-150309-LT-Y	82	22.10.2018	T; F
35	RENRGY Trading Group	54X-10IRN102618R	85	12.11.2018	T
36	Ener Trade shpk	54X-10 IET091118	86	21.12.2018	T; F
			Source TSO company		

Figure 58 Market Participants during 2018

In the following table are presented the thematic monitoring conducted during the year 2018 from ERE.

Thematic Monitoring during 2018		
Monitoring Order	Monitoring Object	Company
Order no. 14, dated 1.02.2018	The analysis of the updated plan of the investments for 2018 and the distribution network development plan for the next 5 years of OSHEE company	OSHEE company

Order no. 32, dated 28.03.2018	To review and analyse the 10 year plan of the development of (2018-2028) ALBGAZ company	ALBGAZ company
Order no. 48, dated 11.07.2018	Monitoring the electricity producers operation and the connections with the electricity distribution network	OSHEE company; Hydro Power Plnt of Korca HPP; Gjoka Konstruksion & Energji company; Xhengo Energji company; Favina 1 company; The Blue Star company; Strelca Energy company.
Order no. 51, dated 31.08.2018	The monitoring of KESH company in relation to the complaint of GEN-I Tirana company on the implementation of the electricity purchase and sale procedures conducted by KESH company for the 2017- march- 2018 period.	KESH company
Order No. 52, dated 04.09.2018	On the monitoring the companies licensed by ERE in electricity production activity	Companies licensed by ERE in electricity production activity (according to the corresponding HPP-S)
Order No. 61, dated 06.11.2018	On monitoring the progress of the investments plan implementation for 2017 and January – October 2018 period TSO company	TSO company
Oder No. 70, dated 23.11.2018	On monitoring the activity of TSO company during January-October 2018 period	TSO company
Order No. 73, dated 26.11.2018	On monitoring the activities of Distribution System Operator; the Unniversal Service Supplier for January-November 2018 period.	OSHEE company
Order No. 75, dated 06.12.2018	On monitoring the OPEX realization for 2017 and 2018 of TSO company. TSO company	TSO company
Order No. 76, dated 06.12.2018	In relation to the requirement of GEN-I Tirana company on the exentsion of the investigation regarding the special contracts of KESH company for 2017 and 2018 period.	KESH company

3.4 ERE activity in tariff and prices regulation of Power and Natural Gas Sectors

Based on Law No. 43/2015 “On Power Sector”, as amended, respectively in articles 19, 20, 79 and 83, Law 102/2015 “On Natural Gas Sector” respectively articles 16, 17, 75 and 92, as well as on Law 7/2017 “The promotion of the use of energy from renewable resources” Article 10, ERE is the responsible authority for imposing the tariffs and prices for the regulated activities and those that have the public service obligation in power sector, based on the respective effective methodologies.

Implementing this legal obligation, the main operations of ERE during the 2018 have been:

1. Review of the tariffs and prices from the licensee in power and natural gas sectors for:

- Electricity transmission fer activity;
- Electricity distribution activity;
- Universal supply service of electricity activity;
- Natural Gas transmission and distribution activity;
- The activity for the electricity Supplier of last resort;

- Electricity generation activity by the priority producers according to the provisions of Law 7/2017

2. Amendment of the methodology on setting the electricity sale price from the Supplier of Last Resort, approved with ERE board decision No. 144, dated 25.06.2018.

Regarding the review of the tariffs and prices for 2018:

- Regarding the application of OSHEE company, shall be notified that it is based on the indicators provisions for 2017 because this year was not finished yet. Furthermore, this application is updated after the current year was closed, where the data submitted by the applicant, as well as the issues handled during the hearing and technical sessions during January-March have served to reflect a more accurate analysis of the required revenues by OSHEE company, to cover the licensing activity for 2018. The application analysis and that of the additional documentation submitted within ERE requirements, as well as the issues discussed during the hearing sessions are based on the data from the financial statements factual energy balance and other technical-economic indicators of OSHEE company for the preceeding period.

- To analyse the required incomes of the company for the exercise of the licensed activity are analysed all the items regarding:

- Operational expenses, 2015, 2016, 2017 and 2018. OPEX is analysed referring to the financial statements of the respective years, the declaration made by the company in the application of 2018 and the analysis in conformity with the distribution methodology and the objective for the electricity losses in the network according to the permitted level on ERE Board Decision No. 148, dated 26.12.2014. From this analysis is observed that OPEX is realized according to the Financial Statement for 2015, in general for all the items resulting in decrease towards the one approved by ERE, excluding the fines and penalties.

The operational expenses, for years 2015, 2016, 2017 and 2018. OPEX is analysed referring to the financial statements of the respective years, the declaration made by the company in the application of 2018 and the analysis in conformity with the distribution methodology and the electricity losses in the network according to the permitted level on ERE Board Decision No. 148, dated 26.12.2014. From this analysis it is observed that OPEX according to the Financial Statement for 2015, in general for all the items results to be reduced towards the one approved by ERE, excluding the fines and penalties. Regarding the years 2016 and 2017, from the fact that the regulatory period is one year, the approved OPEX-es from us are those of the factual realized expenses for 2016 and 2017, excluding as not reasonable the expenses on the penalties and fines. OPEX shows increased mainly the items: The salaries, maintenance and other expenses. From the analysis of the required incomes for 2018, the OPEX approved by ERE are those of the conducted expenses for 2017, indexed with the inflation, as well as the additional costs provided by the company. The "Staff Expenses" item, for 2018, to the one of 2014 results in a considerable increase, but from the declarations of the company it is clarified that these values are approved even by the Supervisory Board and are mainly related with the restructuring of the company's organizational chart, as well as the measures plan within the framework of the intervention and the action to reduce the losses and increase the collections. The company declares that the salary in compliance with the reward, according to the market value, shall increase the responsibility at work and the performance of the company. In relation to this item for 2018 it is accepted the increase only for the indexing effect. The maintenance item is required, also to be increased towards the one resulting for 2017. Mainly, it is observed that the expenses to repair the Distribution Network constitute the main part of this item.

Since the incomes to cover the other items of OPEX for 2018 are about 3% higher than 2017, according to the Financial Statement without including the fines and penalties, are accessed as reasonable the costs required from the Company.

- Electricity tariff to cover the losses: this tariff, as part of the operational expenses, consists of the electricity purchase costs in the unregulated market and the transmission costs of these losses, which result higher than the approved ones, within ERE Board Decision No.146, dated 26.12.2014.

According to the Council of Minister's Decision No. 171, dated 25.02.2015 "On approving the Power Sector financial recovery plan", these costs result higher than the levels of these indicators defined by this decision. It is observed that in reducing the electricity purchase expenses to cover the losses, compared to those approved for the respective years, there affected the price factor of the market, which is reduced to the one foreseen for 2015 and 2016. On the other hand, the cost of the losses for 2017 and 2018, is affected even by the highest price of electricity purchase by the priority producers and HPP "Ashta". The actual total losses in the network for 2015, 2016 and 2017 result to be improved, but they are still higher than the targets defined by the Council of Minister's Decision No. 171, dated 25.02.2015.

The effect from this excessive cost beyond the permitted one, has an impact in the required incomes for the electricity distribution activity.

- In relation to the capital costs, the values of CAPEX and that of the Regulated Asset Base (RAB), calculated by ERE do not comply with those submitted from the company on its application for 2018. On the basis of the indicators explained in details in the report of this decision and by the RAB value accepted by ERE and required by the company results with a difference which is understandable that also the calculated return on RAB, shall be different. For 2017, the RAB value calculated by ERE is smaller than the one submitted by the company for 2017 in its application for 2018. This is a continuation of the submitted differences by the company for the assets until the end of 2011 an issue handled on the analysis for the required incomes reviewed for 2015. RAB value for 2017 reflects the new investments of 2015 and 2016 obtained from the financial statements, as well as ½ of the additional assests/ the realized invesments for 2017, considering as asset value set into operation for this period. This figure results from the financial statements of 2017. RAB value for 2018 reflects the new investments of 2017 obtained from the financial statements of this period.

- The other incomes such as the incomes for the new connections and the reactive power, considered deductible for the company, are those resulting in the Financial Statement and updated according to the application.

- Delivered Energy in the Distribution Network for 2015, 2016, 2017 results in the 4,459 gwh quantity for 2015, 4,605 gwh for 2016, 4,782 gwh for 2017 and for 2018 it is accepted the delivered electricity quantity of about 4,803 GWh.

- From the report of the sales structure for 2015, 2016 and 2017 results that the realized average price from the sale is higher than the approved one of about 10.7 (ALL)/kWh resulting in additional incomes for the company. These differences are accessed to be used as reserves to cover the negative capital inherited from 2014, enabling the company the ability to liquidate the obligations, as well as to cover the costs of electricity purchase to cover the losses over the target.

- The calculation of the distribution activity tariffs according to the voltage level

The company has required the access tariffs per voltage level for 2018 as following:

- For 2018, - 5.16 ALL;
- medium voltage - 2.36 ALL;
- medium voltage (20–6 kV) – 3.81 ALL;
- low voltage (0.4 kV) – 5.51 ALL.

- For the calculation of these tariffs, the company is expressed that according to the coefficients for the allocation of the expenses that take into account the quantity of electricity sold according to the sales structure, the asset structure according to the voltage levels and the technical losses of electricity according to the voltage levels. The calculated coefficients on basis of the specific weight of electricity sale in voltage level, OSHEE company has used them for the allocation of the capital expenses and the incomes from the new connections and reactive power. For the allocation of the operative expenses, the expenses to cover the electricity losses, the company has used the weighted coefficients that take into account the specific weights of the sold electricity and the technical losses.

- It shall be considered incorrect the practice for the allocation of the capital costs, using simply the specific weights of electricity consumption in that voltage level, without taking into consideration the assets values for the relevant voltage levels, as well as the fact that the assets in higher voltage levels serve also for the supply of the customers connected in lower voltages.

The calculated cost for the purchase of the losses in the Distribution Network is not calculated in implementing the definitions of Council of Minister's Decision No. 171, dated 25.2.2015, as well as of the Council of Minister's Decision No. 244, dated 30.3.2016. Hence, our calculations reflect these differences in the required incomes, which in conclusion result with a tariff of about 4,85 from 5,14 (ALL), required by OSHEE company.

To enable the calculations in a way that the access tariffs reflect the reasonable costs of service in that voltage level, to the company are required the assets values for each voltage level, or at minimum the new assets additions for each voltage level for 2014-2017 period.

Due to the company has not submitted information in fulfilling this request, we set into operation the only information that we have regarding the assets values for the voltage level, that means those of 31.5.2014.

- For the distribution of the costs for the losses it is also considered:

a) The submitted study from the company regarding "Active electricity losses in 35 kV networks for 2017";

b) The submitted study in the application for the 2017 tariffs in relation to the losses in the Medium Voltage networks:

- In calculating the coefficients for the allocation of the losses cost it is used the justification that a part of the losses occurred on the above voltage levels correspond to the electricity consumption in the following voltages. For this purpose there are utilised the reports of electricity consumption for each voltage level to the total of electricity. Our estimations are based on/in conformity with the data presented by the company and on itself they carry insecurity in the distribution of the costs according to the voltage level, as declared in the application.

- As treated on the justification report of this decision, it is observed that the total incomes by

the distribution activity and the retail supply result higher than the permitted for 2015-2017 period, this for the fact that in our calculations are not included the total costs of electricity purchase to cover the losses in the Distribution Network, beyond the target defined/determined in the Council of Minister's Decision No.171,dated 25.2.2015, a considerable value for the company and at the same time shall require additional funding by the state or in the contrary this value shall be covered from the customers served from the Universal Service Supplier.

ERE Board Decision No. 190, dated 30.08.2018 decided:

1. To let into force ERE Board Decision No. 52, dated 06.04.2017 “ On letting into force ERE Board Decision No.190, dated 22.12.2016” on the distribution service tariffs as follows:
 - Distribution service tariff in 35 kV voltage level 1.5 (ALL)/kWh
 - Distribution service tariff in 20 kV voltage level 3.9 (ALL)/kWh
 - The average tariff of the distribution tariff 4.79 (ALL)/kWh
2. The review of the required incomes of the Distribution System Operator in the following periods to evaluate the required incomes for 2018.
3. Letting into force for 2018, points 3, 4 and 5 of ERE Board Decision, No. 211, dated 28.12.2017 “ On opening the procedure to review the application of OSHEE company for electricity distribution service tariffs according to voltage level and the letting into force the retail prices for the customers served by the universal service supplier for 2018”.

3.4.2. The electricity sale prices from the Supplier of Last Resort for 2018

During 2018, implementing article 87, point 4 of Law 43/2015 “On Power Sector”, as amended and the “Metodology on setting the electricity sale price from the Supplier of Last Resort, approved with ERE Board Decision No. 201, of date 04.12.2017 the Energy Regulatory Authority determined the electricity sale price of supply by the Supplier of Last Resort (SoLR) for the customers connected in 35 kV voltage level for each month of 2018.

From the observed issues in the application of the “Metodology on setting the electricity sale price from the supplier of last resort” in the first months of 2018, especially in defining from OSHEE company of the the administrative expenses for the activity of the Supplier of Last Resort (SoLR) and the costs for the imbalances of the Supplier of Last Resort (SoLR) customers and from the fact that in some cases the calculations resulted in prices lower than the price Universal Service Supplier customers according to ERE Board Decision No. 148, dated 26.12.2014, not giving incentive signals for the release of these customers in the unregulated market, ERE Board Decision No. 144, dated 25.06.2018 approved the review of the “Metodology on setting the electricity sale price from the supplier of last resort” approved with ERE Board Decision No. 201, dated 04.12.2017, with the amendments as follows:

- The amendment of the calculating Formula in setting the electricity sale price from the supplier of last resort, adding elements such as the administrative costs representing the administrative costs for each supplied kWh and the proposed risk (PR) representing the proposed risk in 3% measure.

- In article 8 of the Metodology it is added point 2 with the following content: *In each case this price shall not be lower than the retail sale price of the customers supplied to that voltage level according to ERE Board Decision No. 148, dated 26.12.2014.*

The Formula for calculating the electricity sale price for the Supply of Last Resort customers implementing article 8 of the reviewed methodology is submitted as follows:

$$CFMF_t = CBE_t + Pr * CBE_t + TRrTSH_t + CA$$

Where:

CBE_t – shall mean the maximum electricity purchase price for the supply period from the Unregulated Market or the purchase from priority producers;

Pr – The return risk defined in percentage for the year (in 3 % measure for the first two years);

$TRrTSH_t$ - The tariff for using the transmission and distribution network for the relevant period;

The amendments in methodology undergone a consultative process with OSHEE company

After reviewing the Metodology, during the review process of OSHEE applications for the monthly prices of electricity sale at the Supply of Last Resort customers it was observed that the company could not define the costs for the caused imbalances from these customers.

As follows are submitted the prices for the electricity sale of the supply from the Supplier of Last Resort for 2018 according to the respective ERE Board Decisions as well as the maximum electricity purchase prices to cover the requirement of this customer group:

2018	Decision	Sale price approved by ERE (ALL/kWh)	Maximum electricity purchase from OSHEE company (Eur/MWh)
January	No. 66, dated 26.03.2018	11.60	64.00
February	No. 66, dated 26.03.2018	9.50	44.97
March	No. 67, dated 26.03.2018	9.50	37.75
April	No. 92, dated 20.04.2018	9.50	31.79
May	No. 116, dated 21.05.2018	9.50	33.75
June	No. 146, dated 25.06.2018	9.82	54.50
July	No. 176, dated 03.08.2018	12.86	68.05
August	No. 204, dated 13.09.2018	12.86	68.16
September	No. 213, dated 27.09.2018	12.86	67.72
October	No. 234, dated 02.11.2018	16.00	92.80

November	No. 254, 11.12.2018	dated	16.00	93.24
December	No. 07, 17.01.2019	dated	15.22	76.60

Figure 59 the electricity sale prices of supply from the Supplier of Last Resort for 2018 (Source: ERE)

From the periodical reports of OSHEE company resulted that the sold electricity for the Supplier of Last Resort customers during 2018 is about 60 GWh with an invoiced value of about 726 million (ALL), where resulted an average sale price of 12,07 (ALL)/kWh. The approved prices during 2018 shall stimulate these customers to pass on the unregulated market finding their own supplier.

3.4.3 The postpone of the term for the temporary natural gas transmission tariff by “ALBGAZ” company approved with ERE Board Decision No.90, dated 07.06.2017.

ALBGAZ company with the official letter Protocol No.85/1 dated 03.01.2018 submitted at ERE the application for setting the natural gas transmission tariff.

Also, ALBGAZ company submitted at ERE the request to postpone the term of the contract for natural gas transmission, between Albgaz company and Albpetrol company with the official letters Protocol No. 55/1, dated 05.07.2017 of Albgaz company and the official letter Protocol No. 4608, dated 06.07.2017 of Albpetrol company. This request came as consequence of the termination of the legal power of the contract signed and approved with ERE Board Decision no.199, dated 24.11.2017.

ERE Board Decision No. 90, dated 07.06.2017, approved the temporary natural gas transmission tariff from “ALBGAZ” company of about 25 (ALL)/m³, for 05.01.2017-20.09.2017 period.

For this reason:

- The process of approving the final tariff of the transmission service required the performance of various hearing sessions with the stakeholders, which required time.
- There terminated (on 31.12.2017) the legal power of ERE Board Decision No. 155, dated 28.09.2017, with which it is decided to let into force the ERE Board Decision No. 90, dated 07.06.2017 “ On approving a temporary natural gas transmission tariff from “Albgaz” company for 05.01.2017-20.09.2017 period until 31.12.2017.
- Albgaz company could not exercise its activity without a transmission service tariff and without a legal contract.
- On 05.01.2018 terminated the term of the natural gas transmission contract between Albgaz company and Albpetrol company.
- To define a final natural gas transmission tariff, for natural gas transmission tariff Albgaz company shall draft a new contract for the natural gas transmission service, which reflected the provisions of the effective legislation as well as the final tariff.

ERE Board with decision no. 14, dated 10.01.2018 decided:

1. To let into force of ERE Board Decision No. 90, dated 07.06.2017 “On approving the temporary natural gas transmission tariff from “Albgaz” company until the date 31.03.2018.

3.4.4 Approving the natural gas transmission tariff from AlbgaZ company for 2018.

ALBGAZ company with official letter Protocol No. 85/1, dated 03.01.2018, submitted at ERE the request for approving the Natural Gas Transmission tariff for 2018.

ERE Board Decision No.14, dated 10.01.2018 postponed until 31.03.2018 the term to let into force the natural gas transmission tariff from “ALBGAZ” company for 05.01.2017-20.09.2017 period, approved with ERE Board Decision No. 90, dated 07.06.2017 and amended with ERE Board Decision No. 15, dated 28.09.2017.

After ERE Board Decision no. 20, dated 19.01.2018 “ On opening the procedure to approve the natural gas transmission tariff from ALBGAZ company for 2018” followed the steps according to the procedures provided in the “Regulation for ERE Organization, Operation and Procedures”

Based on the analysis of the documentation completed during the followed procedural stages, ERE Board Decision No. 97, dated 23.04.2018 approved the natural gas transmission tariff from AlbgaZ company for 2018 of about 28 (ALL)/m³ or 2.6457 (ALL)/kWh.

ERE Board Decision No. 14, dated 10.01.2018, “On postponing the term for the natural gas transmission temporary tariff from “AlbgaZ” company approved with ERE Board Decision No.90, dated 07.06.2017 as well as the contract of the natural gas transmission between Albpetrol company and AlbgaZ company” let into force until 31.03.2018 the temporary natural gas transmission tariff of about 25 ALL/m³. Meanwhile, ERE Board Decision No.97, dated 23.04.2018 approved a tariff of about 28 ALL/m³. Between the temporary natural gas transmission tariff and the final natural gas transmission tariff from AlbgaZ company for 2018 there was a difference of about 3 ALL/m³.

Implementing Article 17, letter “e” of Law No. 102/2015 “On Natural Gas Sector” which provides that when the approved tariffs result different from the temporary ones, ERE establishes the adequate compensatory measures, ERE Board Decision No.179,dated 20.08.2018 decided:

1. Point 1 of ERE Board Decision No. 97, dated 23.04.2018 “On approving the natural gas transmission tariff from AlbgaZ company for 2018 of about 28 ALL/m³ or 2.6457 ALL/kWh” and amends with the “Approval of the natural gas transmission tariff from “AlbgaZ” company for 2018 of about 28 ALL/m³ or 2.6457 ALL/kWh, beginning from 01.01.2018”

3.4.5 Opening the procedures to define the electricity purchase price produced from solar small renewable resources with installed capacity 2MW and wind ones with installed capacity 3MW for 2018

Based on article 10, point 2 and 16 of Law No.43/2015 “On Power Sector”, as amended, article 10, point 3 of Law No.7/2017 “On the promotion of the use of energy from renewable sources” ERE has the obligation to define the electricity purchase price produced from solar and wind small renewable resources with installed capacity respectively 2 MW and 3 MW.

Council of Minister’s Decision No. 369, dated 26.04.2017, “On approving the methodology for defining the electricity purchase price produced from the small renewable resources from solar and wind” on point 2, charges ERE with the approval of the electricity purchase price generated from

wind and solar small renewable sources, in conformity with the average price, according to the provisions of this methodology.

Point 2 of ERE Board Decision No. 120, dated 27.07.2017 approved the prices for the small producers from wind and solar energy for 2017 defines that “Beginning from 2018, for the following investments, ERE, according to the collected data, regarding the real investment costs, if they result different from the provisions of Council of Minister No. 369, dated 26.4.2017, “On approving the methodology to define the electricity purchase price produced from solar and wind small renewable resources”, shall propose to the Ministry of Infrastructure and Energy the improvement and review of this Council of Minister’s Decision”.

For all the above mentioned, ERE Board Decision No. 205, dated 13.09.2018 decided:

To open the procedures on defining the electricity purchase price produced from small solar (photovoltaic) resources with installed capacity up to 2MW and wind ones with installed capacity up to 3 MW for 2018.

Along this process and implementing point 2 of ERE Board Decision No. 120, dated 27.07.2017, was reviewed the submitted documentation from the companies that applied for production licenses by the solar plants with installed capacity up to 2 MW and wind ones with installed capacity up to 3 MW that received the approval by the Ministry of Infrastructure and Energy during 2017. The collected information from ERE shall be confronted with the actual values for the realized investments for which there was no information.

As mentioned above and due to the lack of the necessary information regarding the approved authorizations during 2018 by the Ministry of Infrastructure and Energy for the plants from solar technology with installed capacity up to 2 MW and wind ones up to 3 MW, the process for approving the electricity sale prices for these plants for 2018 was postponed for the ongoing period. This in the function of approving a fair decision, based on a full analysis and supported by actual data.

In relation to the price and tariff review for 2019:

- i. To let into force ERE Board Decision No.190, dated 30.08.2018 in relation to the network distribution usage tariff according to the voltage level and retail prices for the end use customers served by the universal service supplier for 2019.**

Article 85 of Law No.43/2015 “On Power Sector” as amended, defines that, ERE approves regulated prices only for the assigned categories of the end use customers supplied according to the universal service supplier and these approved prices are reviewed on annual basis.

“Distribution System Operator” and “Universal Service Supplier” companies did not present at ERE the respective applications in accordance with the “Methodology for calculating the tariffs of the Distribution System Operator” approved with ERE Board Decision No. 180, dated 10.11.2017 and the “Methodology on defining the retail electricity sale price for the end-use customers supplied from the Universal Service Supplier (USS)” approved with ERE Board Decision No.189, dated 23.11.2017.

Article 21 of the “Regulation for ERE Organization, Operation and Procedures” defines that the licensee in power and natural gas sector, shall submit at ERE no longer than 1 September of the current year, a written request attached with all the required information according to the regulation and the respective methodologies.

With purpose that “DSO” and the “Universal Service Supplier” companies to operate in a normal way in the continuing regulatory period, it is necessary that they invoice the electricity with prices approved by ERE.

The Ministry of Infrastructure and Energy with the official letter ERE Protocol No. 798/1, dated 19.12.2018 submitted the issues regarding the allocation of “OSHEE” company where among the most important ones regarding the definition of the tariffs are listed:

- Implementing the initiated process on the allocation of the company it was necessary to continue with the by-legal amendments referring to a market model optimal not only for “OSHEE” company but also for the other energy operators.
- It was necessary to be defined the renewable energy operator outside “OSHEE” company
- To find a solution to the issue on the accommodation in the market of the electricity quantity from the renewable resources, resulting beyond the needs to cover the losses in the distribution network of the Distribution System Operator.
- Following the above mentioned steps it is necessary to define the budgets for both companies: “DSO” company and the “Universal Service Supplier” company, shall enable the assessment of the necessary incomes for the regulated activities.

As follows OSHEE company with the official letter of date 20.12.2018 submitted at ERE, the request on not to change the tariffs of the Distribution Service and the Electricity Sale Prices for 2019.

This request is argumented with the preliminary results of 2018 and be supported on the evaluation that the companies may exercise the distribution activities and that of electricity sale retail in normal operational conditions, beginning from the evaluation of the economical financial situation according to the conducted reports during 2018.

As resulted from the preliminary Financial Statements for 2018 OSHEE company for the third year had a positive financial result while it continued the reduction of the negative capital of the company. During 2018 the negative capital was reduced with about 11% compared to 2017 as presented on the following chart:

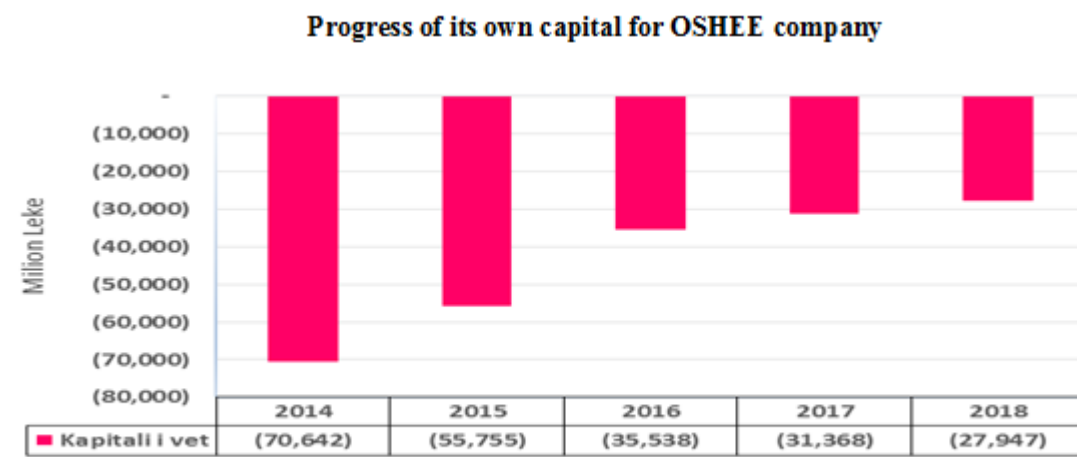


Figure 60 The progress of OSHEE company capital

For all of the above mentioned ERE Board Decision No. 268, dated 21.12.2018 decided:

1. To let into force point 1 and 3 of ERE Board Decision No.190, dated 30.08.2018, “To review the application of “OSHEE” company on the electricity distribution service tariffs according to the voltage level and the letting into force of the retail prices for the customers served by the Universal Service Supplier for 2018” according to the following table:

Type of the activity	Decision no.	Approved tariffs
Distribution service tariff in 35 kV voltage level	No.52, dated 06.04.2017	1.5 ALL/Kwh
Distribution service tariff in 20 kV voltage level	No.52, dated 06.04.2017	3.9 ALL/Kwh
Average price of the distribution service	No.52, dated 06.04.2017	4.79 ALL/Kwh
Sale price for 20kV customers	No.52, dated 06.04.2017	11 ALL/Kwh On peak hour 12.65 ALL/Kwh
Sale price for 10/6 kV customers	No.52, dated 06.04.2017	11 ALL/Kwh On peak hour 12.65 ALL/Kwh
*Temporary approval for customers that fail to ensure the supply in the market because of objective inabilities of the system operators in conformity with Council of Minister Decision no. 449 dated 15.06.2016, the supply as the last resort of these customers is performed on the same conditions with the universal service of supply with a higher price		
The sale price for the customers connected in the MV and meters in LV	No.52, dated 06.04.2017	12.4 ALL/Kwh

		On peak hour 12.65 ALL/Kwh
Retail sale price for the end use customers	No.52, dated 06.04.2017	*The prices are submitted on the following table

Electricity retail sale price for 1 January -31 March 2017 period		
Voltage Level	Price (All/kWh)	Peak Price (All/kWh)
Customers in 10/6 kV	11	12.65
Customers in MV measure in LV	12.4	14.3
Bakeries and flour production in 10/6 kV	7.1	8.17
Customers in 0.4 kV	14	16.1
Bakeries and flour production in 0.4 kV	7.6	8.74
Household	9.5	
Tariff for electricity consumption in joint environments (scale lightening, water pump, elevator)	9.5	
Fix Tariff for “zero”reading service (All/month)	200	
*The price for reactive energy is 15% of the active energy price		
*Peak hour during which shall be applied the tariff for the consumed energy during the peak is:		
- November 1 March 31 period from 18.00 to 22.00		
- April 1 – October 31 from 19.00 to 23.00		

Figure 61 The table of the tariffs and prices for 2019

2. If there results to be effective on the required incomes of "OSHEE" company they shall be updated and compensated according to the definitions of article 20, point "c" of Law No. 43/2015 "On Power Sector" as amended.

From the analysis of the preliminary Financial Statements for 2018 of OSHEE company it is observed that the company had a positive financial result of about 5,4 milliard ALL, a result that will further improve the negative capital, the liquidation of third parties obligations as well as performing the investments in the distribution network.

Also KESH and TSO company based on the preliminary financial statements of 2018, had a positive financial result. Shall be emphasised that it is the positive result of KESH company that realized a profit of about 10 milliard (ALL).....

As follows there are submitted the realized incomes from the three main stakeholders of the Albanian Power System: KESH company, TSO company and OSHEE company for the 2015-2018 period as well as those approved by ERE for 2015:

Required Incomes/ Realized for KESH, TSO, OSHEE companies (million ALL)	Approved by ERE for 2015	Realized for 2016 the Financial Statements for 2015	Realized for 2016 the Financial Statements for 2016	Realized for 2017 the Financial Statements for 2017	Realized for 2018 the Financial Statements for 2018
KESH company	13573	19661	17273	11214	18464
TSO company	4094	6347	5816	5967	6808
OSHEE company	48641	59634	62023	60432	56171

Figure 61 Incomes realized from KESH TSO and OSHEE company for 2015-2017 period. Source (KESH,TSO and OSHEE)

ii. Electricity transmission service tariff from TSO company for 2019

“TSO” company submitted the application for the electricity transmission service tariff for 2019 with the official letter Protocol No. 6879, dated 04.10.2018.

ERE Board Decision No.224, dated 26.10.2018 decided to open the procedures on approving the electricity transmission service tariff for 2019.

Implementing the “Regulation on ERE Organization, Operation and Procedures” during the process of reviewing the request of TSO company are performed the necessary procedural operations to ensure the transparency through the publications and the hearing sessions as well as receiving opinions from the stakeholders.

ERE within the framework to review this application organized a monitoring at this company regarding the conducted operational expenses for 2017 and 2018.

ERE based on the:

- Methodology for calculating the electricity transmission tariff, approved with ERE Board Decision No. 180, dated 08.11.2017;
- The analysis of TSO financial statements for 2017 and the preliminary ones for 2018, as well as the information submitted in the application and then the additional information send from the Company in response of ERE requirements;
- TSO company arguments submitted at the technical session;
- The preliminary monitoring results regarding the operational expenses for 2017-2018;
- The opinions submitted from the interested parties,

Performed the clarifications, verifications and calculations regarding:

- Operational expenses,
- Bazën e Rregulluar e Aseteve bazuar në Metodologjinë e llogaritjes së tarifave të transmetimit të energjisë elektrike dhe në vijimësi të praktikave të mëparshme.
- The Regulated Asset Base based on the Methodology for calculating the electricity transmission tariffs and following the previous practices.
- The reduced adjustments of the more realized incomes for 2018.

In conclusion, the total of the required incomes for 2019 was approved in the value of 5,378 million ALL, to enable the electricity delivery in the transmission network of 7,158 GWh.

In conclusion, ERE Board Decision No.266, dated 21.12.2018 approved the electricity transmission service tariff of about 0,75 ALL/kWh for 2019.

iii. Electricity priority producers and their impact

Electricity production by the electricity priority producers (HPP-s with capacity up to 15 MW) in 2018, due to the favorable hydro conditions there was a considerable increase of about 61% compared with the preceding year. The set into operation of 11 new power plants with total installed capacity of 38.3 MW and with a production of 18.966 GWh, contributed on this increased production.

The following charts present the progress of the produced energy and the realized incomes throughout the years from the electricity sale for the priority producers and Ashta HPP bringing an increase of the production from this category for 2018.

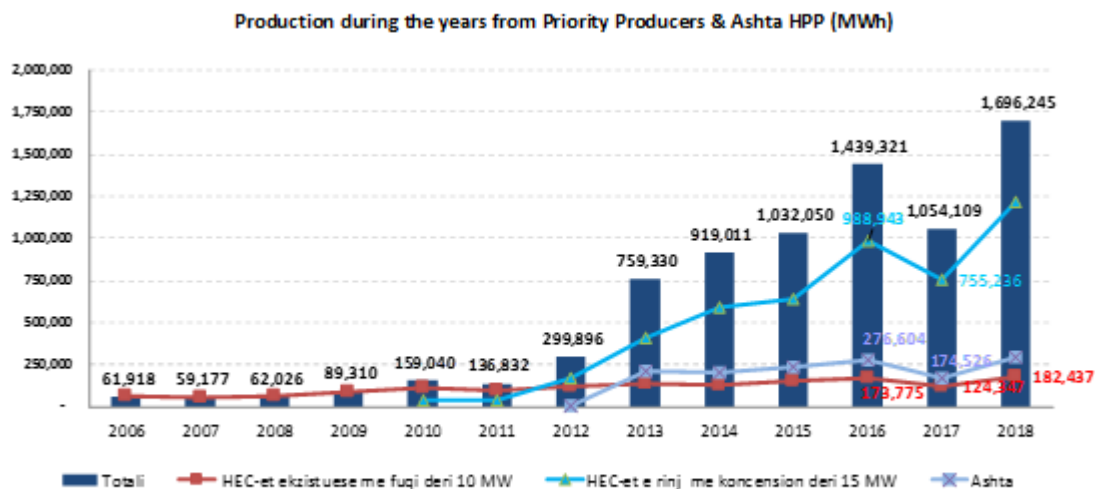


Figure 62 Production progress from the Priority producers & Ashta HPP (MWh) (Source OSHEE company)

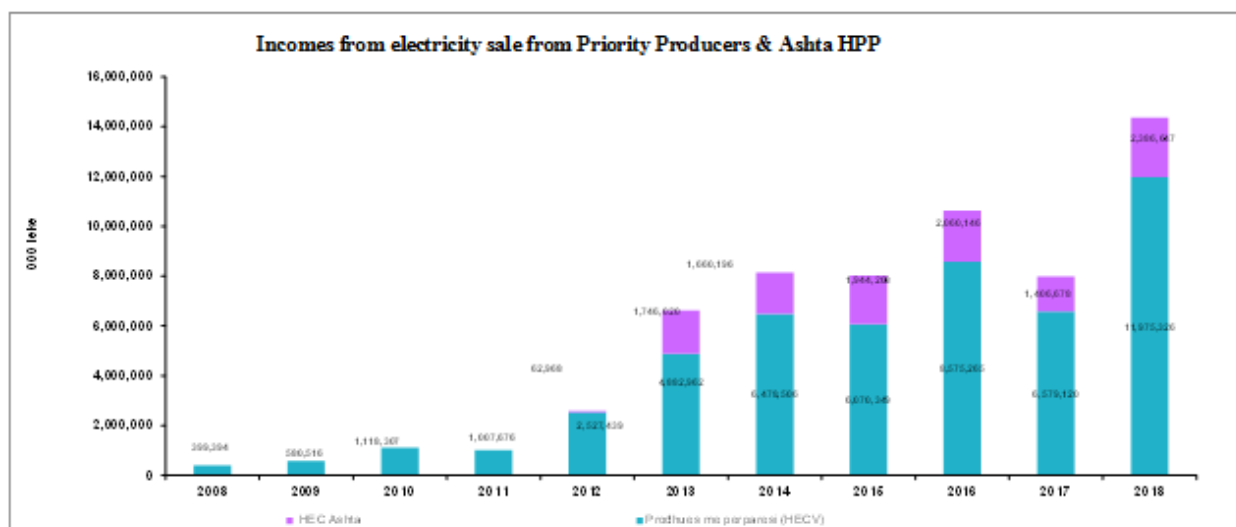


Figure 63 Incomes from the Priority Producer (Source OSHEE company)

Electricity production was about 60% higher compared to 2017. This increased production affected to the increase of the incomes from the electricity sale for the priority producers which were 80% higher compared to 2017. In the increase of the incomes for the priority producers also affected the electricity purchase price produced by these generators for 2018 which was 15 % higher than the one of 2017.

The following chart presents the progress of the approved prices for electricity producers from the hydro power plants for 2004-2019 period:

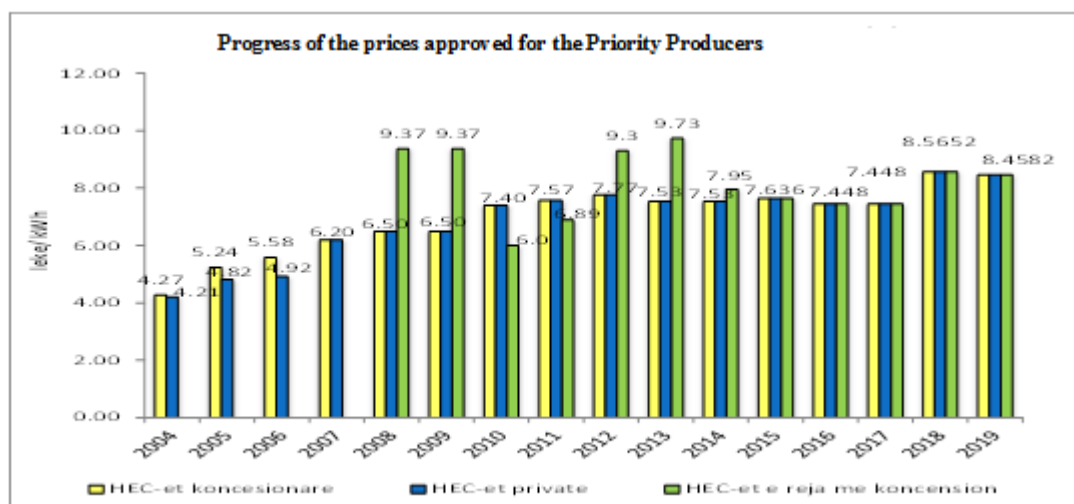


Figure 64 The progress of the approved prices for the Priority Producers

The increased trend of electricity production from the priority producers where except of the increase of the production capacities of the hydro plants, beginning from 2019 and in continuance shall start the production and plants from other renewable resources such as the photovoltaic and aeolian plants as well as the biodegradable part of the solid waste that utilise the industrial, urban and rural wastes which received MIE approval, influence on the further increase of the specific weight occupied from the production and priority producers, to the total electricity customer. On 2018 the electricity produced from the Priority Producers to 15 MW and Ashta HPP occupy about 22% of the electricity annual national consumption.

The following chart submits the progress of the specific weight of production from priority producers to the total consumption:

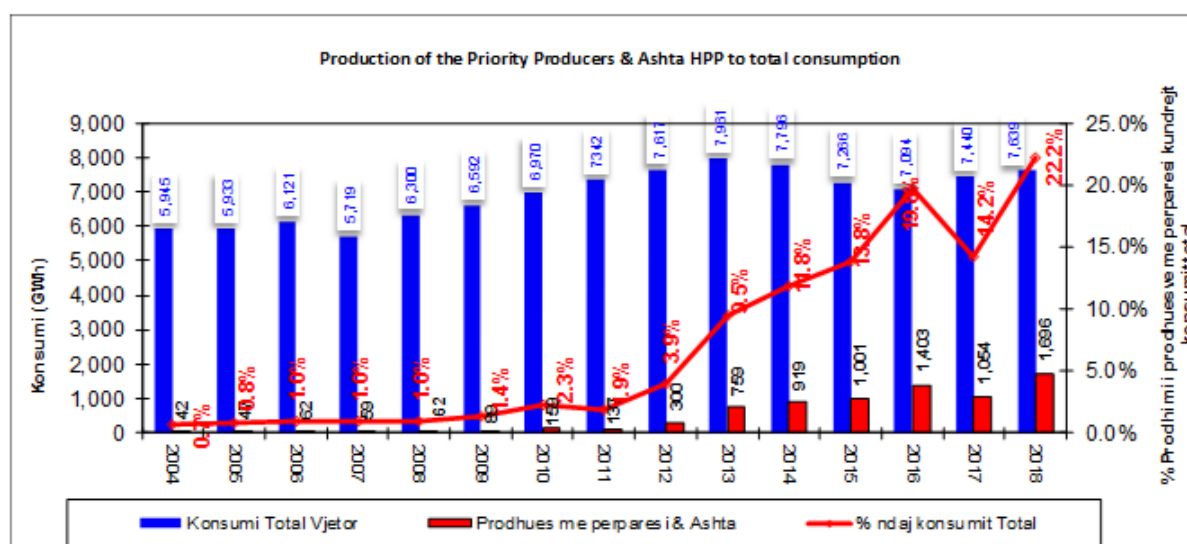


Figure 65 The specific weight of priority producers production to the total consumption (Source TSO company. OSHEE company. ERE)

OSHEE company implementing the Council of Minister's Decision No. 244, dated 30.03.2016 "On the approval of conditions for setting of Public Service Obligation", as amended is obliged to purchase electricity produced from the priority producers. The subsequent increase of production from these producers due to the increase of the production capacities not only from hydro technology, but also from the other technologies of the renewable resources, significantly affects on the cost to purchase electricity from OSHEE company.

OSHEE company expenses for electricity purchase from the priority producers and Ashta HPP in 2018 occupied about 50.2% of the total expenses for electricity purchase from 22.5% they were in the previous period.

It was observed that the purchased quantity by OSHEE company from these producers (1,696 GWh) with an average price of about 66,37 Euro/MWh, exceeded the needs to cover the losses of about 1,538 GWh as provided in the Council of Minister's Decision No. 244, dated 30.03.2016. The difference of about 158 GWh is used to cover the request of the Universal Service Customers.

This fact enhances the need of the legal adjustments to solve the issue of accommodating in the market of the electricity quantity from the renewable resources resulting beyond the needs to cover the losses in the distribution network of the Distribution System Operator.

The following charts present the expense structure of OSHEE company for electricity purchase for 2018 and 2017:

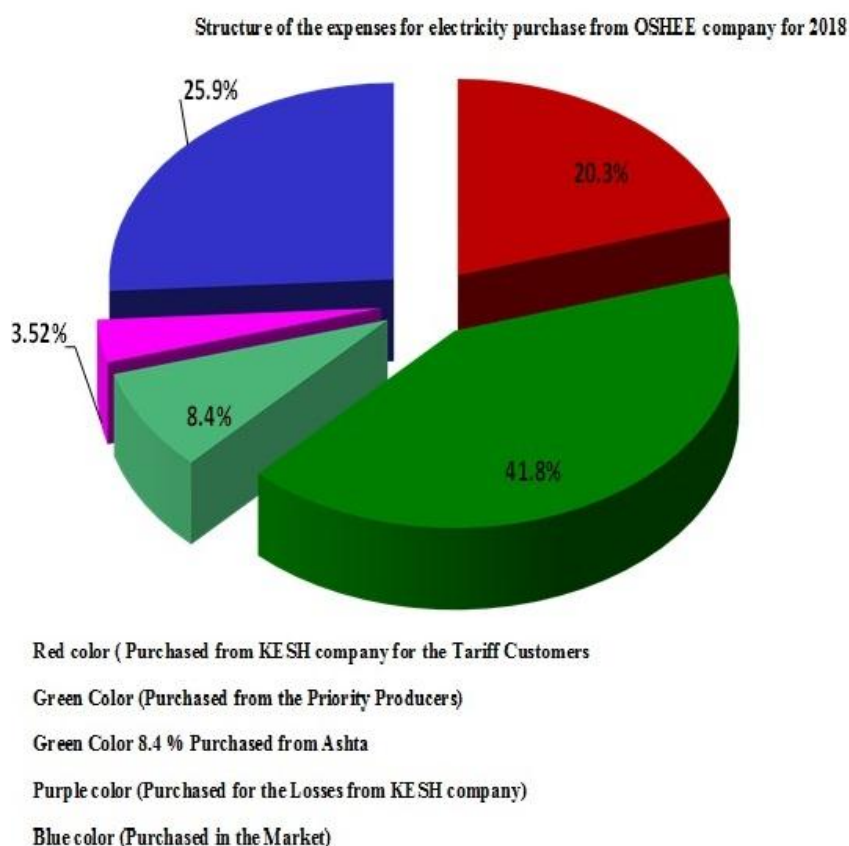


Figure 66 Structure of the expenses for the electricity purchase from OSHEE company for 2018 (Source OSHEE company, ERE)

As results from the collected data, throughout 2018 most part of the electricity is purchased by the Independent Power Producer and is evidenced a decrease of the quantity purchased in the irregulated market compared to that purchased on 2017 in the unregulated market.

Structure of the expanses for electricity purchase from OSHEE company for 2017



Figure 67 Structure of the expenses for electricity purchase from OSHEE company for 2017

The expenses for electricity purchase from OSHEE company for 2018 were 19% lower than those of the previous year.

Meanwhile it was evidenced the reduction of the expenses for electricity purchase in the unregulated market of 64.5% to 25% of the total expenses. This mainly came due to the sufficient production from the hydro plants such as KESH company, Ashta HPP and the priority producers as result of the high hydro flows, mainly in the first half of the year. While the electricity purchase price in the unregulated market was 73,79 EUR/MWh or about 11% higher than that of 2017, meanwhile the average electricity purchase price by the priority producers resulted 66,37 Euro/MWh.

iv. On letting into force ERE Board Decision No. 19, dated 19.01.2018 on the annual electricity purchase price that shall be paid to the existing electricity priority producers for 2018.

Council of Minister's Decision No. 687, dated 22.11.2017 approved the "Methodology on setting the annual price of electricity purchase that shall be paid to existing priority producers" According to this methodology the annual electricity purchase price is defined by : the average annual price of the day ahead market (HUPX/DAM) for electricity in the base load for the respective year of the Hungarian Power Exchange (HUPX) in EUR cent/kWh, bonus coefficient for the promotion of renewable resources on 1.3 measure and the average exchange rate EUR/ALL for the last year.

Council of Minister's Decision No. 687, dated 22.11.2017 also defined the maximum and minimum borders of electricity purchase price by the existing priority producers which may be not lower than the price approved by ERE for 2016 and not higher than 15% of the approved price from ERE for 2016.

From the preliminary data published in the official website of the Hungarian Power Exchange resulted an average annual price of the day ahead market (HUPX/DAM) for electricity in the base load for 2018 of about 49.65 EUR/MWh.

From the published data for January-November 2018 period from the Bank of Albania about the exchange rate, resulted that the average exchange rate was 127.96 ALL/ EUR.

According to the abovementioned methodology, for as long year 2018 is not closed, ERE does not have the adjustment opportunity for the components of the formula submitted above.

ERE Board Decision No. 19, dated 19.01.2018 "On the annual electricity purchase price that shall be paid to the existing electricity priority producers for 2018", approved the price of about 8.5652 ALL/kWh.

As mentioned above ERE Board Decision No. 267, dated 21.12.2018 decided to let into force ERE Board Decision No. 19, dated 19.01.2018 "On the annual electricity purchase price that shall be paid to the existing electricity priority producers for 2018" until the publication of the annual report from HUPEX.

v. Electricity purchase price by the existing priority producers for 2019

Implementing the "Methodology on setting the annual electricity purchase price that shall be paid to existing priority producers", approved with Council of Minister's Decision No. 687, dated 22.11.2017, ERE defined the respective price immediately after the publication of the annual report of the Hungarian Power Exchange (HUPX) for 2018.

From the data of the annual report of the Hungarian Power Exchange (HUPX) the average annual price of the day ahead market (HUPX/DAM) for electricity in the base load for 2018 results of 51 EUR/MWh amount.

From the published data by the Bank of Albania on the exchange rate ALL/EUR for each day of 2018, resulted that the average exchange rate for 2018 is in 127.575 amount ALL/EUR. ERE has the right to adjust the conducted calculations in case when the exchange rate ALL/EUR shall be published in the Annual Report 2018 of the Bank of Albania (during the following months) is different from the one considered in the calculation.

The price of about 8.4582 ALL/kWh which resulted from the implementation of the calculating form mentioned in the methodology, was within the minimal and maximum borders defined on paragraphs 2. ç and 2.d of the Council of Minister's Decision No. 667, dated 22.11.2017.

As mentioned above ERE Board Decision No. 8, dated 17.01.2019 approved the annual price of about 8.4582 ALL/kWh that shall be paid to the existing priority producers for 2019.

vi. The letting into force until 31.03.2019 of ERE Board Decision No. 97, dated 23.4.2018 “On approving the natural gas transmission tariff by “ALBGAZ” company for 2018.

ERE Board Decision No. 97, dated 23.04.2018 “ On approving the natural gas transmission tariff from “ALBGAZ” company for 2018 decided on the approval of the natural gas transmission tariff for “ALBGAZ” company for 01.01.2018-31.12.2018 period.

“ALBGAZ” company did not submitted the application for review of the transmission tariff for the preceding regulatory period of 2019, in conformity with the “Methodology for calculating the natural gas transmission and distribution network tariff”.

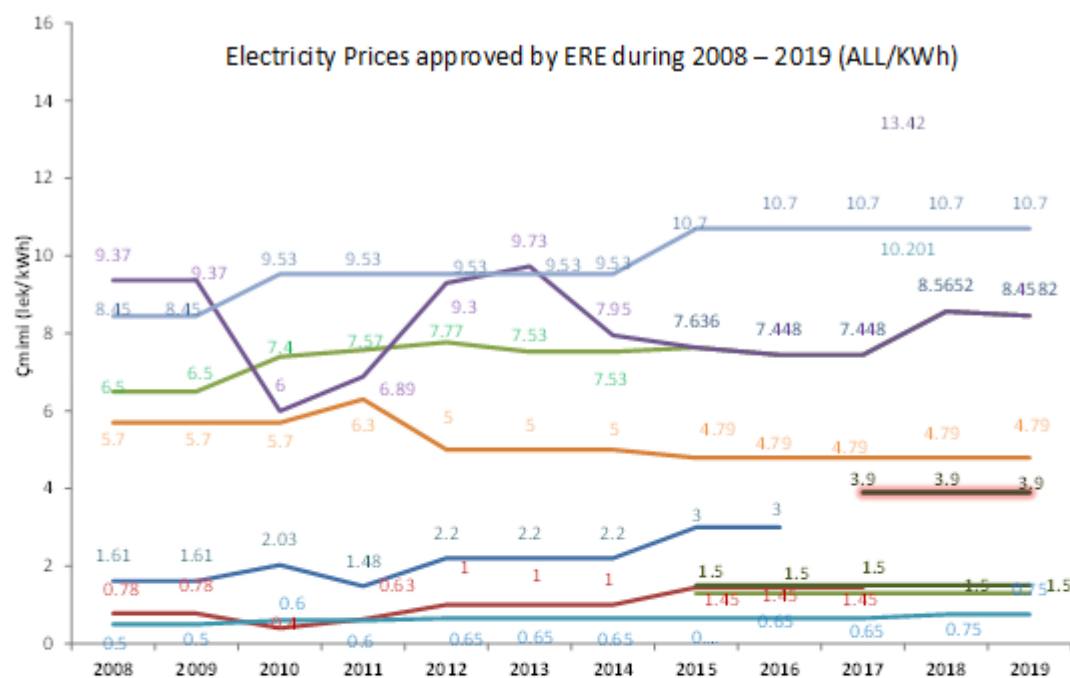
“ALBGAZ” company has not submitted yet the application about the investments plan for 2019. The lack of the investments amount for 2019, as an important component of the tariff calculation made impossible the calculation of the required incomes and the definition of the natural gas transmission tariff for 2019.

ERE considers the transmission activity tariff necessary to perform the activity from “ALBGAZ” company, which is exercised in conformity with Law No. 102/2015 “ On Natural Gas Sector” as well as the European Union directives. The network access for the users of transmission system shall be guaranteed and this company shall provide its services with regulated tariffs from ERE.

On these conditions ERE Board with Decision no. 269, dated 21.12.2018, decided to postpone until 31.03.2019 the legal power of ERE Board Decision no. 97, dated 23.04.2018 “On approving the natural gas transmission tariff from “ALBGAZ” company for 2018”, i ndryshuar deri më datë 31.03.2019.

vii. The approved tariffs and prices throughout the years

In the following table and chart are submitted the electricity prices approved throughout the years from ERE implementing the effective legislation at the decision taking moment:



Production

Existing HPP-s up to 15 MW

New HPP-s up to 15 MW

Wholesale Public Supplier

Transmission

Average distribution tariff

Average Price for the Universal Service Customers

Distribution service tariff in the 20/10/6 kV

Photovoltaic plants 2 MW

Aeolian plants MW

Type of the Activity (ALL/kWh)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Production	6.5	6.5	7.4	7.57	7.77	7.53	7.53	7.636	7.448	7.448	8.5652	8.5652
Existing HPP-s up to 15 MW	9.37	9.37	6	6.89	9.3	9.73	7.95	7.636	7.448	7.448	8.5652	8.4582
New HPP-s up to 15 MW	9.37	9.37	6	6.89	9.3	9.73	7.95	7.636	7.448	7.448	8.5652	8.4582
Photovoltaic plants 2MW										13.42		
Aeolian Plants MW										10.201		
Wholesale Public Supplier	1.61	1.61	2.03	1.48	2.2	2.2	2.2	3	3			
Transmission	0.5	0.5	0.6	0.6	0.65	0.65	0.65	0.65	0.65	0.65	0.75	0.75

Average Distribution Tariff	5.7	5.7	5.7	6.3	5	5	5	4.79	4.79	4.79	4.79	4.79
Average price for the Universal Service Customers	8.45	8.45	9.53	9.53	9.53	9.53	9.53	10.7	10.7	10.7	10.7	10.7
Distribution service tariff for 35 kV voltage level								1.5	1.5	1.5	1.5	1.5
Distribution service tariff for 20/10/6 kV voltage level										3.9	3.9	3.9

Figure 68 Prices approved by ERE for 2008-2019 period (Source ERE- the Average price shall be calculated according to the arithmetic average of the data)

The chart reflects the occurred amendments in the tariffs and prices approved by ERE due to the reflection of the amendments brought by Law No. 43/2015 “On Power Sector”, as amended, in the structure of the Albanian electricity market.

Beginning from 2015, it continues to be applied the distribution service tariff for 35 kV voltage level of about 1,5 ALL/kWh and since from 01.01.2017 the distribution service tariff for 20 kV voltage level of about 3,9 (ALL)/kWh.

The curve of electricity wholesale sale from KESH company in function of the wholesale supply service is interrupted on 2016 because this operation passed to the universal service supplier. KESH company implementing Law No.43/2015 “On Power Sector”, as amended, which imposes the liberalization of the electricity production and supply sections, as well as of the Council of Ministers Decision No. 244, dated 30.03.2016 “On approving the conditions to impose public service obligation that shall be implemented by the licensees on the electricity sector which perform the electricity production, transmission, distribution and electricity supply activity”, as amended, sold electricity to the Universal Service Supplier to cover the request of the end use customers and to the distribution system operator to cover the losses with unregulated prices by ERE.

In consequence the chart of the production price for KESH company (approved by ERE) is interrupted on 2017. KESH company sold during 2018 about 3,844 GWh electricity to cover the request of the Universal Service Supplier with the price 1.5 ALL/kWh approved by the General Assembly of KESH company implementing point 2 of article 5 of the Council of Ministers Decision No. 244, dated 30.03.2016. Also, of KESH company implementing point 4 of article 5 of the Council of Ministers Decision No. 244 sold 145 GWh electricity to cover the losses in the distribution network with an average price of about 6.95 ALL/kWh.

The following chart submits the progress of the realized average electricity prices in total as well as for household and non household customers:

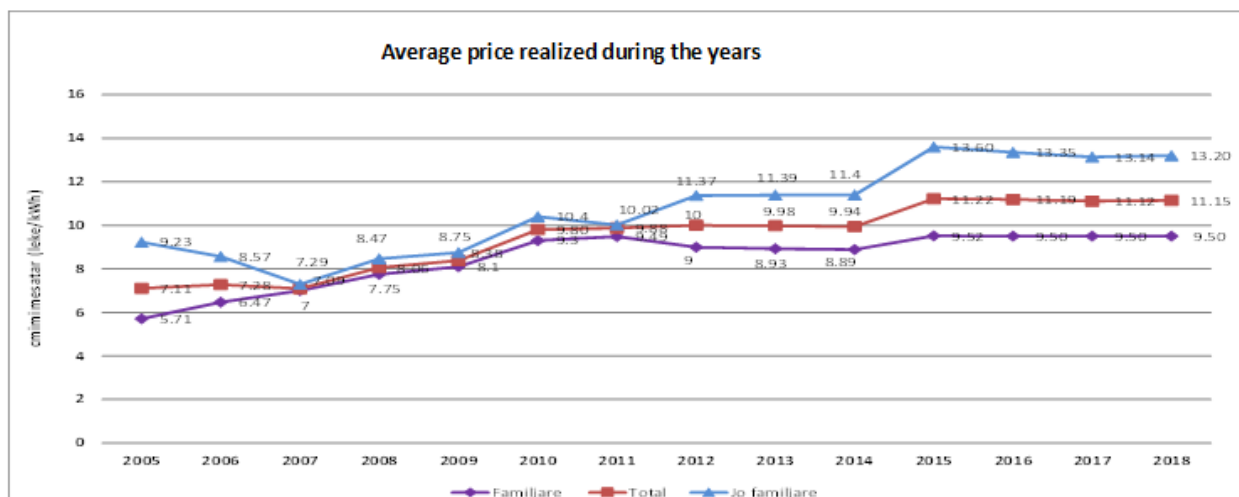


Figure 69 The realized average price (Source ERE, OSHEE company)

The average price for the end use customers, for 2018 resulted from the calculations in the 11,15 ALL/kWh level due to the realization of a sales structure.

The following table submits the implementation of the prices for different categories of customers in the relevant voltage levels compared to the approval for 2018:

Customer's Category	Approved Price		Realized Price	
	Active	Peak hour	Active	Peak hour
Customers in 20/10/6 kV	11.00	12.65	10.99	12.65
Bakeries and flour production	7.10	8.17	7.60	8.74
Customers connected in 20/10/6 kV metered in LV	12.40	14.30	12.37	14.24
Customers connected in 20/10/6 kV metered in LV	14.00	16.10	13.91	16.10
Customers in 0.4 kV	14.00	16.10	13.98	16.10
Bakeries and flour production in 0.4 kV	7.60	8.74	7.55	7.86
Religious objects	9.50	10.93	9.50	10.93
Households	9.50		9.50	
Joint environments	9.50		9.50	
Average Price for 2018	10.70		11.15	

Figure 70 The implemented price for customer's categories (Source ERE, OSHEE)

The actual price of about 7.60 ALL/kWh for the category "Bakeries and flour generation" in the 20/10/6 kV voltage level resulted higher than the approved one of 7.10 ALL/kWh due to the

application from OSHEE company of the 7.6 ALL/kWh tariff for this category of customers connected in medium voltage while their metering is in low voltage.

viii. Electricity tariffs in Region Countries, for 2018

The data basis of the Energy Regional Regulators Association (ERRA) for electricity tariffs is the main source of the official data of electricity in the Central and Eastern European countries.

In the following chart there are submitted the electricity tariffs in Euro cent/kWh and ALL/kWh before VAT for the non household customers in 2018. The average price of electricity for the non household customers for region countries is 11.47 ALL/kWh.

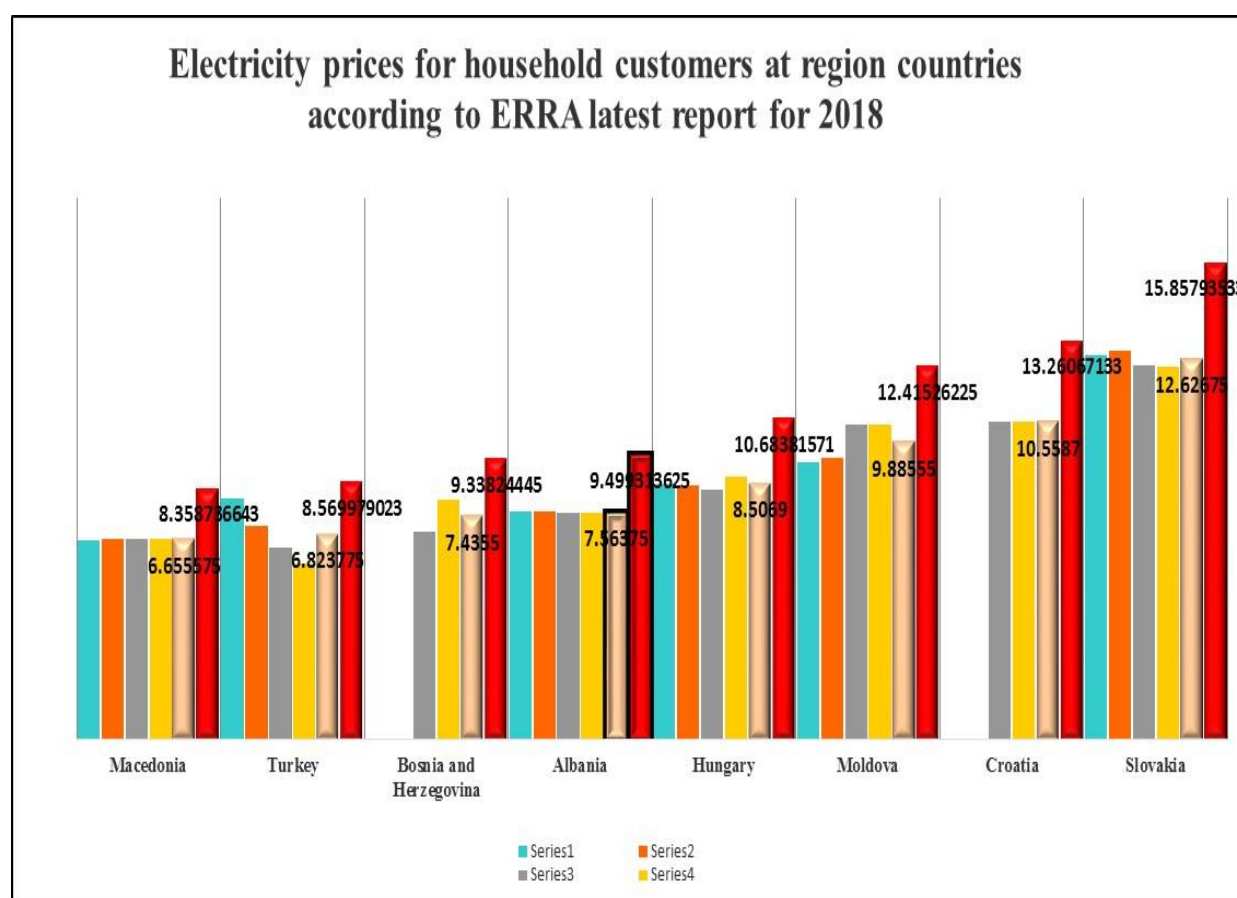


Figure 71 The electricity prices of household customers in the region countries according to the latest ERRA report for 2018

(Source ERRA)

In the following chart are submitted the electricity tariffs in Euro cent/kWh and ALL/kWh before VAT for the household customers.

The average price of electricity for the household customers for the region countries is 11.00 ALL/kWh. As it is seen the prices for Albania are submitted almost in the same ranking to maintain the income stability for the company, to recover the inherited negative capital of this company.

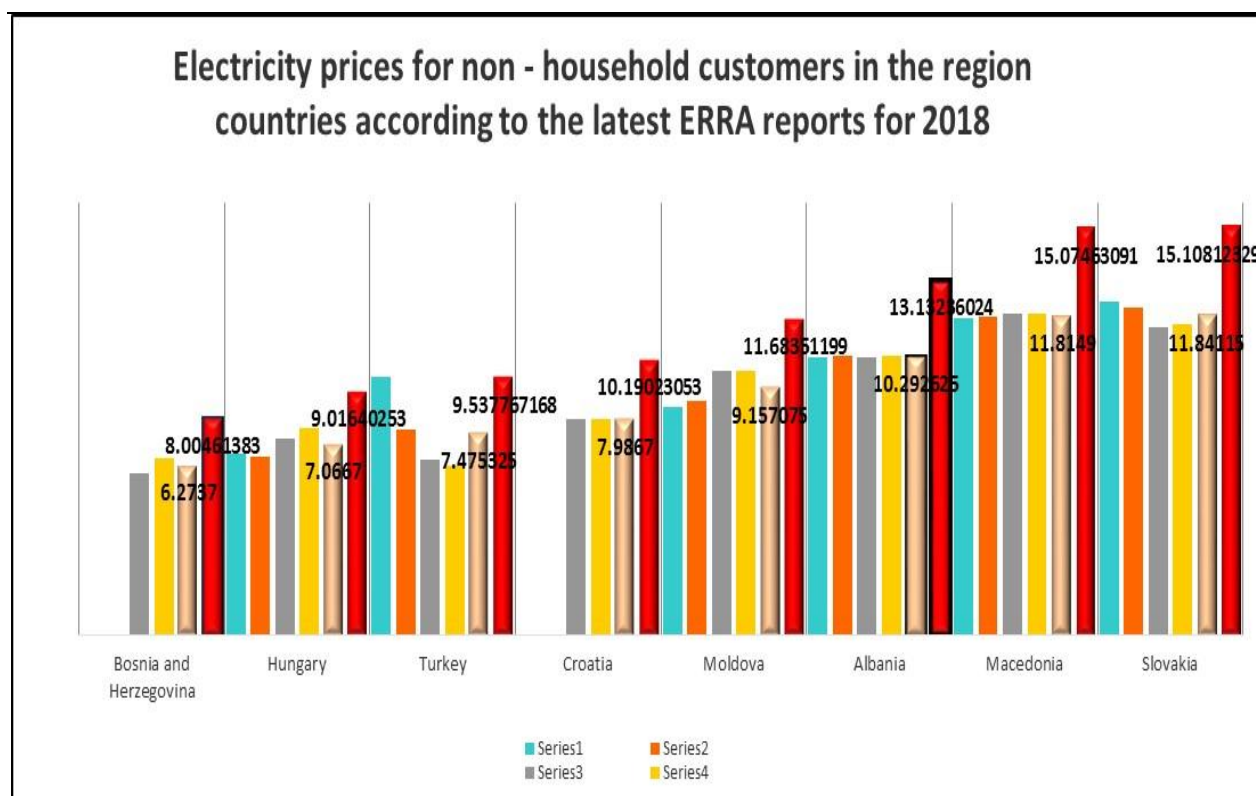


Figure 72 Electricity prices for non-household customers in the regional countries according to the latest ERRA report for 2018

(Source ERRA)

3.5 ERE activity in the Development of Secondary Legislation and the other Legal Amendments Occurred during 2018

An important part of ERE activity and particularly the Legal Directory is the draft of the secondary legislation that composes the regulatory framework in Power and Natural Gas Sector.

This framework is completed by ERE in a considerable part and currently are still in the review process from ERE some acts are very important implementing Law No.43/2015 “On Power Sector” that during 2018 has undergone some amendments, but also of Law 102/2015 “On Natural Gas Sector.”

The draft and review in some cases of the secondary legislation by ERE, is made in any case taking in consideration the transparency principle. ERE has undertaken the necessary steps to establish to the third parties the opportunity to be informed with the content of the documents, the opportunity to be consulted and hear the stakeholders by sending different opinions or comments or even by holding hearing sessions with the presence of the parties that have shown interest for the documents in elaboration process by ERE. Each document which has undergone in the drafting and reviewing process, is published on ERE official website to ensure access on anyone decision taking that is interested in these practices. In the finalization of these processes for public consulting and with the stakeholders, ERE has taken the decisions which not only fulfill the legal provisions but also the practical attitude of the stakeholders. These meetings are open for the public.

During 2018 ERE marks some important decisions regarding the review of the bz-legal acts in power and natural gas sector within the framework of their compliance with Law “On Power Sector” No. 43/2015 and that “On Natural Gas Sector.”

As follows are listed the most important decisions regarding the draft of the acts explained above:

ERE Board Decision no. 103, dated 30.04.2018 “On approving the compliance program of TSO company”.

TSO company with the official letter Protocol No. 962, dated 31.01.2018 presented at ERE the request on approving the Compliance Program of TSO company.

This request comes as result of implementing ERE Board Decision No. 43, dated 15.03.2017 as well as the Supervisory Board of TSO company which with decision No. 2, dated 21.01.2018 approved the Compliance Program of TSO company. With ERE Board Decision No. 43, dated 15.03.2017 it is decided “*On approving the final certification of “Transmission System Operator” for electricity TSO company*” in conformity with article 54, point 6, of law no. 43/2015, “On Power Sector” and article 9, point 6, of Directive 72/2009 EC after receiving the opinion of Energy Community Secretariat. This decision is taken in conformity with article 3, point 8;16;54 and 58, points 1,2,3,6 and 7 of Law No. 43/2015 “On Power Sector”; The Council of Ministers Decision No. D/2011/02/MC-EnC; Energy Community Treaty ratified with law No. 9501, of date 03.04.2006, as well as articles 6, 8, 9 point 1, article 10, 11, 12 and 14 of the “*Rules on the Certification of the transmission system operator for electricity*” approved with ERE Board decision no. 154 of date 11.12.2015. On page 75 of this decision ERE Board stated:

The request for the compliance officer and the compliance program should be developed following the requirements of Article 21 of Electricity Directive and shall include extensive rights related to investment decisions, and in particular should report to ERE and publish on the website a report about the relations between two public related bodies controlling TSO and KESH /OSHEE.

The request of the compliance officer and the compliance program shall be developed following the requirements of Article 21 of Electricity Directive and shall include extensive rights related to investment decisions, and in particular should report to ERE and publish on the website a report about the relations between two public related bodies controlling TSO and KESH /OSHEE. The Compliance Program shall be submitted to the regulator authority ERE, not later than 6 months after assigning the Compliance Officer. While the Compliance Officer shall be assigned not later than 3 months after the final approval of the Certification Decision. Fulfilling the conditions and the provided terms in the effective legislation as well as in the abovementioned ERE Board Decision, the Board approved the Compliance Program of TSO company.

Other ERE Board Decisions which have not been in the focus of the Legal Directory and other Technical Directories of ERE are the ones related to the postponement of the terms or interventions within the regulatory framework approved before and is as a response of the requirements submitted at ERE to improve the work and operation of the licensee activity.

ERE Board Decision No. 14, dated 10.01.2018 “On postponing the terms of the temporary transmission tariff for natural gas from “Albgaz” company approved with ERE Board Decision No. 90, dated 07.06.2017 as well as the natural gas transmission contract signed between ALBPETROL and ALBGAZ companies.

ERE Board Decision no. 90, dated 07.06.2017, has approved the temporary transmission tariff of natural gas from “Albgaz” company for 05.01.2017 – 20.09.2017 period”, as amended with ERE Board Decision No.155, dated 28.09.2017 and with ERE Board Decision No.14, dated 10.01.2018. As follows, not to impede the performance of the activity from this company. Such a provision in the effective legal framework, and concretely Law no. 102/2015 “On Natural Gas Sector”. This temporary tariff remained in force, through ERE interim decisions, until the completion of the conditions provided on the legislation in force, the draft of the necessary secondary legislation and the fulfillment of the conditions required from Albgaz company where with decision no. 97, dated 23.04.2018 ERE Board is expressed about the approval of the natural gas transmission tariff from Albgaz company for 2018.

Decision no. 19, dated 19.01.2018 on approving the annual electricity purchase price that shall be paid to existing priority producers for 2018

With the abovementioned decision, in conformity with the Methodology on defining the annual electricity purchase price that shall be paid to existing priority producers to calculate this price as well as other criteria referred by the law, is defined that the annual electricity purchase price, that shall be paid to existing priority producers for 2018, shall be 8.5652 ALL/kWh. Following ERE Board Decision No. 267, dated 21.12.2018 on the letting into force of ERE Board Decision No. 19, dated 19.01.2018; “On the annual electricity purchase price that shall be paid to the existing electricity priority producers for 2018” it is decided *to let into force decision no.19 dated 19.01.2018, “On the annual electricity purchase price that shall be paid to the existing electricity priority producers for 2018” to the publication of the annual report from HUPEX.*

Decision No. 22, dated 30.01.2018 On the complaint of TSO company in relation to ERE Board Decision No. 210, dated 28.12.2017 “On approving the electricity service tariff from TSO company for 2018”.

Decision No. 110, dated 14.05.2018 on settling the disputes between KESH and TSO companies regarding the invoices correction for the balance service according the legal and by-legal provisions and the calculations from TSO company agreed and accepted by the responsible parties for 1 July 2016 - 31 December 2017 period.

ERE Board Decision No. 148, dated 28.06.2018 On the requirement of OSHEE company for the objection of ERE Board Decision No. 110, dated 14.05.2018, regarding the correction of the invoices for the balancing service according to the provisions of effective legal and by-legal acts and the calculations from TSO company, agreed and accepted by the responsible parties for 1 July 2016 - 31 December 2017 period.”

ERE Board Decision No. 131, dated 07.06.2018 On the request of KESH company to review ERE Board Decision No. 98, dated 30.04.2016, On approving the sale-purchase contract of the excessive quantity of electricity resulting after fulfilling the request of the customers benefiting from the universal service, with the purpose to cover the losses in the distribution network for 01.01.2018-31.12.2018 period.

ERE Board Decision No. 59, dated 15.03.2018 On the approval of TSO company for the postponement of the terms of point 2 of ERE Board Decision No. 43, dated 15.03.2017 On the

approval of the final certification of the “transmission system operator” TSO company for electricity in accordance with article 54, point 6, of Law No. 43/2015 “On Power Sector” and article 9, point 6 of the directive 72/2009 EC after receiving the opinion of the Energy Community Secretariat.

ERE Board Decision No. 43, dated 15.03.2017 decided on approving the final certification of “transmission system operator” for electricity TSO company in conformity with article 54, point 6, of Law no. 43/2015, “On Power Sector ” and article 9, point 6, of Directive 72/2009 EC.

Due to the conditions which as explained do not depend on TSO company will to implement the provisions of ERE Board Decision No. 43, dated 15.03.2017, “TSO company submitted at ERE the request to postpone with one year the term to comply with the conditions provided on point 2 of ERE Board Decision no.43 dated 15.03.2017. TSO company request is submitted at ERE before the termination of the term and is observed to fulfill for review, so in such circumstances ERE Board with Decision no. 59 dated 15.03.2018, decided to approve TSO company request to postpone the term of implementing ERE Board Decision no. 43 dated 15.03.2017 “ On approving the final certification of the “Transmission System Operator” for electricity TSO company in conformity with article 54, point 6 of Directive 72/2009 EC after receiving the opinion of Energy Community Secretariat” until on 15.03.2019.

ERE Board Decision No. 75, dated 26.03.2018 On the obligation of OSHEE company “Standard contract for sale-purchase of electricity between OSHEE company and the priority producers of electricity” approved with ERE Board Decision No. 101, dated 23.06.2016, as amended with ERE Board Decision No. 147, dated 30.09.2016.

ERE Board Decision No. 101, dated 23.06.2016 decided on approving several amendments in the model of electricity sale-purchase contract between KESH company and small producers of energy approved with decision No. 80, dated 23.10.2009, as amended. Implementing the provision of article 6, point 10 of the “Noterial Contract” signed by the Ministry of Infrastructure and Energy and the Priority Producer of electricity, is obliged that OSHEE company within 28 January 2018 to sign the electricity sale-purchase contract with the Priority Producer of electricity. OSHEE company required from the Ministry of Infrastructure and Energy and from the Energy Regulatory Authority a guideline and an orientation regarding this situation as well as the steps that OSHEE company shall undertake. ERE as the regutary authority is obliged to guarantee the normal maintenance of this contract between OSHEE company and the Priority Producers of electricity. As such not impeding the work of OSHEE company and that of the Independent Producers of Electricity in implementing this contract, arised the need to sign this contract by the parties according to the provided terms in the contract/authorization, to keep the final approval by the responsible Ministry for the construction of the plants from the renewable resources, the Standard Contract of sale-purchase of electricity approved with ERE Board Decision No.101, dated 23.06.2016.

ERE Board Decision No. 127, dated 04.06.2018 “On approving the network code on the requirements for grid connection of high voltage direct current systems and direct current-connected power park modules (HVDC)”; No. 128, dated 04.06.2018 “On approving the

network code for the demand”; No. 129, dated 04.06.2018 “On approving the network code on requirements for grid connection of generators.”

The abovementioned decisions are as the result of the fact that Albania is a member of Energy Community Secretariat from 01.07.2006. These codes are supported in the EU Regulation No. 714/2009, of the European Parliament and European Council, in the requirements of the Commission Regulation 2016/1447 dated 26 August 2016 of the European Parliament and of the Council, in Decisions No. 2018/03-04-05/PHLG-EnC, dated 12.01.2018 of the Permanent High Level Group of Energy Community as well as the provisions of Law No. 43/2015, “ On Power Sector”, as amended, the certification for the transmission system operator for electricity OST company.

Also considering that the transmission system operator for electricity TSO company is a full rights member of ENTSO-E and according to the Energy Community Secretariat, this Code shall be transposed without amending its text and structure, the provisions of this Code shall prevail to the Transmission Code approved with decision no. 186, dated 10.11.2017, of ERE Board and any other power sector regulatory act.

ERE Board Decision No. 161, dated 09.07.2018 On approving the “Regulation on the general conditions of the Natural Gas supply service for the end use customers”.

This Regulation is drafted and approved as a request of article 16, of Law No. 102/2015 “On Natural Gas Sector” in point 10 of which is defined as ERE responsibility the approval of the general conditions of supply, including the drafting in a transparent way of the general contractual rights and obligations.

Decision No. 168, dated 19.07.2018 “ On approving the amendments proposed by TAP AG in the tariff methodologies of TAP AG approved with ERE Board Decision No. 127, dated 7.11.2013”.

The approved amendments are in conformity with the principles mentioned in the “Final Joint Opinion of Energy Regulators on the application of TAP AG for the Exemption of the Authority for Electricity and Gas (Italy), Energy Regulator Authority (Albania) and the Regulatory Authority of Greece, approved with European Commission Decision (C(2013)2949 “. Particularly those with the purpose to improve the accuracy and transparency of the tariff methodology and do not present unnecessary barriers/obstacles for the provided process of the short-term reserved capacities; - The approval of these amendments in the Tariff Code is consulted with the regulators of Greece and Italy, respectively RAE and ARERA, - The amended Tariff Methodology shall be proposed by TAP AG at the potential users in the moment of the bid for the capacity products and for this reason, it is necessary to be held reserved in Annexes B and C in this decision.

Decision No. 170, dated 03.08.2018 On approving the Memorandum of Understanding on the collaboration of daily markets of electricity between the pairs, Energy Regulator Authority (ERE), Energy Regulatory Office (ERO), TSO and KOSTT companies.

The memorandum aims to facilitate the harmonization of the electricity markets in Albania and Kosovo, with regard to the facilitation of the cooperation procedures for these markets. This

Memorandum is drafted within the framework of the electricity market coupling projects on for Albania - Kosovo from the Energy Community Secretariat.

Through this Memorandum, the parties commit to implement the project from the Program of the Western Balkan 6 Initiative (WB6), to integrate the daily electricity market for which are jointly responsible. The objective of this project is the implementation of the daily electricity market in Albania and Kosovo in an efficient way.

The regulatory authorities ZRrE and ERE, commit to jointly continue the work to facilitate and coordinate the regulatory monitoring/supervision, to develop the joint declarations and guidance in taking the joint decisions for the implementation of this initiative.

ERE Board Decision No. 183, dated 20.08.2018 On approving the operation license of the Distribution System Operator of electricity.

For the approval of this document, ERE took into consideration all the recommendations of the stakeholders that expressed their opinions, which improved this draft, without contradicting the provision in the effective legislation for the conditions of the operation license for the distribution system operator.

Decisions No. 188, dated 20.08.2018, No. 249, dated 11.12.2018, No. 250, dated 11.12.2018, No. 251, dated 11.12.2018, No. 252, dated 11.12.2018, No. 253, dated 11.12.2018, approved the proposals of all TSO in conformity with the Regulations of the European Commission related to the common network methodologies, cost-profit analysis methodologies as well as the relevant Guide on the capacity allocations in advance, on the operation of electricity transmission system as well as the relevant amendments.

Decision No. 200, dated 03.09.2018 On approving several amendments in the “Capacity allocation rules for interconnection”.

The approved amendments aim at giving the access to electricity traders and suppliers, registered in another country member of the Energy Community Treaty, to have the right to participate in the electricity market, based on the reciprocity principles and in accordance with the effective legislation.

Decision No. 214, dated 11.10.2018 On approving the network code on interoperability and data exchange rules. (Natural Gas Sector)

This Code is approved by the fact that Albania is a member of the Energy Community from 01.07.2006 and such as must keep in consideration the provisions of the (EU) Regulation No.715/2009, of the European Parliament and the European Council; the requirements of the Commission Regulation (EU) 2015/703, of date 30 April 2015; Decision No. 2018/02/PHLG.EnC, dated 12.01.2018 of the Permanent High Level Group of Energy Community, on which it is approved the Network Code on Interoperability and Data Exchange Rules. In adopting the Network Code on the Interoperability and Data Exchanges are taken into consideration the provisions of Law No. 102/2015 “On Natural Gas Sector”, the licensing of “ALBGAZ” company in the Natural Gas Distribution activity as well as the Final Certification of the Combined Natural Gas Operator “ALBGAZ” company.

With Decisions No. 198, dated 03.09.2018 and No. 199, dated 03.09.2018, ERE licensed in electricity trading and supply activity, the Free Market Supplier company.

As well as with Decisions No. 215, dated 11.10.2018 and No. 216, dated 11.10.2018 transferred the licenses of electricity supply and the distribution system operation, OSHEE company respectively to the Universal Service Supplier and the Distribution System Operator.

The Free Market Supplier, the Universal Service Supplier and the Distribution System Operator companies, are established as controlled companies, implementing Law No. 43/2015 “On Power Sector”, as amended, Law No. 9901, dated 14.04.2008 “On Entrepreneurs and Companies”, as amended and the Order of the General Assembly Protocol No. 157, dated 12.02.2018 of the “Electricity Distribution Operator, “OSHEE” company as the founder shareholder and the parent company.

Decision No. 247, dated 11.12.2018 On approving the Regulations on the conditions of the supply service from the Supplier of Last Resort, and the contractual conditions of electricity supply”.

These rules aim to define the operation way of the Supplier of Last Resort in relation to the fulfillment of the obligations provided on Law for the actions that shall be followed to ensure the Supply of Last Resort service as well as the contractual conditions for the electricity supply service from the Supplier of Last Resort. These rules/conditions are drafted in conformity with:

- Law No. 43/2015 “On Power Sector”, as amended, article 86 and article 87, point 3.
- Law No. 9902, dated 17.04.2008 “On consumer protection”, as amended.
- Law No. 9887, dated 10.03.2008 “On personal data protection”, as amended.

Decision No. 246, dated 11.12.2018 On approving the “Regulation on the specific conditions for the interruption of the electricity supply for the vulnerable customers”.

Among the new innovations of Law No. 43/2015 “On Power Sector” as amended, was the definition with specific provisions of “*Vulnerable Customers*” as well as the obligation of the supplier in Universal Service Supplier to supply the vulnerable customers according to article 84, point 1, letter d. Based on the authority given in accordance with the definitions of article 96 of Law No. 43/2015 according to which: *The Supplier, supplying this category of customers, approved by ERE*, the latter one drafted the Regulation “On defining the conditions for the interruption supply of electricity of the *Vulnerable Customers*”.

The draft of these Rules is prepared in conformity with the provisions of the abovementioned law and having into consideration that: Our country ratified the “*Energy Community Treaty*” from which derives the obligation that the community countries shall ensure through the internal legislation the implementation of the *Third Energy Package* requirements.

Within the framework of this package, it is required consumer protection through a market that encourages competition and reduces the obstacles for the entrance of new suppliers and other third parties. A specific protection is dedicated from this package to the “vulnerable customers” among others even the establishment of the criteria on the interruption of the supply service for this customer category.

Law No. 43/2015 “On Power Sector” as amended, also in article 84, point 2, letter d, defined the obligation of the universal service supplier to “*supply the vulnerable customers, respecting the conditions defined in article 96 of this Law*”.

In article 95 of Law no. 43/2015 the “vulnerable customers” it is defined that the Ministry Responsible for the Social Affairs, in cooperation with the Ministry Responsible for Energy, the Ministry of Finance and Economy, and in consultation with ERE as well as the stakeholders, drafts the criterias, procedures to benefit the status of the vulnerable customer and their way of treatment, which are approved with Council of Ministers Decision.

This regulation, as mentioned above, reflects even the obligations imposed in Directive 2009/72/EC and Directive 2009/73/EC according to which:

The Member Countries shall take the required measures to protect the end use customers and especially shall ensure that there is a more specific and adequate protection of the vulnerable customers.

In this context, each member country defines the concept of the “vulnerable customers”, that may be referred to energy poverty and among others, focusing on the prevention of electricity (gas) interruption on these customers in critical period.

With the purpose for a fair and transparent decision taking the Draft Regulation was sent to all the parties and shareholders to express their comments and suggestions, which are taken into consideration by ERE during the approval of the “*Regulation on the Specific Conditions for the Interruption of the Electricity Supply for Vulnerable Customers*”.

Acts for which ERE is in a consultation process with USAID and ENC are:

- The Regulation for the way of selection, nomination, promotion and dismissal of the technical staff.
- Regulations on defining the costs from the users in relation to the particular conditions of the connection point.
- The integrated and standard system of the accounts for all the licensees that operate in electricity market.
- Technical conditions for the installation of an ancillary service of electricity for the customers that require this service, including even the conditions that shall be fulfilled by the ancillary service to prevent the network disorders.
- The Distribution Code.

3.6 Court processes on which ERE has been a party during 2018

3.6.1 ERE as a respondent party in court processes.

ERE has been a defendant party in 4 court processes during 2018.

1. The court process in the Administrative Court in Tirana, issue no. 4701/279, parties: Market Company “Star NRG”, defendant: ERE; Third Party: OSHEE company, Anastas Riska, with the object: The absolute invalidity and illegality of ERE Board Decision No. 117, dated

- 27.07.2017. The Administrative Court in Tirana with decision of date 18.03.2019, decided to dismiss the lawsuit.
2. In the Administrative Court of First Instance in Tirana “OSHEE” company objected ERE Board Decision No.110, dated 14.05.2018 *“On settling the disputes between “KESH” and “TSO” companies regarding to invoice correction for the balancing service according to the effective legal and by-legal provisions and the calculations from “TSO” company agreed and accepted by the responsible parties for 1 July 2016- 31 December 2017 period”* in the issue with litigant parties such as follows: the Plaintiff : OSHEE company, Defendant : Energy Regulator Authority (ERE), Third Parties, KESH and TSO companies, Object: The objection of ERE Board Decision No. 110, dated 14.05.2018. Taking the security measure of the OSHEE company lawsuit, the Administrative Court of First Instance in Tirana with Decision No. 3851, dated 29.10.2018, decided to dismiss the lawsuit.
 3. The court process in the Administrative Court Tirana, issue No. 3160/31162-03374-80 with parties: Plaintiff: “OSHEE” company, Defendant : ERE, Third Party : “TSO” company, Object: the Objection and Cancellation of ERE Board Decision No. 102, dated 19.07.2012. The Administrative Court in Tirana with decision No. 2879, dated 20.07.2018, decided to dismiss the lawsuit.
 4. The court process in the Administrative Court Tirana, issue No. 2432, with parties: Plaintiff: “Dardania Energy” company, Defendant : ERE, “Dosku Energy” company, MIE, Ministry of Agriculture and Rural Development, KESH, OSHEE companies, Object: Concluding partially invalid of ERE Board Decision No. 67, dated 27.07.2011. The Administrative Court in Tirana with decision No. 3477, dated 08.10.2018, decided to dismiss the lawsuit.
 5. The court process in Tirane District Court, issue No. 14033 Act, with parties: Plaintiff : “Dardania Energy” company, Defendant: ERE , “Dosku Energy” company, MIE, Ministry of Agriculture and Rural Development, KESH, OSHEE companies, Object: Act invalidity. The trial for this issue continued even throughout 2019. The plaintiff party gave up from the lawsuit. It is expected the clarification of Tirane District Court decision and the availability of this decision.

3.6.2 ERE as a Third Party in the court processes within the implementation of legal competences.

ERE is called as a third party with which the defendants have in common the issue that is submitted at the court. There are 14 court processes in total at which ERE is called to help the litigants and the court in settling their conflicts which in all cases are administratively prior reviewed before by customer protection sector at ERE. 10 processes finished their trial at the District Court and are in a reviewing process at the Tirana Appeal Court, while for 3 other processes it continues the legal process at the District Court in Tirana. A process is suspended by the District Court in Tirana.

3.7 Holding the Hearing sessions at ERE

For 2018 are held 26 technical and non-technical hearing sessions, organized by ERE from which 20 sessions are held to settle the disputes between the licensed operators in the power and natural gas sectors, and 6 discussion sessions with the stakeholders are held in the framework of the review of the by-legal acts implementing Law No. 43/2015 “On Power Sector”.

3.8 ERE activity in Consumer Protection sector.

ERE authority and responsibility within the implementation of the most effective measures to guarantee electricity customers protection, occupies an important place on its activity in the operation of Law No. 43/2015 “On Power Sector” as amended. The activity of Consumer Protection Sector is mainly supported on the main principles that consist in:

- The handling and settlement of all the direct complaints and conflicts arising from the relations between the electricity suppliers and the customers, aiming:
- The protection of customer interest in the individual aspect.
- The protection of customers interest in general from the abuses of the main stakeholders in the electricity market.
- Equal and nondiscriminatory treatment for all the customers through legal and transparent procedures.
- The monitoring and control of services provided by the licensee to the electricity customers.
- Providing an uninterrupted electricity supply service and within the service quality standards.

ERE priority in settling the disputes between the electricity customers and the licensee, continues to remain among its main activities that come as obligation of implementing the provisions of article 24 of Law No. 43/2015 “On Power Sector” as amended and article 98 of Law No. 102/2015 “On Natural Gas Sector”.

Even during 2018 ERE continued its activity to customer protection, with the drafting and approval of the by-legal acts implementing Law No. 43/2015 “On Power Sector” as amended, Law No. 102/2015 “On Natural Gas Sector”, as well as monitoring of the implementation from the “General Conditions of the Electricity Supply Service for the End Use Customers” and the by-legal acts such as “Regulation on the standard criteria of the supply quality service and the security performance of the Electricity Distribution Grid” approved with ERE Board Decision No. 181, dated 10.11.2017 (etc).

An important step in the customer interest protection has been also the approval of the “Metering plan for the electricity distribution operator. “OSHEE” company, for respecting the rights of electricity supply customers.

The Parliament of Albania in the Resolution of date 09.07.2018 for the assessment of the Energy Regulator Authority activity among others recommended also that ERE, within the customer protection framework through the powers provided by the Law to require from “OSHEE” company to respect the customer rights, to improve the customer care service, to identify and penalize arbitrary and irresponsible behaviors by the OSHEE company employees, as well as the meet of the deadlines for the relevant services which often fail to meet creating delays that lead to abuse and corruption. Within the customer protection framework and to enable that the users shall not feel vulnerable in a market which is still not liberalized, ERE shall draft an action plan with concrete tasks for “OSHEE” company, for the main issues regarding the meet of customers rights and shall inform the Parliament about the implementation of these actions by “OSHEE” company periodically. Shall increase “OSHEE” company attempts in customers awareness for their rights regarding the electricity supply service, through the publication in the official website as well as

other means of communication. The electricity supply service is realized as a regulated service which includes the “Regulated Contracts”, Rules and standards of the supply quality approved by ERE. These acts regulate the relations in the supply activity for the tariff customers and also aim to take into consideration the best balance of the rights and obligations of the parties in this contractual relation. Within this framework, Law No. 43/2015 “On Power Sector” as amended, clearly defines the supply activity of the end use customers and the attribute of ERE to approve and monitor “The general conditions of the universal service supply as public service obligation”. Law No. 43/2015 “On Power Sector” as amended, defines most specific obligations for the supplier charged with the universal service obligation of supply as a public service obligation as well as other clear rights and obligations for the end use customers.

Under these conditions and as recommended from the Parliament in the abovementioned Resolution, ERE accessed necessary the draft of an action plan for “OSHEE” company to meet the rights of electricity supply customers to guarantee and protect the end use customers interests, as an obligation deriving from Law No.43/2015 “On Power Sector” as amended. ERE with Decision no. 201, dated 03.09.2018 approved “The action plan for the Electricity Distribution Operator (OSHEE) company to meet the rights of the electricity supply customers”.

The action plan, clearly identifies the responsibilities of the Supplier within the public service obligation such as: The information right, customers access to the services, the right to submit a complain to the provided service, the selection right, including even the right to choose the payments modalities, the right to switch the supplier, the right to be informed on the prices.

ERE shall monitor the work of the Universal Service Supplier to the defined standarts in the regulatory acts and in accordance with the obligations regarding this action plan.

In addition to the obligations charged by the law, ERE has analyzed the data about the number of customers complaints submitted during 2018 and identified that this number is lower than that of 2017. For 2017, at ERE are submitted and handled 546 complaints for electricity, meanwhile during 2018 are submitted and handled 279 complaints. Despite the submitted complaints, the Customer Protection Sector implementing its responsibilities and objectives provided assistance in providing information, explanations and verbal consultation through ERE official website www.ere.gov.al for all the electricity customers. The object of the submitted complaints consisted in violating the general conditions of the “Universal Service Contract of Electricity Supply for the End Use Customers” approved with ERE Board Decision No. 15, dated 10.01.2018 in which are defined the mutual obligations of the parties in the contract.

ERE refering to Law No. 43/2015 “On Power Sector” as amended and the by-legal acts, such as: “the Universal Service for the Electricity Supply Contract for the end use customers”; the “Regulation for Handling the Complaints Submitted by the Customers and for Settling the Disputes Between the Licensee, on Power and Natural Gas Sectors” and the “Regulation on ERE Organization, Operation and Procedures” handled and analyzed the electricity customers complaints submitting them to “OSHEE” company, together with the respective instructions.

In the following table there are submitted the total complaints according to the issues handled by OSHEE company and those directed to provide a solution.

<u>Submitted</u>	
Number of issues	Total in 2018
CATEGORY	
Invoicing	40,793
Crediting	2,482
Service Quality	4,910
Storages at the Central Offices	116
3rd party communications	543
Contract Amendment	49,938
New connections	54,294
Grand Total	153,076

<u>Solved</u>		
Number of issues		Total in 2018
CATEGORY	1	
Invoicing	4,336	41,762
Crediting	2,110	3,792
Service Quality	687	5,069
Storages at the Central Offices	10	121
3rd party communications	354	1,019
Contract Amendment	6,068	45,724
New connections	3,603	46,968
Grand Total	17,168	144,455

Figure 73 Total complaints according to the issues handled by OSHEE company

On the following table they are submitted in details according to their object the complaints handled by ERE during 2018.

Complaint handled by ERE during 2018									
OBJECT	UNMETERED ELECTRICITY	AFORE INVOICING	OVERINVOICING	FICTITIOUS INVOICING	FICTITIOUS CONTRACT	METERING OUT OF THE TECHNICAL CONDITIONS	REFERING VALUE	VARIOUS	<u>TOTAL</u>
JANUARY	10	2	7	0	0	6	6	14	45
FEBRUARY	6	1	7	1	0	1	1	16	33
MARCH	5	1	10	0	3	1	1	9	30
APRIL	10	1	5	0	4	3	2	8	33
MAY	3	1	6	0	3	2	0	4	19
JUNE	4	2	4	1	1	2	1	4	19
JULY	3	2	4	1	2	1	0	7	20
AUGUST	3	0	5	0	0	1	1	8	18
SEPTEMBER	3	0	5	0	0	1	1	7	17
OCTOBER	2	0	5	0	0	0	1	5	13
NOVEMBER	2	0	3	1	0	1	1	7	15

DECEMBER	3	0	4	0	1	1	0	8	17
Tot 2018	54	10	65	4	14	20	15	97	279

Figure 74 Handled complaints from ERE during 2018

During January-December 2018 period, ERE handled in total 279 complaints. From the administered data it is observed that the complaints about “over invoicing” occupy the main part in handling the complaints, followed by the complaints for “unmetered electricity” and “metering out of technical conditions”.

Analyzing the above mentioned table it is observed that according to the object of the complaint, the raport between the total complaints and those that have a response by the Company results as follows;

- 54 complaints for “unmetered electricity”, from which are taken the measures to cancel 6 of them;
- 65 complaints for electricity “over invoicing”, from which are taken the measures to cancel 2 of them;
- 10 complaints for electricity “flat – rate invoicing”, from which are taken the measures to cancel 3 of them;
- 20 complaints for electricity “metering out of technical conditions”;
- 15 complaints for reference value and;
- 14 complaints for “fictious contracts”, for which there was not a systematization by “OSHEE” company.

Theksojme faktin se, pavarësisht mënyrës së zgjidhjes të gjitha ankesave të dërgura nga ERE, Shoqëria e furnizimit “OSHEE” sh.a, i është përgjigjur shkresërisht.

It shall be emphasized that, despite the way to settle all the complaints submitted at ERE, “OSHEE” supply company, responded with official letter.

Shall be underlined the fact that there are also observed the complaints for: refusing the right for “new connection” in the distribution system; the complaints for crediting the electricity payments; tariff change; metering colaudation.

Graphically this information is given in the following table.

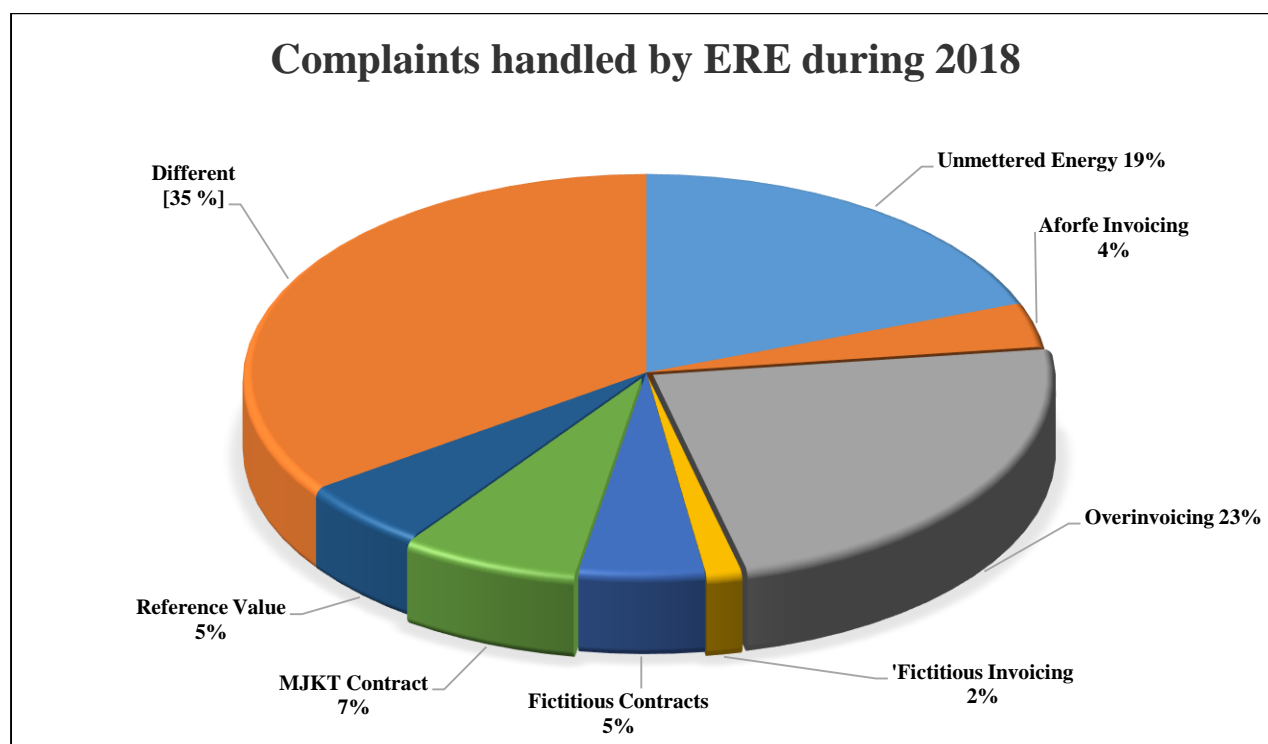


Figure 75 Complaints handled by ERE during 2018

3.8.1 Complaints for electricity over-invoicing.

From the analysis of the statistical indicators it is observed that the major spectrum of the complaints is occupied by the complaints for electricity “over invoicing”, registered at ERE for 2018 are about 65 complaints, or about 23% of the total of the complaints. These complaints are caused by different issues such as: non reconciliation of the situation uploaded in the invoicing system with the real situation of the meter, errors from the collectors, delays in uploading the data of the new meters in the system.

For all these complaints, ERE requested from “OSHEE” company, to verify the practices and procedures regarding the performed invoices together with the relevant adjustments that shall be realized implementing the defined terms for handling the complaints. From “OSHEE” company, 65 complaints for electricity “over invoicing”, measures are taken to handle only 2 of them.

3.8.2 Complaints for “Unmeasured Electricity”.

Complaints for “unmeasured electricity”, occupy the second place in the total of the handled complaints with about 54 complaints or 19% of the total of the complaints. It is noticed that these complaints are carried out and include electricity invoices, which came as a result of the controls exercised by “CEZ Distribution” company during 2011-2013 period, where it was noticed that in the majority of the submitted cases, the minutes held to observe unauthorized interventions in the metering system are performed not in the presence of the customer, in collective boxes of electricity as well as cases where it is issued more than one invoice, within 1 year, that includes “unmeasured electricity”.

As evidenced despite the treatment of a considerable part of these invoices by “OSHEE” company, there are still unhandled complaints regarding this issue.

As in the preceding years, shall be emphasized the fact that even during 2018, are still observed complaints from electricity customers, which although their invoicing period for “economical damage” and “unmeasured energy”, according to the minutes is performed in October 2008 - April 2011 period, these invoices are not cancelled by “OSHEE” company (as a result of the implementation of ERE Board Decision No.90, dated 15.11.2010). Regarding the implementation of this decision, ERE submitted this issue to former “CEZ Distribution” company, several times where are evidenced the complaints of electricity customers invoiced for “unmeasured energy” and “economical damage” and required the immediate cancellation of these invoices.

3.8.3 Complaints for “flat-rate invoicing”.

Even during 2018 are observed the complaints for electricity “flat-rate invoicing” handled by ERE. There are submitted and handled about 10 cases or about 4% of the total complaints. Regarding these issues ERE, handled by accompanying official letters requiring the verification from “OSHEE” company. Flat-rate invoicing of electricity still remain an issue for 2007-2015 period, regarding the quantity of flat-rate invoiced electricity defined on ERE Board Decisions as well as with the final term of application of this invoice based on ERE Board Decision No. 104, dated 22.12.2009 *“On defining the duration for flat rate invoicing for household customers without electricity metering”*. There have been complaints from the customers, who although being equipped with electricity meters, are flat rate invoiced contradicting ERE Board Decision No. 146, dated 24.12.2013 *“On the request of “Cez-Shpërndarje”, in temporary administration, to impose flat rate invoice”*. Also for the household customers with damaged meters and those out of the technical conditions, to which ERE Board Decision No. 146 point 2, of date 24.12.2013, clearly defines that *“for the customers with damaged meters and those out of technical conditions the flat rate invoicing according to the table attached to this decision is applied for a period not more than 2 (two) months”*.

3.8.4 Electricity invoice for “metering out of technical conditions”.

During 2018 are observed a relatively small number of complaints for “ metering out of technical conditions ”, compared to 2017 where were about 30 complaints or 5% of the total. During 2018 are observed 20 complaints or 7% of the total.

This invoicing is made in cases of evidencing the electricity meters, out of the metering accuracy level or because of their damage. Their invoicing is based on the minutes by authorized companies for the verification of the electricity meters accuracy as defined on point IV.9 of the “Metering Code”.

Although, it shall be underlined that the failure to replace these meters within the deadline led to the customers charge with electricity invoiced for “metering out of technical conditions”, in contradiction with the “Electricity Supply Contract for Household and Non household Customers article 8 point 2 where it is defined that *“if the Supplier does not respect the 30 days period to set the accurate meter, then it is the responsibility of the Supplier and the invoice for the days without meter beyond this period, shall be zero”*.

3.8.5 Complaints on “fictitious contracts” and “fictitious invoicing”

During 2018 regarding the fictitious contracts are observed in total about 18 complaints about which there were not dispositions from “OSHEE” company. From these complaints for fictitious invoicing are 4 of them or 2% of the complaints in total and 14 complaints for fictitious contracts or 5% of the total complaints that the electricity customers submitted for “OSHEE” company.

These complaints are mainly connected with the electricity supply contracts which are duplicated with the original contracts of the customers, with contracts made unilaterally without agreement between the parties, temporary contracts made during the previous years, fictitious invoicing for the contracts that are disconnected from the electricity supply network or for objects that do not exist any more, or that have never existed. It shall be mentioned that the main issues regarding the contracts and fictitious invoicing come from informal construction areas, from objects that have been and are part of the legalization process by ALUIZNI.

These complaints are submitted to the company but because of the mismanagement of the archives during 2010-2013 period and before it is not found the documentation for final solution of the issue. This concluded by the responses received from “OSHEE” company.

3.8.6 “Other” complaints

At the group of the complaints classified as “others” are the complaints for: the refusal of the right for “new connection” in the distribution system; the complaints for crediting the electricity payments; tariff change; metering colaudation, immediate electricity interruption, crossing of the electricity meter, invoicing for the common environments, etc. At the group of the other complaints are observed 95 complaints which occupy 35% of the total complaints. Regarding these issues ERE, handled them by submitting supporting official letters to “OSHEE” company, where required the verification of these issues.

3.8.7 Complaints for “referring values”

Unlike 2017 where the number of the complaints for “reference value”, was 43 complaints or 7% of the total, during 2018 this number decreased to 15 complaints or 5% of the total.

This issue of the complaints for the “referring values”, was observed in August 2016 and is on continuation. Law No. 43/2015 “*On Power Sector*” as amended, in article 76, has defined among others, in points 3 and 4 that:

In case the metering data are temporarily not available or inaccessible for a period longer than 1 month, the network operators calculate substitute referring values, based on the methodology approved by ERE. The period for the implementation of the referring values shall be no longer than 3 months.

To understand the abovementioned, it is noticed that the law attributes ERE, the definition of the methodology for calculating the referring values of electricity metering, in cases where it is concluded that the metering data is temporarily not available or inaccessible for a period longer than 1 month, also defining that the referring values to be used by the company can not be for a period longer than 3 months.

Under these conditions, based in articles 16 and 76 of Law No. 43/2015 “On Power Sector” as amended, article 113 of the Administrative Procedure Code Albania, approved with Law No. 44/2015, article 15 of the “Regulation for ERE Organization, Operation and Procedures” approved with Decision No. 96, dated 17.06.2016, ERE Board Decision No.104, dated 23.06.2016 decided:

The abrogation of ERE Board Decision No. 49, dated 21.10.2004, “On approving electricity invoicing for household and non-household customers with meters out of technical conditions” and Decision no. 146, dated 24.12.2013 *“On the request of CEZ shpërndarje company in temporary administration for setting flat-rate invoicing” and for all the decisions contradicting this decision.*”

In cases where the Supplier concludes that the metering data are temporarily not available or inaccessible for a period longer than one month (the metering is damaged or is out of the technical conditions) performs the invoicing based on invoicing the monthly average, metering the 3 respective months of the preceding year. The invoicing period according to these referring values shall not extend more than three months.

Regarding the implementation of this decision by “OSHEE” company, ERE observed a number of complaints submitted by electricity customers, complaining about the invoices under the item “referring values invoicing”.

ERE provided this issue to “OSHEE” company, where it has identified the complaints of some electricity customers being invoiced for August 2016 and as follows during 2018, under the item “active consumption referring value” and requested from “OSHEE” company to verify the practice and the procedure followed for invoicing these electricity customers and the cancellation of each over invoicing made in contradiction with the effective legislation. From “OSHEE” company, there is no response regarding the handling of these submitted complaints by electricity customers.

Received responses by “OSHEE” company during 2018.

During 2018 are handled by “OSHEE” company about 217 complaints of the customers for which ERE requested their settlement.

On the analysis of the received responses it is noticed that:

- 158 received responses from “OSHEE” company during 2018 for complaints submitted for verification and handling during 2018;
- 59 received responses from “OSHEE” company during 2018, that belong to the submitted complaints for verification and handling during 2017;

From the responses of the handled complaints during 2018:

- the object of about 43 of these responses is the cancellation of the complaint invoices, or there are taken into consideration ERE recommendations and the result is that the complaining customer is right.
- the object of 113 of them is to respond to the electricity customers complaints has been in accordance with the effective legal and by-legal acts or the submitted complaint by the customer resulted ungrounded.
- whereas the object for 61 of them is the the lack of the documentation by “OSHEE” company, to access the complaints submitted at ERE. This issue is handled several times at

ERE, through the hearing sessions in the presence of the interested parties, to enable the receive of an information or additional documentation by the customer and to find the solution for the complaint.

These data are submitted /presented in the following chart:

OSHEE responses during 2018 regarding the complaints sent from ERE

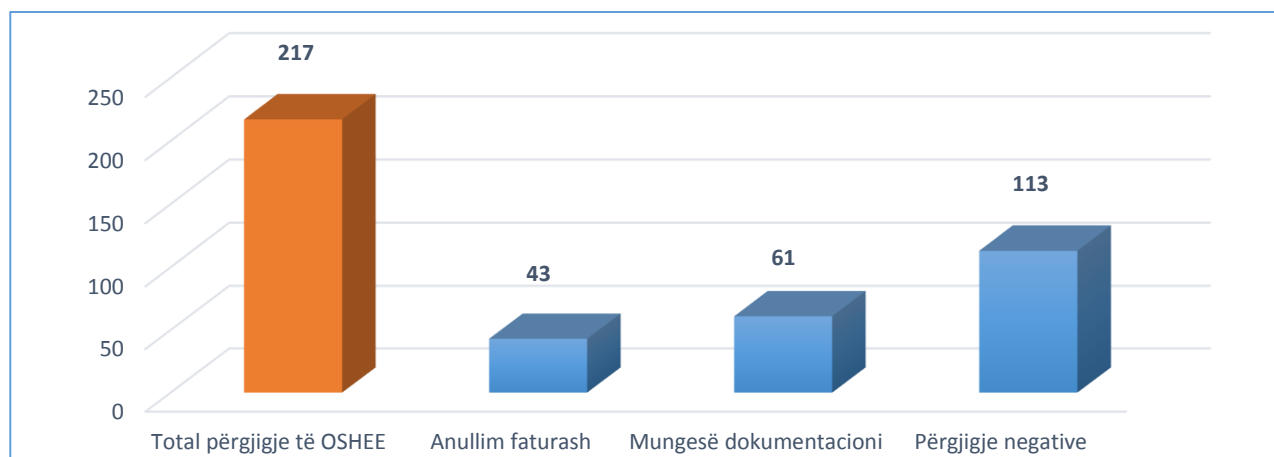


Figure 76 OSHEE responses during 2018 regarding the complaints sent from ERE

3.9 Communications with the Market Participants.

Communication with electricity market participants is one of ERE priorities, deriving from the primary power sector legislation. On this point of view to balance the state interests, of the customers and investors, ERE has set a cooperation with the market participants in the power sector for a better and transparent coordination of the electricity market. Consultations and the meetings with the electricity market operators, the process and issue on time of the information required from the interested entities regarding electricity market issue, the legislation and implementation of the obligations deriving from it.

3.10 Information on the official website.

As in the previous years even during 2018 it has continued the intense work to update ERE official website, by providing a complete and accurate picture of the information and the provided services. One of the main priorities has been and continues to be the systematic update of the internet page, providing to the interested person an updated information on the primary and secondary legislation in the power sector of all ERE decisions, publication of the approved by-legal acts and opening the procedure ones and expecting the comments from the third parties; licensee register, licensing conditions. Detailed information for the electricity customers, on the electricity supply contracts, informing brochure on the respective rights and obligations of the parties in the electricity market. Also on the official website continues to be ensured the access and completion of the complaints online form from all the interested person, and the database of the complaints handled by ERE and the responses of “OSHEE” company, reflected in a detailed way.

Also, during 2018, ERE website continues to offer information on the primary and secondary legislation of the sector, the Board of Commissioners meetings, the respective decisions as well as for ERE activity in national and regional level. It has continued the translation work of all ERE Board decisions and any other information regarding ERE activity.

3.11 International Relations.

ERE priority is the dignified representation of the country and the Regulator in regional and international activities, aiming the consistency and harmonization of its practices with EU countries. The participation in international activities is considered by ERE as one of the main elements that serves to institutional strengthening, increasing the knowledge and experience of its staff. This is one of the reasons for which we can mention ERE activity and role in membership and active participation in international organizations, in organizing international conferences, in collaboration with other institutions for organizing international activities, workshops or multilateral and bilateral meetings.

For 2018 ERE has worked in high intensity to realize fruitful collaborations to the benefit of the country's power sector. Setting up these priorities, ERE has collaborated in intensifying the multilateral relations with international organisations like Energy Secretariat in Vienna, ECRB, MEDREG, ERRA, USAID, NARUC, IGU, Florence School of Regulation etc. But to strengthen its role and the harmonisation of the Regulatory framework ERE has held bilateral relations with other Regulatory institutions, realizing common meetings and taking part actively in international conferences and activities that are related with the sector. During 2018 ERE paid special importance to the participation in the workshops, meetings and other international activities. The interest of our institution in this activities was high to be informed with the western experiences and the latest developments in the power sector by participating in these international activities.

3.11.1 Active Participation as a Member.

- ERE is a full right member of the Regulatory Authorities Association for the South East Europe and Euro Asian Countries (ERRA), by realizing a regular participation at ERRA Chairman General Assembly, in the annual Conference for Investments of ERRA, meetings of two ERRA permanent Committees, that of License and Monitoring and the Tariff and Prices one that are held on ERRA member countries.
- ERE is a member of the Regulators Association for the Mediteranean Countries (MEDREG) for electricity even during 2018. At the General Assembly of MEDREG held on November 2018, ERE Chairman Mr. Petrit Ahmeti is elected the vice President of MEDREG for a 2 years 2018 – 2020 period, strengthening the role and influence of the Regulatory Authority to this Organization. Also the Commissioner Mr. Maksim Shuli has been the vice chairman of the Gas working group of MEDREG. This shows ERE commitment in the international arena and ensures a dignified representation of the country.
- Also ERE staff has actively participated in the working group meetings for the customers, renewable energy, gas issues, and the electricity working group being the designer of the working group materials.
- For 2018 ERE held a fruitful cooperation with USAID and NARUC in the joint project, supported

from USAID and NARUC regarding the draft of the network, transmission and distribution network gas codes as well as the draft of the secondary legislation in conformity with the third legislative package.

- Also ERE participated on USAID & NARUC project regarding the draft of the 10 year development transmission networks in SouthEast Europe as well as the organized workshop regarding the cybersecurity issues.
- On the support of NARUC and USAID, ERE participated even in the “ Prices and communication means comparison for the customers”, which aims to implement the means to compare the electricity prices in the open retail markets, enabling the assessment of the impact enabling the customer to switch the Supplier. Also, this project shows NARUC experience in receiving and handling the electricity customer’s complaints.
- ERE within Energy Community Treaty during 2018 participated on Athens Forum, Gas Forum in Ljubljana and Energy Community activities organized by Vjena Secretariat.
- During 2018, ERE also has taken parts on the Energy Community Board Meetings giving a valuable contribution regarding the opinion required from Energy Community Secretariat for the certification of Transmission System Operator of Kosovo (KOSTT). The Energy Regulator Authority clarified that it is necessary KOSTT certification within the opening and establishment of a regional electricity market. Also ERE participated on activities intensively collaborated with Vienna Energy Community Secretariat, being consulted for the main decisions and asking for opinions for delicate issues. Also the draft decisions taken by ERE and the draft regulations drafted by us are send for consulting to Vienna Secretariat or are realized meetings with them to have a better understanding of the issue and we are assisted by Vienna Secretariat in drafting the secondary legislation within the new laws. ERE has regularly and actively followed the ECRB working group meetings for customer issues, for electricity and its regional market, renewable resources, statistics, electricity, efficiency, security of supply, REMIT, natural gas, gas platform. To realize a better work and high results, ERE has held joint meetings with Vienna Secretariat regarding the implementation of the third legislative package in the framework of the secondary legislation which has been on drafting and approval process by the Board and regarding the Network Codes implementation, the approval of which comes as an obligation deriving from Energy Community Treaty and ENTSO-E.
- ERE also is a member of the Steering Committee and the working groups on implementing the Day Ahead Regional Market in Western Balkans.
- Shall be mentioned that ERE participated even on the workshops organized by the Secretariat for the security of supply, transmission tariffs, renewable energies, efficiency, electricity and gas network infrastructure and TAP licensing as well as statistics workshops. Representatives of Vienna Secretariat actively supported ERE to settle the issues encountered during the year. Our institution tried to make the best efforts to benefit more from these activities and from the experience of regulators from west countries, to harmonize the legislation, the practices and procedures to establish a regional joint electricity market, a transparent, non discriminatory and equal access market for all the customers.
- ERE also participated on “Smartnet”, developed on the support of Florence regulatory school, on the European Samit of energy strategies and systems as well as the international Summit and Exhibition “Hydropower Balkans 2018”.

3.11.2. ERE Bilateral Relations

ERE Bilateral Relations for 2018 aimed at strengthening its institutional capacity and setting successful collaborations to improve the power sector. ERE worked for bilateral relations, based on bilateral relations where we could mention the mutual meetings to exchange experience for the third legislative package in power and natural gas sectors.

Gjatë vitit 2018 janë intensifikuar në mënyrë të mëtjshme dhe marrëdhëniet bilaterale me Rregullatorin Italian (ARERA) si dhe atë Grek (RAE). Ky bashkëpunim ka bërë të mundur realizimin në kohë të vendimeve të përbashkëta të tre rregullatorëve në lidhje me projektin TAP si dhe licensimin e TAP-AG në aktivitetin e transmetimit të gazit natyror.

During 2016 are further intensified even the bilateral relations with the Italian Regulator (AEEG) and the Greek one (RAE). This cooperation has made possible on time realization of three regulators joint decisions regarding TAP project as well as TAP AG licensing in natural gas transmission activity.

Also, during this year ERE held an active cooperation with the regulatory institutions of the region and wider, where we could mention the Kosovo Regulator, with which it is working to merge the energy markets of Albania and Kosovo and during 2018 it is signed the Memorandum of Understanding on the cooperation of the intraday electricit markets between the parties, represented by the regulatory Authorities and the respective TSO-s.

Another regional initiative is undertaken during 2018, on CEI support (Central European Initiative) and the Italian regulatory ARERA, starting with KEP (Know-How Exchange Program) Project “CEI support to strengthen the energy regulatory authorities in Western Balcans”, whose object is the extend of the best known practices for the energy markets coupling between the Eu members of the Western Balcans countries.

On this project participate Italy, that has the leading role of this project, Albania, Monte Negro and Serbia.

By the end of 2018, it is successfully closed the first stage of the project, to follow with the second stage which will start at the beginning of 2019. There are also held meetings between ERE Board Members and those of the Italian regulator. On these meetings it is discussed the increase to strengthen the institutional cooperation between the regulators.

PART IV: Administration of Financial and Human Resources of ERE

ERE Human Resources

Even for 2018 regarding the Human Resources field it is implemented Law No. 9367 dated 07.04.2005 "On preventing the conflict of interest in performing the political functions" as amended with Law no.86/2012 dated 18.09.2012, as amended with Law no.44/2014 dated 24.04.2014 and law no.9049, dated 10.04.2003 "On the declaration and control of the assets, financial obligations of the elected persons and some public employees" as amended with law No.85/2012 dated 18.09.2012 and Law no.45, dated 24.04.2014 as well as law no.42/2017 dated 06.04.2017.

Are completed the declarations of the periodic/annual private interests from the employees subject of this obligation, according to the time frames provided by the Law.

We also held regulator communication with the High Inspectorate of Declaration and Audit of Assets and Conflict of Interest (ILDKPKI) implementing the notifications send from this Institution.

ERE exercises its responsibilities implementing Law no.43/2015 "On Power Sector" and Law No. 102/2015 "On Natural Gas Sector", by the ERE Board, which is supported on his work by the technical staff, the supporting staff and external specialists.

Implementing decision no. 181, dated 05.05.2008 of the Parliament on approving the organizational chart it is implemented Law no. 9584 dated 11.07.2006, "On the wages, rewards and the structure of the constitutional institutions and other independent institutions created with law", as well as Decision no. 187 dated 08.03.2017 "On approving the structure and the wages level for the civil employees/employees, the deputy minister and the employees of the cabinets, at the primeministry, the ministry of lines, president administration, the parliament, the central election commission, general prosecutor office, some independent institutions, institutions on the dependence of the council of ministers, the primeminister, institutions depending of the ministry of lines and the prefect administration" as well as decision No. 610, dated 24.07.2012 "On some additions and amendments on decision No. 717, dated 23.06.2009 of the council of ministers "On the wages of the supporting employees of the budget institutions and the employees of some budget institutions " as amended.

Following Law no. 43/2015, dated 30.04.2015 "On Power Sector" as amended, for the selection, appointment, and promotion on duty of the staff it is implemented Law no. 152/2013, dated 30.05.2013 "On the civil servant" as well as the secondary acts issued on the operation to implement the Law.

The structure and organisation chart on which ERE exercised its activity during 2018 does not reflected the meet with the developments of the electricity market and ERE responsibilities with which it is charged from the power legislation in force. For this purpose the ERE new stucture is based on a clear unbundling, with the necessary capacities, to complete the obligations related with the regulation areas from ERE such as :

Customer Protection,

Development of the Secondary Acts,

Development of natural Gas Market

Market Monitoring, the Quality Standards,

Setting the Tariffs and Prices for the Regulated Market Segments,

Licensing, Modification, Renewal, issue of the Authorisations for the operations in the identified activities in the respective laws,

Institutional Relation within and outside the country

Planning and Drafting the Budget

Developing the Human Resources,

4.1 Administration of ERE Financial Resources

In the area of finance and administration are implemented the respective legal and by-legal acts for the administration of ERE finances, including Law no. 43/2015, dated 30.04.2015 “On Power Sector”, as amended, law no.9643, dated 20.11.2006 on “Public Procurements”, as amended, Law no. 9228, dated 29.04.2004 “On accounting and the financial statements”, as well as Order no.64 dated 22.07.2014 “On the announcement of the national improved accounting standards and their obligatory implementation.

In all cases there are implemented the procedures and time frames regarding the performance of the public funds procurements, in conformity with the procurement law and other by-legal acts. There are performed the procurement procedures in the framework of small purchases and services (as part of the Small purchases Commission) implementing the electronic procurement legislation for the public funds.

It is also performed the inventarization of the asset that ERE administers. Regarding the monetary funds, they are ensured in conformity with the respective laws of the power and natural gas sectors an comprise by the application payments for the licenses/modifications/renewals and from the regulatory payments that ERE set to the licensees.

The expenses executed by ERE, reflect ERE need to realize the responsibilities charged by the law and fulfilling the legal obligation to ensure a normal work of the institution, as previous have consisted in covering ERE most important needs during the year, implementing the approved budget for 2018. Above the main items of ERE we could mention:

Staff payments, social and health security payments, income taxes, about which our institution liquidified all the obligations even from the electronic system” Real time obligations to which we are not debtors or with fines.

Publications to inform the public opinion are realized implementing Law no. 43/2015, dated 30.4.2015 “On Power Sector” and no.102/2015 ‘On Natural Gas Sector’.

Payment of payable services such as water, electricity, telephone for which our institution is not a debtor, necessary service expenses to maintain the work as well as and the depreciation of the fixed tangible assets, etc.

Even for 2018 ERE economic-financial activity implementing the provisions of article 17 of Law no.43/2015, is audited by licensed accounting expert registered and licensed for this activity according to the law no.10091, of date 05.03.2009 “On legal auditing, organization of the accounting experts profession registered accounting experts and accredited accountants”. As follows it is submitted the respective accounting expert report.

Annex 1 Financial Statements

Emertimi dhe Forma ligjore:
NIPT –i:
Adresa e Selise:

Enti Rregullator i Energjise, Ent Publik
K51717024I
Bul.Bajram Curri, Rr.Viktor Eftimiu,
Tirane

Data e krijimit:

15.10.1995

PASQYRAT FINANCIARE

(Ne zbatim te Standartit Kombetar te Kontabilitetit Nr 2
dhe Ligjit Nr. 9228, date 29.04.2004 “Per Kontabilitetin dhe Pasqyrat Financiare”)

VITI 2018

Pasqyrat Financiare jane individuale
Pasqyrat Financiare jane te shprehura ne Lek
Pasqyrat Financiare nuk jane te rrumbullakosura
Periodha Kontabel e Pasqyrave Financiare nga 01.01.2018-31.12.2018
Data e mbylljes se Pasqyrave Financiare 30.03.2019

RAPORTI I AUDITUESIT TE PAVARUR

Kryetarit te Entit Regullator te Energjise,

Z. Petrit AHMETI

Opinionit

Ne kemi audituar pasqyrat financiare të **Entit Regullator te Energjise**, të cilat përfshijnë pasqyrën e pozicionit financiar me datën 31 Dhjetor 2018, pasqyrën e të ardhurave gjithpërfshirëse, pasqyrën e ndryshimeve në kapital dhe pasqyrën e flukseve të parasë për vitin që mbyllet me këtë datë, si edhe shënimet për pasqyrat financiare, përfshirë një përmbledhje të politikave kontabël më të rëndësishme.

Sipas opinionit tonë, pasqyrat financiare bashkëlidhur paraqesin drejt, në të gjitha aspektet materiale, pozicionin financiar të **Entit Regullator te Energjise** me datën 31 Dhjetor 2018, dhe performancën financiare dhe flukset e parasë për vitin që mbyllet në këtë datë, në përputhje me Standardet Kombëtare të Kontabilitetit.

Baza për Opinionin

Ne e kryem auditimin tonë në përputhje me Standardet Ndërkombëtare të Auditimit (SNA-të). Përgjegjësitë tona sipas këtyre standardeve janë përshkruar në mënyrë më të detajuar në seksionin e raportit ku jepen *Përgjegjësitë e Audituesit për Pasqyrat Financiare*. Ne jemi të pavarur nga Shoqëria në përputhje me kërkesat etike që janë të zbatueshme për auditimin e pasqyrave financiare, dhe kemi përmbushur përgjegjësitë e tjera etike në përputhje me këto kërkesa. Ne besojmë se evidenca e auditimit që kemi siguruar është e mjaftueshme dhe e përshtatshme për të dhënë një bazë për opinionin tonë.

Përgjegjësitë e Drejtimit dhe të Personave të Ngarkuar me Qeverisjen në lidhje me Pasqyrat Financiare

Drejtimi është përgjegjës për përgatitjen dhe paraqitjen e drejtë të pasqyrave financiare në përputhje me SKK-të, dhe për ato kontrole të brendshme që drejtimi i gjykon të nevojshme për të bërë të mundur përgatitjen e pasqyrave financiare që nuk përmbajnë anomali materiale, qoftë për shkak të mashtrimit apo gabimit.



2



Në përgatitjen e pasqyrave financiare, drejtimi është përgjegjës për të vlerësuar aftësinë e Entit për të vazhduar në vijimësi, duke dhënë informacion, nëse është e zbatueshme, për çështjet që kanë të bëjnë me vijimësinë dhe duke përdorur parimin kontabël të vijimësisë.

Ata që janë të ngarkuar me drejtimin janë përgjegjës për mbikëqyrjen e procesit të raportimit financiar të Shoqërisë.

Përgjegjësitë e Audituesit për Auditimin e Pasqyrave Financiare

Objektivat tona janë që të arrijmë një siguri të arësyeshme lidhur me faktin nëse pasqyrat financiare në tërësi nuk kanë anomali materiale, për shkak të mashtrimit apo gabimit, dhe të lëshojmë një raport auditimi që përfshin opinionin tonë. Siguria e arësyeshme është një siguri e nivelit të lartë, por nuk është një garanci që një auditim i kryer sipas SNA-ve do të identifikojë gjithmonë një anomali materiale kur ajo ekziston.

Anomalitë mund të vijnë si rezultat i gabimit ose i mashtrimit dhe konsiderohen materiale nëse, individualisht ose të marra së bashku, pritet që në mënyrë të arësyeshme të influencojnë vendimet ekonomike të përdoruesve, të marra bazuar në këto pasqyra financiare.

Auditues Ligjore te Pavarur

Ludmilla Paluka



Rr.H.Hidre Ndertesa nr 2, Zyra 9,
Tirane
Nr.kontakti 069 20 36 339.

Eneida Rahmani



Rr.Ali Demi Nr.16 Tirane
Nr.kontakti 068 20 51 151

Tirane, me 30 Mars 2019

Raporti i Auditimit është i vlefshëm vetëm për pasqyrat financiare bashkelidhur tij.

ENTI RREGULLATOR I ENERGJISE PASQYRAT FINANCIARE

2018

Enti Rregullator i Energjise

Pasqyra e Pozicionit financiar

AKTIVE	Shenime	31 dhjetor 2018	31 dhjetor 2017
Aktivitet monetare	4	32,711,968	17,836,051
Investime		-	-
Të drejta të arkëtueshme		-	-
Nga aktiviteti i shfrytëzimit		56,714,047	38,912,370
Debitore të tjera		-	-
Te tjera		52,604	-
Totali I te drejtave të arkëtueshme	5	56,766,651	38,912,370
Inventarët		-	-
Lende e pare dhe materiale		3,273,055	3,241,963
Parapagime për inventar		-	-
Totali I inventarit	6	3,273,055	3,241,963
Shpenzime të shtyra		-	-
Të arkëtueshme nga të ardhurat e konstatuara		-	-
Totali I aktiveve afatshkurtra		92,751,675	59,990,384
Aktive financiare		-	-
Aktivitet materiale		-	-
Ndertesa		-	-
Makineri e pajisje		-	-
Mjete transporti		11,603,844	14,504,806
Pajisje zyresh		2,061,244	2,576,556
Te tjera pajisje dhe informatike		5,001,154	6,621,540
Totali I aktiveve materiale	7	18,666,243	23,702,902
Aktivitet biologjike		-	-
Aktive jo materiale:		-	-
Aktive tatimore të shtyra		-	-
Kapitali i nënshkruar i papaguar		-	-
Total Aktive		111,417,919	83,693,287

Kryetari

Petrir Ahmeti



Hartuesi i pasqyrave

Aferdita Bushi

Shenimet shpjeguese nga faqja 6 deri ne faqen 16 jane pjese perberese e pasqyrave financiare

ENTI RREGULLATOR I ENERGJISE PASQYRAT FINANCIARE

2018

Enti Rregullator i Energjise

Pasqyra e Pozicionit financiar

PASIV	Shenime	31 dhjetor 2018	31 dhjetor 2017
Detyrime afatshkurtra:			
<i>Të pagueshme për aktivitetin e shfrytëzimit</i>		63,279	-
<i>Të pagueshme ndaj punonjësve dhe sigurimeve shoqërore/shëndetsore</i>		1,399,865	1,294,951
<i>Të pagueshme për detyrimet tatimore</i>		2,009,065	1,609,353
<i>Te pagueshme te tjera</i>		142,125	76,475
Shuma detyrime afatshkurtra	8	3,614,334	2,980,779
Të pagueshme për shpenzime të konstatuara		-	-
Të ardhura të shtyra		18,846,169	8,853,910
Provizione		-	-
Total detyrime afatshkurtra		22,460,503	11,834,689
Detyrime afatgjata:			
<i>Të pagueshme për shpenzime të konstatuara</i>		-	-
<i>Të ardhura të shtyra</i>		-	-
<i>Provizione</i>		-	-
<i>Detyrime tatimore të shtyra</i>		-	-
<i>Te pagueshme te tjera</i>		-	-
Total detyrime afatgjata	9	-	-
Total detyrime		22,460,503	11,834,689
Kapitali dhe Rezervat			
<i>Fondet e ERE</i>		71,858,598	93,541,317
<i>Rritje/Renie fondi gjate vitit</i>		17,098,818	(21,682,719)
<i>Fitim / Humbja e Vitit</i>		-	-
Total kapitali aksionar	10	88,957,416	71,858,598
Totali i kapitalit dhe i detyrimeve		111,417,919	83,693,287

Kryetari

Hartuesi i pasqyrave

Petrît Ahmeti

Aferdita Bushi



2

Shenimet shpjeguese nga faja 6 deri ne faqen 16 jane pjese perberese e pasqyrave financiare

ENTI RREGULLATOR I ENERGJISE PASQYRAT FINANCIARE

2018

Enti Rregullator i Energjise

Pasqyra e performances	Shenime	31 dhjetor 2018	31 dhjetor 2017
Të ardhura nga pagesat e Operatoreve	11	143,468,002	98,779,757
Te ardhura nga licensimet 2018		10,129,781	10,765,250
Te ardhura nga Organizma mbulim shpenzimesh		3,409,230	1,279,341
Lënda e parë dhe materiale të konsumueshme	12	-	-
Lënda e parë dhe materiale të konsumueshme		-	-
Të tjera shpenzime		-	-
Shpenzime të personelit	13	(103,698,499)	(97,077,944)
Paga dhe shpërblime		(95,088,001)	(88,897,228)
Shpenzime të sigurimeve shoqërore/shëndetësore		(8,610,498)	(8,180,716)
Zhvlerësimi i aktiveve afatgjata materiale		-	-
Shpenzime konsumi dhe amortizimi	14	(5,071,658)	(4,579,269)
Shpenzime të tjera shfrytëzimi	15	(31,011,088)	(30,741,121)
Të ardhura të tjera		-	-
Zhvlerësimi i aktiveve dhe investimeve financiare		-	-
Shpenzime financiare	16	(126,949)	(108,734)
Shpenzime për interesa		(76,552)	(108,734)
Shpenzime të tjera financiare		-	-
Fitime/humbje nga kurset e kembimit		(50,411)	-
Te ardhura të tjera		14	-
Gjoha dhe interesa		-	-
Pjesa e fitimit/humbjes nga pjesëmarrjet		-	-
Rritja/Renia neto e fondeve	17	17,098,818	(21,682,719)

Kryetari

Hartuesi i pasqyrave

Petrît Ahmeti

Aferdita Bushi

3

Shenimet shpjeguese nga faja 6 deri ne faqen 16 jane pjese perberese e pasqyrave financiare

ENTI RREGULLATOR I ENERGJISE PASQYRAT FINANCIARE

2018

Enti Rregullator i Energjise

Pasqyra e Fluksit të Mjeteve Monetare	(metoda indirekte)	
	31 dhjetor 2018	31 dhjetor 2017
Fluksi i Mjeteve Monetare nga/(përdorur në) aktivitetin e shfrytëzimit		
<i>Rritja/Rënia neto e fondeve</i>	17,098,818	(14,498,370)
<i>Shpenzime konsumi dhe amortizimi</i>	5,071,658	4,579,269
<i>Shpenzime të shtyra</i>	-	-
<i>Fluksi i mjeteve monetare i përfshirë në aktivitetet investuese:</i>	-	-
<i>Fitim nga shitja e aktiveve afatgjata materiale</i>	-	-
<i>Ndryshimet në aktivet dhe detyrimet e shfrytëzimit:</i>	-	-
<i>Rënie/(rritje) në të drejtat e arkëtueshme dhe të tjera</i>	(17,854,281)	34,081,183
<i>Rënie/(rritje) në inventarë</i>	(31,092)	607,419
<i>Rritje/(rënie) në detyrimet e pagueshme</i>	10,625,814	(11,202)
<i>Rritje/(rënie) në detyrime afatgjata</i>	-	-
<i>Tatim fitimi i paguar</i>	-	-
Mjete monetare neto nga/(përdorur në) aktivitetin e shfrytëzimit	14,910,918	24,758,299
Fluksi i Mjeteve Monetare nga/(përdorur në) aktivitetin e investimit	-	-
<i>Pagesa për blerjen e aktiveve afatgjata materiale</i>	(35,000)	(15,090,000)
<i>Arkëtime nga shitja e aktiveve afatgjata materiale</i>	-	-
<i>Dividentë të arkëtuara</i>	-	-
Mjete monetare neto nga/(përdorur në) aktivitetin e investimit	(35,000)	(15,090,000)
Fluksi i Mjeteve Monetare nga/(përdorur në) aktivitetin e financimit	-	-
Mjete monetare neto nga aktivitetin e financimit	-	-
Rritje/(rënie) neto në mjete monetare	14,875,918	9,668,299
Mjete monetare dhe ekuivalentë të mjeteve monetare më 1 janar	17,836,051	8,167,752
Mjete monetare dhe ekuivalentë të mjeteve monetare më 31 dhjetor	32,711,968	17,836,051

Kryetari

Hartuesi i pasqyrave

Petrir Ahmeti

Aferdita Bushi

4

Shenimet shpjeguese nga faja 6 deri në faqen 16 janë pjesë perberëse e pasqyrave financiare.

SHENIMET SHPJEGUESE

1. Informacion i përgjithshëm

Shoqëria «Enti Rregullator i Energji» është Ent Publik pavaruar me NIPT K517170241, i cili është krijuar në datë 15.10.1995 sipas Ligjit Nr. 7963 Datë 17.07.1995. Objekti i Ligjit rregullon maredheniet në veprimtaritë e prodhimit, transmetimit, shpërndarjes dhe furnizimit me energji elektrike, si dhe vendos rregullat e këtij tregu. Kryetar i Entit Rregullator të Energjië është z. Petrit Ahmeti.

2. Bazat e përgatitjes së pasqyrave financiare**2.1. Deklarata e pajtueshmërisë**

Pasqyrat financiare janë përgatitur në përputhje me Standardet Kombëtare të Kontabilitetit të përmirësuara (SKK) dhe ligjin nr.9228, datë 29 prill 2004 “Për kontabilitetin dhe pasqyrat financiare”.

Në bazë të urdhrin nr.64 datë 22.7.2014 “Për shpalljen e standardeve kombëtare të kontabilitetit të përmirësuara dhe zbatimin e detyrueshëm të tyre”, Ministria e financave vendosi të bëjë të detyrueshme zbatimin e Standardeve Kombëtare të Kontabilitetit të përmirësuara duke filluar nga 1 janar 2015.

ERE është Ent Publik-jo fitim prurës që funksionon me të ardhurat nga operatorët e licencuar prej saj. Është vendosur të paraqesë Pasqyrat Financiare sipas SKK 2, pasi pjesa më e madhe e operatorëve të energjië në treg punojnë me këto format pasqyrash financiare.

2.2. Bazat e matjes

Pasqyrat financiare janë përgatitur bazuar në koston historike.

2.3. Biznesi në vijimësi

Pasqyrat financiare të Shoqërisë përgatiten mbi supozimin e biznesit në vijimësi, i cili merr parasysh se Shoqëria do të vazhdojë ekzistencën e aktivitetit të saj për një të ardhme të parashikuar.

2.4. Monedha funksionale dhe e paraqitjes

Këto pasqyra financiare janë paraqitur në Lek, e cila është dhe monedha funksionale e Shoqërisë.

2.5. Vlerësime dhe gjykime

Paraqitja e pasqyrave financiare kërkon që manaxhimi i shoqërisë të kryejë vlerësime dhe supozime që ndikojnë shumë në raportuar të aktiveve, detyrimeve dhe aktiveve të detyrimeve të kushtëzuara në datën e pasqyrës së pozicionit financiar, si dhe të ardhurave dhe shpenzimeve të krijuara në periudhën kontabël. Vlerësimet dhe gjykimet rishikohen vazhdimisht dhe bazohen në eksperiencën e mëparshme dhe faktorë të tjerë duke përfshirë pritshmëritë për ngjarjet e ardhshme të cilat besohen të jenë të arsyeshme në rrethanat aktuale. Në disa raste manaxhimi mbështetet në mendimet e ekspertëve të pavarur. Manaxhimi kryen vlerësime dhe gjykime në lidhje me të ardhmen. Vlerësimet kontabël që rezultojnë sipas përkufizimit, jo gjithmonë do të barazohen me rezultatet aktuale. Vlerësimet dhe supozimet që kanë risk të rëndësishëm për të shkaktuar korrigjime (axhustime) materiale, të vlerave të mbartura të aktiveve dhe detyrimeve janë përshkruar më poshtë:

2.5.1. Zhvlerësimi i llogarive të arkëtueshme

Zhvlerësimi i llogarive të arkëtueshme bazohet në humbjet e vlerësuara të cilat rezultojnë nga pa mundësia e konsumatorëve për të paguar detyrimet e tyre. Këto vlerësime bazohen në moshën e llogarive të arkëtueshme dhe eksperiencën e mëparshme në çregjistrimin, vlerësimin e aftësisë paguese të konsumatorëve, si dhe ndryshimet e fundit dhe të pritshme të termave të pagesës së konsumatorëve. Manaxhimi vlerëson në fund të çdo periudhe në rast se ka nevojë për zhvlerësimin e llogarive të arkëtueshme.

2.5.2. Provizionet

Provizionet në përgjithësi kërkojnë një nivel të lartë gjykimi, veçanërisht në rastet e konflikteve gjyqësore. Shoqëria vlerëson mundësinë e krijimit të një detyrimi aktual si rrjedhojë e një ngjarje të shkuar, në rast se mundësia e ndodhjes vlerësohet të jetë më shumë se 50%, në të tilla raste shoqëria provizionon vlerën e detyrimit e cila mund të matet me besueshmëri. Për shkak të nivelit të lartë të pasigurisë, në disa raste mund të ndodhë që vlerësimi mund të mos jetë në të njëjtën linjë me rezultatin e çështjes. Manaxhimi vlerëson në fund të çdo periudhe në rast se ka nevojë për krijimin e provizioneve.

2.6. Krahasueshmëria e informacionit kontabël

Siç paraqitet në Standardin Kombëtar të Kontabilitetit të përmirësuar nr.1, në rastet e një ndryshimi në paraqitjen e pasqyrave financiare si pasojë e kërkesave të një standardi të ri, një përmirësimi në standard apo një ndryshimi në ligjin për Kontabilitetin dhe Pasqyrat Financiare", informacioni krahasues duhet të riparaqitet për të korresponduar me paraqitjen e re, përveç rasteve kur riparaqitja e informacionit krahasues nuk mund të vlerësohet në mënyrë të besueshme. Informacioni krahasues për vitin e mbyllur më 31 dhjetor 2017 siç kërkohet nga Standardet Kombëtare të Kontabilitetit të përmirësuara.

3. Politikat Kontabël

Politikat kontabël të mëposhtme janë aplikuar në mënyrë konsistente në të gjitha periudhat e paraqitura në pasqyrat financiare.

3.1 Transaksionet në monedhë të huaj

Transaksionet në monedhë të huaj konvertohen në monedhën funksionale dhe regjistrohen me kursin e këmbimit në datën e transaksionit. Aktivitet dhe detyrimet monetare në monedhë të huaj në datën e raportimit konvertohen në monedhën funksionale me kursin e këmbimit në datën e bilancit. Fitimi ose humbja nga këmbimi në zëra monetarë është diferenca që vjen nga këmbimi i një numri të caktuar njësish të një monedhe të huaj në monedhën funksionale me kurse të ndryshme këmbimi në datat e këmbimit. Të drejtat dhe detyrimet jo-monetare në monedhë të huaj konvertohen në monedhën funksionale me kursin e këmbimit të datës së kryerjes së transaksionit ndërsa ato që maten me vlerë të drejtë rikëmbehen në monedhën funksionale me kursin e këmbimit të datës kur është përcaktuar vlera e drejtë. Diferencat që rezultojnë nga kursi i këmbimit kalojnë në pasqyrën e të ardhurave dhe shpenzimeve.

Kursi i këmbimit i monedhave të huaja më 31 dhjetor 2018 dhe 2017 është detajuar si më poshtë:

ENTI RREGULLATOR I ENERGJISE PASQYRAT FINANCIARE

2018

Kursi i këmbimit	Viti 2018	Viti 2017
Euro/LEK	123.42	132.95
USD/LEK	107.82	111.10

3.2 Instrumentat financiarë

Instrumentat financiarë jo-derivativë përbëhen nga llogari të arkëtueshme, mjete monetare, hua të marra dhe të dhëna dhe llogari të pagueshme. Instrumentat financiarë jo-derivativë njihen fillimisht me vlerën e drejtë plus çdo kosto transaksioni që lidhet me to, përveç siç përshkruhet më poshtë. Për instrumentat e mbajtur me vlerë të drejtë nëpërmjet fitim/humbjes, kostot e transaksionit kalojnë në pasqyrën e të ardhurave dhe shpenzimeve. Në vijim të njohjes fillestare instrumentat financiarë jo-derivativë maten siç përshkruhet më poshtë. Një instrument financiar njihet nëse Shoqëria bëhet palë në kushtet kontraktuale të instrumentit. Aktivitet financiarë çregjistrohen kur skadojnë të drejtat kontraktuale të shoqërisë mbi flukset e parasë së aktivitetit financiar ose kur shoqëria transferon aktivin financiar tek një palë e tretë pa mbajtur kontrollin ose gjithë risqet dhe përfitimet thelbësore të aktivitetit. Blerjet dhe shitjet normale të aktiveve financiare kontabilizohen në datën e transaksionit, që është data në të cilën shoqëria angazhohet të blejë apo të shesë aktivin. Detyrimet financiare çregjistrohen nëse detyrimet kontraktuale të shoqërisë skadojnë, shfuqizohen ose anulohen.

✓ Mjetet monetare

Mjetet monetare përfshijnë arkën, llogaritë rrjedhëse dhe depozitat në të parë me bankat. Për qëllimin e pasqyrës së fluksit të parasë, mjetet monetare përfshijnë depozita me afat me një maturim prej tre muajsh ose më pak që nga data e fillimit.

✓ Llogari të arkëtueshme

Llogaritë e arkëtueshme njihen fillimisht me vlerën e drejtë dhe më pas me kosto të amortizuar duke zbritur humbjen nga zhvlerësimi. Provizionit për zhvlerësimin e aktiveve të arkëtueshme llogaritet kur ka të dhëna se shoqëria nuk do të jetë në gjendje të mbledhë të gjitha detyrimet. Vështirësitë financiare të debitorit, mundësia që debitori të falimentojë ose riorganizimi i tij financiar konsiderohen tregues që llogaritë e arkëtueshme të zhvlerësohen. Shuma e provizionit llogaritet si diferencë midis vlerës së mbetur dhe vlerës aktuale të flukseve të ardhshme të parashikuara të parasë së skontuara me normën efektive të interesit.

✓ Llogari të pagueshme

Llogaritë e pagueshme paraqiten me vlerën e tyre të drejtë dhe më pas me kosto të amortizuar, duke përdorur metodën e interesit efektiv.

✓ Hua të marra dhe të dhëna

Huatë e marra dhe të dhëna njihen fillimisht dhe mbahen në vazhdim me vlerën e tregut, pa përfshirë koston e transaksioneve. Pas njohjes fillestare, huatë e marra dhe të dhëna paraqiten me kosto të amortizuar duke njohur në pasqyrën e të ardhurave dheshpenzimeve çdo diferencë midis kostos dhe vlerës së pagueshme nominale përgjatë periudhës së huamarrjes duke u bazuar (si rregull) në interesin efektiv. Interesat e njohura në pasqyrën e të ardhurave dhe shpenzimeve janë përllogaritur mbi bazën e interesit nominal.

✓ Vlera e drejtë

Vlerat e drejta të përlogaritura të mjeteve monetare dhe ekuivalentëve të tyre, të kërkesave për t'u arkëtuar, detyrimeve për t'u paguar dhe huave, përafrohen me vlerat e tyre kontabël.

✓ Të tjera

Instrumenta të tjerë jo-derivativë maten me kosto të amortizuar sipas metodës së interesit efektiv, duke zbritur çdo humbje nga zhvlerësimi.

✓ Kapitali themeltar

Kapitali themeltar njihet me vlerën nominale.

✓ Zhvlerësimi i aktiveve financiare

Një aktiv financiar konsiderohet i zhvlerësuar nëse ka të dhëna objektive që tregojnë se një apo disa ngjarje kanë efekte negative në flukset e ardhshme që parashikohet të burojnë nga aktivi.

Një zhvlerësim në lidhje me aktivin financiar, të matur me kosto të amortizuar, llogaritet si diferencë midis vlerës së mbetur dhe vlerës aktuale të flukseve të ardhshme të parashikuara të parasë të skontuara me normën efektive të interesit.

Aktivet financiare të rëndësishme testohen për zhvlerësim në mënyrë individuale. Aktivet e tjera financiare vlerësohen në mënyrë të grupuar, në grupe që kanë karakteristika të ngjashme të riskut kreditor. Të gjitha humbjet nga zhvlerësimi njihen në pasqyrën e të ardhurave dhe shpenzimeve.

Një humbje nga zhvlerësimi rimerret nëse rimarrja mund të lidhet objektivisht me një ngjarje të ndodhur pas njohjes së humbjes nga zhvlerësimi. Për aktivet financiare të matura me kosto të amortizuar, rimarrja njihet në pasqyrën e të ardhurave dhe shpenzimeve.

3.3 Inventarët

Inventarët regjistrohen në kontabilitet me kosto. Kosto e marrjes përfshin të gjitha shpenzimet e kryera për ta sjellë inventarin në vendin dhe kushtet ekzistuese. Në rastin e prodhimit të produkteve në kosto përfshihet edhe pjesa respektive e shpenzimeve të përgjithshme duke u llogaritur mbi kapacitetet normale prodhuese. Kosto e inventarit llogaritet duke përdorur metodën e mesatares së ponderuar.

Gjendjet e inventarit janë të vlerësuara në bilanc me koston e tyre historike, duke e konsideruar këtë vlerësim, si vlerën më të ulët midis koston dhe vlerës neto të realizueshme.

3.4 Aktive afatgjata materiale

i. Njohja dhe matja

Të gjitha aktivet afatgjata materiale paraqiten me kosto duke zbritur zhvlerësimin dhe amortizimin e akumuluar. Kostoja përfshin shpenzime të cilat lidhen drejtpërdrejt me blerjen e aktivit. Kostoja e aktiveve të vetëndërtuara përfshin koston e materialeve dhe punës direkte, çdo kosto tjetër të lidhur drejtpërdrejt me sjelljen e aktivit në gjendje pune për qëllimin e synuar të përdorimit, si dhe koston e çmontimit, heqjes së pjesëve dhe sjelljes në gjendjen e mëparshme të vendndodhjes së aktivit. Shpenzimet kapitale të aktiveve të bëra gjatë ndërtimit kapitalizohen në "Ndërtim në proces" dhe transferohen në kategorinë përkatëse të aktivit kur përfundon ndërtimi tij, nga kur aplikohet amortizimi përkatës sipas kategorisë. Në rastet kur pjesë të një aktivi afatgjatë material kanë jetëgjatësi të ndryshme, ato kontabilizohen si zëra të ndryshëm të aktiveve afatgjata materiale.

Fitimet dhe humbjet nga shitjet, apo nxjerrjet jashtë përdorimit përcaktohen duke krahasuar vlerën e shitjes me vlerën e mbetur dhe këto përfshihen në pasqyrën e të ardhurave dhe shpenzimeve.

ii. Kostot e mëpasshme

Kostoja e zëvendësimit të një pjese të një zëri të aktiveve afatgjata materiale njihet në vlerën kontabël të atij zëri nëse është e mundshme që shoqëria do të realizojë përfitime të ardhshme ekonomike nga përdorimi i pjesës zëvendësuese dhe kostoja e pjesës mund të matet në mënyrë të besueshme. Kostot e shërbimeve të zakonshme të aktiveve afatgjata materiale njihen si shpenzim kur ato ndodhin.

iii. Amortizimi

Amortizimi i aktiveve llogaritet duke përdorur metodën e vlerës së mbetur të amortizimit mbi jetën e vlerësuar të çdo pjese të aktivitetit afatgjatë material duke filluar nga dita e parë e muajit që pason muajin e blerjes. Aktivitetet e marra me qira amortizohen duke marrë për bazë periudhën më të shkurtër midis periudhës së qirasë dhe jetës së dobishme të aktivitetit.

Jetëgjatësia e vlerësuar për vitin 2018 dhe 2017 është si më poshtë:

Kategoria e aktiveve	Metoda e Amortizimit	Norma e Amortizimit
Mobilje për zyren	Vlera e mbetur	20 %
Pajisje informatike	Vlera e mbetur	25 %
Të tjera	Vlera e mbetur	20%

iv. Çregjistrimi

Një zë i aktiveve afatgjata materiale çregjistrohet kur ai nxirret jashtë përdorimit apo atëherë kur nuk priten më përfitime ekonomike të ardhshme nga përdorimi apo nxjerrja e tij jashtë përdorimit. Fitimet dhe humbjet në rastin e nxjerrjes jashtë përdorimit të aktiveve afatgjata materiale, përcaktohen sipas shumës së tyre të mbetur dhe merren parasysh në nxjerrjen e rezultatit operativ të vitit.

3.5 Të ardhurat

Të ardhurat njihen atëherë kur është e mundshme që njësi ekonomike do të ketë përfitime ekonomike në të ardhmen dhe këto përfitime mund të maten me besueshmëri. Të ardhurat maten me vlerën e drejtë të arkëtuar ose të arkëtueshme që merr parasysh shumën e çfarëdo zbritje tregtare, zbritjet për shlyerje të menjëhershme dhe zbritjet e bëra për sasi (vëllim) të blerë.

3.6 Të ardhurat e tjera të shfrytëzimit

Të ardhurat e tjera të shfrytëzimit paraqesin të ardhurat që përfitohen jo rregullisht gjatë rrjedhës normale të veprimtarisë ekonomike duke përfshirë, fitim/humbjet nga shitja e aktiveve afatgjata materiale dhe jomateriale, fitim/humbjet nga rivlerësimet e aktiveve afatgjate të investuara dhe fitim/humbjet që vijnë nga ndryshimi i kursit të këmbimit përveç diferencave të këmbimit që lidhen me veprimtaritë financiare dhe investuese.

3.7 Qiratë

Qiramarrjet klasifikohen si financiare ose operative që në fillimin e qirasë, Qiratë financiare njihen si aktive dhe detyrime financiare në shkallën më të ulët të vlerës së drejtë të aktivitetit dhe

vlerës aktuale të minimumit të pagesave të qirasë në datën e blerjes. Kostot financiare regjistrohen në pasqyrën e të ardhurave dhe shpenzimeve nën termin e qirasë me normat e zbatueshme të interesit mbi balancën e mbetur të detyrimeve.

3.8 Të ardhurat dhe shpenzimet financiare

Të ardhurat financiare përfshijnë të ardhura interesi nga llogaritë bankare dhe fitime nga kursi i këmbimit që njihen në pasqyrën e të ardhurave dhe shpenzimeve. Të ardhurat nga interesi njihen mbi bazën e të drejtave të konstatuara duke përdorur metodën e interesit efektiv.

Shpenzimet financiare përfshijnë shpenzime interesi mbi huamarrjet dhe humbjet nga kursi i këmbimit, ndryshimet në vlerën e drejtë të aktiveve financiare të mbajtura me vlerë të drejtë nëpërmjet llogarisë fitim/humbje dhe humbjet nga zhvlerësimi i aktiveve financiare. Kostot e huamarrjes njihen në pasqyrën e të ardhurave dhe shpenzimeve me metodën e interesit efektiv.

3.9 Fondet për pensione

Shoqëria paguan kontributet ndaj sigurimeve shoqërore e shëndetësore të detyrueshme, që sigurojnë përfitimet për pensione të punonjësve në përputhje me legjislacionin shqiptar. Autoritetet Fiskale janë përgjegjëse për përcaktimin e kufirit minimal ligjor të vendosur për pensionet në juridiksionin përkatës sipas një plani kontributësh pensioni të përcaktuar.

3.10 Transaksionet me palët e lidhura

Palët e lidhura përcaktohen kur një palë kontrollohet nga pala tjetër, ose ka ndikim të rëndësishëm në vendimet e biznesit apo vendimet financiare të palës tjetër. Për qëllime të paraqitjes së pasqyrave financiare, drejtimi i shoqërisë dhe manaxhimi konsiderohen si palë të lidhura.

3.11 Provizionet

Një provizion njihet nëse, si rezultat i një ngjarjeje të shkuar, Shoqëria ka një detyrim ligjor apo konstruktiv, i cili mund të vlerësohet në mënyrë të besueshme dhe do të kërkojë në të ardhmen flukse dalëse parash për shlyerjen e tij. Provizionet përcaktohen duke skontuar flukset e pritshme të ardhshme të parasë me një normë skontimi para tatimit që pasqyron vlerësimet aktuale të tregut për vlerën në kohë të parasë dhe për risqet që lidhen me detyrimin në fjalë. Provizionet rishikohen në çdo datë raportimi dhe nëse nuk ka më gjasa për daljen e ndonjë fluksi parash për shlyerjen e detyrimit, provizionet rimerren.

3.12 Aktivitetet dhe detyrimet e kushtëzuara

Detyrimet e kushtëzuara nuk njihen në pasqyrat financiare. Ato paraqiten në shënime të pasqyrave financiare për sa kohë që mundësia për një dalje të burimeve që përfshijnë përfitime ekonomike është e largët. Një aktiv i kushtëzuar nuk paraqitet në pasqyrat financiare por paraqitet në shënime për sa kohë ekziston mundësia e hyrjes së përfitimeve ekonomike. Shuma e humbjeve të kushtëzuara njihet si provizion, nëse është e mundshme që ngjarjet e ardhshme të konfirmojnë që një detyrim ka lindur në datën e pozicionit financiar dhe mund të bëhet një vlerësim i arsyeshëm i shumës së humbjes.

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Bilanci Kontabel, Aktivët**4. Aktivët monetare**

Aktivët monetare janë në shumën 32,711,968 lek të pasqyruara në tabelën e mëposhtme:

Nr	Likuiditete	Viti 2018	Viti 2017
1	Depozita në banke	32,711,968	17,836,051
2	Para në arke	0	0
	Totali	32,711,968	17,836,051

Depozitat në banke në monedhë të huaj janë të konvertuara me kursin e datës 31.12.2018, diferencat nga kursi i kembimit janë të pasqyruara në pasqyrën e të ardhurave dhe shpenzimeve.

5. Të drejta të arkëtueshme

Paraqitet shuma e të drejtave të arkëtueshme deri më 31.12.2018, prej 56,766,651 leke, si më poshtë:

Nr	Të drejta të arkëtueshme	Viti 2018	Viti 2017
1	Nga aktiviteti i shfrytëzimit	56,714,047	38,912,370
1	Debitorë të tjerë	52,604	
	Shuma	56,766,651	38,912,370

6. Inventarët

Në këtë post paraqitet më 31.12.2018 inventari i materialeve në shumën 3,273,055 leke, si më poshtë:

Nr	Inventarët	Viti 2018	Viti 2017
1	Lëndë e parë dhe materiale	3,273,055	3,241,963
	Parapagime për inventar		
	Shuma	3,273,055	3,241,963

Gjendja e materialeve është vlerësuar me koston e blerjes. Gjate vitit 2018 nuk është ndryshuar menyra e mbajtjes së inventarit e cila vazhdon të jetë me kosto mesatare.

7. Aktive materiale

Aktivët afat gjatë materiale janë të paraqitura me koston e blerjes minus amortizimin e vitit. Vlera kontabel e tyre është 18,666,243 leke, sipas tabelës së mëposhtme:

Nr	Aktive afatgjatë materiale	Viti 2018	Viti 2017
1	Mjete transporti	11,603,844	14,504,806
2	Pajisje informatike dhe zyre	7,062,399	9,198,096
	Totali	18,666,243	23,702,902

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Si politike kontabel per kontabilizimin dhe shpjegimin e AAM-ve, shoqeria ka zgjedhur modelin e koston (SKK-5). Vleresimi fillestar ne momentin e hyrjes eshte bere me kosto dhe ne daten e mbylljes se bilancit paraqiten me koston e tyre minus zhvleresimin e akumuluar dhe ndonje humbje nga renia e vleres. Drejtimi nuk ka llogaritur renie te vleres per vitin e mbyllur me 31 Dhjetor 2018 dhe 31 Dhjetor 2017.

Bilanci Kontabel, Pasivet**8. Detyrime afatshkurtra**

Detyrimet afatshkurtra te shoqerise me 31.12.2018 paraqiten ne shumen 3,614,334 leke, si me poshte :

Nr	Detyrime afatshkurtra:	Viti 2018	Viti 2017
1	Të pagueshme për aktivitetin e shfrytëzimit	63,279	
2	Të pagueshme ndaj punonjësve		
3	Të pagueshme ndaj sigurimeve	1,399,865	1,294,951
4	Të pagueshme ndaj TAP	2,009,065	1,609,353
5	Të tjera të pagueshme	142,125	76,475
	Shuma	3,614,334	2,980,779

9. Te ardhura te shtyra

Te ardhura te paguara ne avance nga Operatoret e licensuar me 31.12.2018 me nje shume prej **18,846,169** leke e detajuar si me poshte vijon:

Nr	Te ardhura te shtyra	Viti 2018	Viti 2017
1	Te ardhura nga mbi pagesa KESH	6,193,588	7,184,349
2	Te ardhura nga mbi pagesa Gurshpati	16,516	
3	Te ardhura nga mbi pagesa Termo-Vlore		20,000
4	Te ardhura nga mbi pagesa OST	12,636,065	1,649,561
	Shuma	18,846,169	8,853,910

10. Fondet e ERE

Fondet paraqitet si me poshte:

Nr	Fonde te ERE	Viti 2018	Viti 2017
1	Fonde te mbartura	71,858,598	93,541,317
2	Ritje/Renie fonesh gjate vitit ushtrimor	17,098,818	(21,682,719)
	Totali	88,957,416	71,858,598

Gjate vitit 2018 ERE ka rritur fondet e saj ne perdorim me shumen pre 17,098,818 leke, kjo rrjedhoje e mosrealizimit buxhetor te investimeve per vitin 2018.

Totali i Fondeve te ERE-s eshte 88,957,416 leke.

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Pasqyra e performances**11. Te ardhura nga operatorët e licensuar**

Te ardhurat e realizuara nga operatorët e licensuar, e llogaritur ne baze te metodologjise se tarifimit ne baze te te ardhurave te tyre per vitin 2018 jane 157,007,013 leke.

Nr	Te ardhurat	Viti 2018	Viti 2017
1	Të ardhura nga pagesat e Operatoreve	143,468,002	98,779,757
2	Te ardhura nga Organizma mbulim shpenzimesh	3,409,229.87	1,279,341
3	Te ardhura nga licensimet 2018	10,129,781	10,765,250
	Shuma	157,007,013	110,824,348

12. Shpenzime te personelit

Shpenzimet e personelit per paga e sigurime ne shumen 103,698,499 leke jane te detajuara si me poshte:

Nr	Kosto e Punes	Viti 2018	Viti 2017
1	Shpenzime per paga	95,088,001	88,897,228
2	Sigurime shoqerore dhe shendetesore	8,610,498	8,180,716
	Shuma	103,698,499	97,077,944

13. Shpenzime Konsumi dhe Amortizimi

Jane llogaritur shpenzimet per amortizimin e asetëve sipas normave ligjore fiskale ne fuqi ne shumen 5,071,658 lek. Drejtimi nuk ka zbatuar norma te ndryshme nga ato fiskale.

Nr	Emertimi	Viti 2018	Viti 2017
1	Amortizimi i aktiveve	5,071,658	4,579,269
	Shuma	5,071,658	4,579,269

14. Shpenzime te tjera te aktivitetit

Shpenzime e tjera te aktivitetit paraqiten ne shumen 31,011,088 leke, me nje strukture si vijon:

Nr	Emertimi i shpenzimit	Viti 2018	Viti 2017
1	Shpenzime te tjera	2,889,757	3,713,378
2	Sherbime te ndryshme nga te tretet	4,490,595	2,180,025
3	Shpenzime uje energji	448,289	409,048
4	Mirembajetj automjete e taxa te lidhura me to	761,562	1,146,076
5	Publikime ne media	1,494,850	1,519,200
6	Udhetime dieta J.vend; kuotizacion	17,896,221	20,574,656
7	Poste telefon etj	1,039,860	1,183,738
8	Taksa dhe tarifa vendore	15,069	15,000
9	Trajnime profesionale	1,874,885	
10	Te tjera	100,000	
	Shuma	31,011,088	30,741,121

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Shenimet shpjeguese nga faqja 6 deri ne faqen 16 jane pjese perberese e pasqyrave financiare

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15. Shpenzime financiare

Shpenzimet financiare per vitin 2018 paraqiten ne shumen 126,949 leke te detajuara si vijon:

Nr	Emertimi	Viti 2018	Viti 2017
1	Sherbime bankare	76,552	58,101
2	Humbje kursi kembimit	50,494	52,019
3	Rezultat nga kursi kembimit	-83	-1,387
4	Te tjera	-14	
	Shuma	126,949	108,733

Angazhime dhe pasiguri

Çeshtje gjyqesore

Gjatë aktivitetit të saj të zakonshëm, Shoqëria mund të përfshihet në pretendime apo veprime të ndryshme ligjore nga palë të treta. Bazuar në opinionin e drejtuesve të Shoqërisë, konkluzioni përfundimtar në lidhje me këto çështje nuk do të ketë efekte negative në pozicionin financiar të Shoqërisë ose ndryshime në aktivet neto të saj. Me 31 Dhjetor 2018 Shoqëria ERE per çështjet gjyqesore të hapura kundrejt saj apo nga ajo, nuk ka efekte që mund të kërkojnë rregullime të këtyre pasqyrave financiare.

16. Ngjarje pas datës së Bilancit

Nuk ka asnjë ngjarje pas datës së bilancit e cila kërkon rregullime apo shpjegime në këto pasqyra financiare.

Administratori

Hartuesi i pasqyrave

Petrit AHMETI

Aferdita BUSHI



Annex 2 The Report of the Legal Audits regarding ERE Performance

RAPORT I AUDITUESVE LIGJORE**AUDITIM PERFORMANCE
PËR
ENTIN REGULLATOR TË ENERGJISË****Tiranë, më 19.04.2019**

Permbajtja

- Çështjet Kryesore të Auditimit
- Përgjegjësitë e Drejtimit dhe të Personave të Ngarkuar me kryerjen e detyrave funksionale
- Përgjegjësitë e Audituesit
- Të dhëna të përgjithshme mbi Entin Regullator të Energjisë
- Organigrama e ERE-s.
- Drejtoria e licensimit dhe monitorimit të tregut
 - Licensimi
 - Monitorimi
 - Sektori i monitorimit të të licensuarve.
 - Sektori i monitorimit të tregut
- Drejtoria e Tarifave dhe Çmimeve
 - Sektori i strukturës së tarifave dhe çmimeve
 - Sektori i analizës së kostove dhe çmimeve
- Drejtoria e Burimeve Njerëzore, Administrimit, Financës dhe Mardhënieve me Jashtë
 - Sektori i financës dhe protokoll arkivës
 - Sektori i mardhënieve me jashtë dhe specialisti i IT-së
- Drejtoria Juridike dhe Mbrojtjes së Konsumatorit
 - Sektori i Mbrojtjes së Konsumatorit dhe Marrëdhënieve me Publikun

Drejtuar:

**Kryetarit të ERE-s z. Petrit Ahmeti,
Anëtareve të Bordit,
të Entit Regullator të Energjisë Tiranë**

Bazuar në Standartin Nderkombëtar të Angazhimeve të Dhenies së Sigurisë 3000 (SNAS), Ne jemi angazhuar në dhenien e sigurisë për performancën e Entit Regullator të Energjisë në kuptimin e një vlerësimi objektiv, profesional e të pavarur, mbi shkallën e ndjekjes dhe zbatimit prej saj të Ligjit nr.43/2015 “Per sektorin e energjisë elektrike” dhe Ligjin nr.102/2015, “Per sektorin e gazit natyror” si dhe akte të tjera ligjore dhe nënligjore në të cilin përfshihet aktiviteti i saj.

Çështjet Kryesore të Auditimit

Çështje Kryesore të Auditimit janë ato çështje që, në gjykimin tonë profesional, kanë qënë më të rëndësishmet në auditimin e performances për vitin ushtrimor 2018. Si të tilla, Ne do të rendisnim:

- Zbatueshmëria e dy Ligjeve Kryesore, Ligjit nr.43/2015 “Per sektorin e energjisë elektrike” dhe Ligjin nr.102/2015 “Per sektorin e gazit natyror”,
- Hartimi dhe zbatimi i Rregulloreve funksionale dhe proceduriale,
- Gjykimi i audituesve të pavarur mbi problematikat e konstatuara.

Përgjegjësitë e Drejtimit dhe të Personave të Ngarkuar me kryerjen e detyrave funksionale

Drejtimi dhe personat e përfshirë në këtë angazhim janë përgjegjës për përgatitjen dhe paraqitjen e drejtë të informacioneve të dhena që nuk përmbajnë anomali materiale, qoftë për shkak të mashtrimit apo gabimit.

Përgjegjësitë e Audituesit

Objektivat tona janë që të arrijmë një siguri lidhur me faktin nëse strukturat funksionale të ERE-s, zbatojnë dhe kryejnë detyrat e percaktuara nga Legjislacioni dhe Rregulloret perkatese. Siguria e arësyeshme është një siguri e nivelit të lartë, por nuk është një garanci që një auditim i kryer sipas SNA-ve do të identifikojë gjithmonë një anomali materiale kur ajo ekziston. Anomali mund të vijë si rezultat i gabimit ose i mashtrimit dhe konsiderohen materiale nëse, individualisht ose të marra së bashku, pritet që në mënyrë të arësyeshme të influencojnë vendimet e përdoruesve.

Auditimi është kryer në bazë të Letres së angazhimit dhe programit të auditimit të pranuar dhe firmosur nga Kryetari i ERE-s.

Auditues Ligjor: Ludmilla Paluka license nr. 161
Aida Maloku license nr.55

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Të dhena të përgjithshme mbi Entin Rregullator të Energjisë dhe risite e vitit 2018

ERE është Person Juridik Publik dhe Autoriteti i vetëm rregullator në Shqipëri në sektorin e energjisë elektrike dhe të gazit natyror. ERE është krijuar në vitin 1995 dhe sot funksionon sipas Ligjit nr.43/2015, "Per sektorin e energjise elektrike" i ndryshuar dhe Ligjit nr.102/2015, "Per sektorin e gazit natyror". ERE është regjistruar pranë Drejtorisë Rajonale Tatimore të rrethit të Tiranës me NIPT K517170241.

Bazuar në Ligjin nr.43/2015, "Per sektorin e energjise elektrike" i ndryshuar nën 9, pika 1, nën 10 pika 1-ligjin nr.102/2015 "Per sektorin e gazit natyror" nën 13; *percaktohet*:

ERE ka si mision të saj të garantojë dhe të zhvillojë një treg energjie të bazuar mbi objektivitetin e transparencës duke u mbështetur në parimet e konkurrencës së lire; të sigurojë vazhdimësinë dhe cilësinë e furnizimit të energjisë për klientet; të mbrojë interesat e konsumatorëve; të mbrojë mjedisin nepermjet ushtrimit të autoritetit në fushën e licensimit dhe të monitorimit të subjekteve që ushtrojnë aktivitete në sektorin e energjisë apo të gazit. ERE është institucioni përgjegjës për vendosjen e tarifave të energjisë elektrike për të gjitha veprimtaritë e rregulluara, që kryhen nga të licensuarit në sektorin e energjisë elektrike.

ERE kryhen funksionet e saj nepermjet Bordit të Komisionereve, personelit teknik dhe personelit mbështetës. Bordi përbëhet nga Kryetari dhe katër anëtarë, të cilët emrohen nga Kuvendi me një mandat prej 5 vjetësh, me të drejtë riemrimi për një mandat të dytë radhazi.

Kryetari i ERE-së është administrator ekzekutiv i ERE-së dhe është përgjegjës për administrimin e Entit, për drejtimin e mbledhjeve të Bordit dhe për publikimin e vendimeve.

ERE jo me vonë së fundi i tremujorit të parë të çdo viti paraqet pranë Kuvendit të Shqipërisë një raport vjetor për gjendjen në sektorin e energjisë elektrike dhe të gazit, të veprimtarisë së ERE-së përfshirë dhe veprimtarinë e saj financiare.

ERE është një institucion publik, jo fitimprurës, por në të njëjtën kohë nuk është institucion buxhetor që financohet nga buxheti i shtetit. Burimet e saj të financimit janë tarifën e licensimit në sektorin e energjisë elektrike dhe të gazit, si dhe të ardhurat nga operatorët e licensuar të llogaritura prej saj në bazë të një metodologjie të hartuar e miratuar nga Bordi.

Edhe gjatë vitit 2018 Enti Rregullator i Energjisë ka patur një bashkëpunim të ngushtë me të gjitha Organizatat dhe institucionet ndërkombëtare të cilat kanë të bëjnë me Elektricitetin dhe Gazin Natyror.

ERE bashkëpunon me ECRB (Energy Community Regulatory Board) dhe ACER (Agency for the Cooperation of Energy Regulators), që të dyja këto institucione janë pranë Sekretariatit të Komunitetit të Energjisë në Vienë. E-Control (EnC), pranë Energy Community në Vienë.

ERE është anëtare dhe bashkëpunon ngushtë me IGU (International Gas Union) ku merr pjesë në të gjitha takimet që organizohen si për Gazin Natyror, ashtu dhe për Gazin Natyror të Lëngëzuar (LNG), dhe Gazin Natyror të Kompresuar (CNP).

ERE është anëtare në South, South-East Gas Regional Initiative, për studime të përbashkëta në lidhje me tregun e gazit.

ERE është shumë aktive në kuadër të bashkëpunimit shumë-palësh mes Enteve Rregullatore pjesëmarrëse të MEDREG (Shoqata e Rregullatorëve të Mesdheut).

Një bashkëpunim i gjatë dhe frytdhënës është ai me USAID, për hartimin e Ligjeve, Rregulloreve dhe Metodologjive të nevojshme në sektorin e energjitikës e të gazit.

Gjatë vitit 2018, Ligji nr.43/2015, "Per sektorin e energjisë elektrike" pesoi ndryshime ne shtese te disa neneve. Keshtu Neni 57, Operimi i Tregut, Neni 1 u shtua per ti dhene vend hapësirës Ligjore per funksionimin e Operatorit te Tregut e cila do te jete **Bursa Shqiptare e Energjise**. Në kuadër të punës me qëllim bërjen efektive të Bursës Shqiptare të Energjisë, si dhe në zbatim të VKM nr. 519/2016 "Për miratimin e Modelit të Tregut të Energjisë Elektrike" pjesë e së cilës do të jetë edhe Operatori i Tregut të Kosovës gjatë vitit 2018, në bashkëpunim me Ministrinë e Infrastrukturës dhe Energjisë dhe nën konsulentin e USAID, u hartua Plani i Masave të bërjes efektive të Bursës Shqiptare të Energjisë.

Gjithashtu ne Nenin 86, Furnizuesi i mundësisë së fundit, është shtuar Neni 6 i cili përcakton detyrimin ligjor për lidhjen e një kontrate midis klientit fundor që furnizohet nga furnizuesi i mundësisë së fundit dhe që në kuptim të nenit 109, të këtij ligji, del për herë të parë në treg të liberalizuar. Lidhur me keto shtesa, ERE ka vijuar procesin e hartimit dhe të miratimit të një sërë aktesh nënligjore të cilat janë përmendur në aktivitetin e drejtorise perkatese.

Viti 2018, ka përshpejtuar procedurën për ndarjen ligjore dhe funksionale të Operatorit të Shpërndarjes së Energjisë Elektrike nga ai i Furnizimit të Shërbimit Universal nga (FSHU), Furnizuesi i Tregut të Lirë nga (FTL) dhe Operatori i Sistemit të Shpërndarjes nga (OSS).

Gjatë vitit 2018, ERE ne menyre aktive dhe dinamike bashkëpunon në vazhdimësi me Komunitetin e Energjisë, MIE dhe Autoritetin e Konkurrencës lidhur me çështje që kanë të bëjnë me kuadrin rregullator në sektorin e energjisë dhe për çështje të tjera të rëndësishme të këtij sektori, për sa i përket procesit të miratimit të akteve nënligjore rregullatore të sektorit të energjisë elektrike dhe gazit natyror, rishikimin e metodologjive të përcaktimit të tarifave dhe çmimeve dhe me vendimarrjet për përcaktimin e tyre.

ERE është në fazën e konsultimit, duke u mbështetur në praktikën më të mirë ndërkombëtare si dhe në konsulentin e USAID për hartimin e një strukture të re organizative të ERE-s, e cila do të sigurojë kapacitete dhe ekspertizë të nevojshme për të përmbushur zhvillimet dinamike të tregut të energjisë.

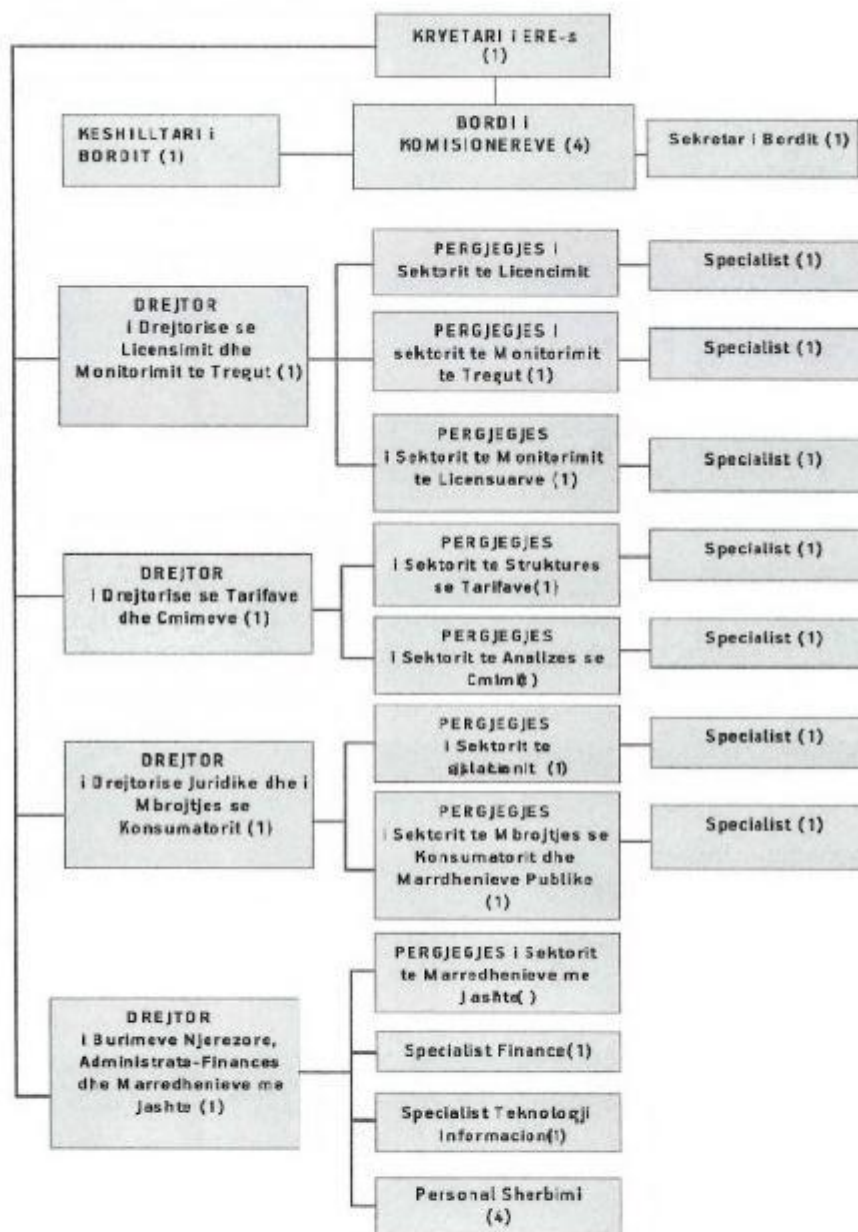
Ne Ligjin nr.43/2015, "Per sektorin e energjisë elektrike", nenet 9-25, ne Ligjin 102/2015 "Per sektorin e gazit natyror" neni 15-21; janë përcaktuar ndër të tjera: Objektivat e përgjithshme të ERE-s, Përgjegjësitë, Të drejtat, Parimet e vendosjes së tarifave për operim dhe shërbimet në rrjet, Monitorimi nga ERE, Regjimin rregullator për çështjet ndërkufitare, Zgjidhjen e mosmarrveshjeve dhe Raportimi i ERE-s.

ERE, për funksionimin e saj mbështetet në Rregulloren për organizimin dhe funksionimin e brendshëm të saj, miratuar me Vendimin e Bordit të ERE-s Nr. 141, datë 24.12.2008 dhe ndryshuar me vendimin Nr. 80, dt. 24.08.2011, rregullore të hartuara para daljes së ligjeve 43/2015 dhe 102/2015 si edhe Rregulloren për Organizimin, Funksionimin dhe Procedurat e ERE-s, miratuar me Vendimin e Bordit të ERE-s Nr. 96, datë 17.06.2016.

Ne keto kushte është e domosdoshme hartimi i një rregulloreje të brendshme që të bazohet në risitë e ligjeve dhe propozimet për strukturën e re organizative dhe funksionale.

Ne, u njohem me një material të gjere mbi zbatimin dhe mbi respektimin e procedurave sipas Ligjeve dhe ketyre Rregulloreve per funksionimin e ERE-s. Ne po japim një informacion mbi detyrat funksionale me të rëndësishme të ketyre drejtorive të cilat ne i kemi ndjekur nga pikpamja e përpulshmerise dhe respektimit procedural bazuar ne Rregulloret e mesiperme per funksionimin e ERE-s.

Organigrama e ERE-s paraqitet:



Auditues Ligjor: Ludmilla Paluka
Aida Maloku

license nr. 161
license nr.55

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➤ Drejtoria e licensimit dhe monitorimit të tregut

Perbehet nga tre sektore:

1. Sektori i licensimit, pergjegjes, specialist,
2. Sektori i monitorimit te te licensuarve, pergjegjes, specialist dhe,
3. Sektori i monitorimit te tregut, pergjegjes, specialist.

❖ Licensimi

Ne baze te ligjit 43/2015 “Për sektorin e energjisë elektrike” Seksioni II “Licensimi” neni 37, percaktohen llojet e licensave qe ERE leshon per:

- prodhimin e energjisë elektrike,
- operimin e sistemit të transmetimit të energjisë elektrike,
- operimin e sistemit të shpërndarjes të energjisë elektrike,
- furnizimin e energjisë elektrike,
- tregtimin e energjisë elektrike,
- operimin e tregut të energjisë elektrike.

Ne baze te ligjit 102/2015 “Për sektorin e gazit natyror” Seksioni II “Licensimi” neni 22, percaktohen llojet e licensave qe ERE leshon per:

- transmetim të gazit natyror;
- shpërndarje të gazit natyror;
- furnizim të gazit natyror;
- tregtim të gazit natyror;
- operim në hapësirat e depozitimit të gazit natyror;
- operim në impiantet e GNL-së;
- funksionimin e operatorit të tregut të gazit natyror.

Per secilen veprimtari, licencat leshohen të veçanta edhe në rastin kur i jepen të njëjtës shoqëri. Sipas nenit 38 te ligjit 43/2015 “Për sektorin e energjisë elektrike” si edhe nenit 23 te ligjit 102/2015 “Për sektorin e gazit natyror” ERE percakton kushtet që duhet të përmbushen për marrjen e çdo licence, duke marrë në konsideratë: afatin e vlefshmërisë së licencës, i cili për veprimtaritë e prodhimit, transmetimit dhe shpërndarjes nuk mund të jetë më shumë se 30 vjet, vendndodhjet dhe zonat, në të cilat do të kryhen veprimtaritë e licencuara, sigurinë operative dhe qëndrueshmërinë e objekteve, pajisjeve apo rrjetit, në përputhje me rregullat teknike, kërkesat lidhur me sigurinë kombëtare, mbrojtjen e jetës, pasurisë, shëndetit të qytetarëve, rendin publik, kërkesat financiare, mbrojtjen e mjedisit, nxitjen e një tregu konkurrues të energjisë elektrike etj. ERE miraton rregulloren për procedurat dhe afatet për dhënien, modifikimin, transferimin ose heqjen e licensave, pagesat e aplikimeve për licencë, si dhe informacionin që duhet paraqitur në kërkesën për aplikim për çdo licencë. ERE merr vendim për dhënien ose jo të një licence prodhimi të energjisë elektrike, brenda 60 ditëve nga data e aplikimit dhe brenda 30 ditëve nga data e aplikimit për licencat e tjera, përveç rastit kur mund të vendosë zgjatjen e afatit për marrjen e vendimit, në përputhje me rregulloren për organizimin dhe funksionimin e ERE-s. Gjatë marrjes së vendimit, ERE merr në shqyrtim dhe vlerëson vërejtjet ose kundërshtimet e arsyeshme e të bazuara, të paraqitura nga institucionet publike apo palët e tjera të interesuara, në lidhje me kërkesën për licencë, duke arsyetuar në vendim pranimin ose jo të tyre.

Auditues Ligjor: Ludmilla Paluka license nr. 161
Aida Maloku license nr.55

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ERE ka hartuar dhe miratuar me vendim të bordit nr. 109, datë 29.06.2016 “Rregulloren për procedurat dhe afatet për dhënien, modifikimin, transferimin, rinovimin dhe heqjen e licensave në sektorin e energjisë elektrike dhe gazit natyror”. ERE ka zbatuar me korrektesi afatet e publikimit në median e shkruar të Vendimeve të Bordit të ERE-s për fillimin e procedurës për të bërë të mundur që palët e interesit të shprehin komente lidhur me fillimin e një procedure licensimi.

Gjate vitit 2018 janë licensuar në veprimtarinë e prodhimit të energjisë elektrike 23 licensa nga të cilat 10 janë centrale fotovoltaike, 8 licensa në veprimtarinë e tregtimit të energjisë elektrike, 6 licensa në veprimtarinë e furnizimit të energjisë elektrike dhe 1 në veprimtarinë e tregtimit të gazit natyror.

Rinovim license. Me përfundimin e afateve të licensave të marra subjektet aplikojnë pranë ERES për rinovimin e licenses.

Gjate 2018 bordi ka marrë 2 vendime për fillimin e procedurës për rinovimin e licenses dhe ka marrë 2 vendime për rinovim të licensave, të dyja vendimet për rinovim i perkasin të njejtës shoqëri Gen-I Tirana.

ERE refuzon dhënien e një licence nëse në bazë të nenit 41 të ligjit 43/2015 dhe nenit 26 të ligjit 102/2015 aplikuesi nuk përmbush ndonjë nga kushtet e përcaktuara në nenin 38 të këtij ligji, është në proces falimentimi ose likuidimi, aplikuesit i është revokuar ose hequr licensa dhe nuk ka përfunduar periudha, brenda së cilës është i ndaluar riaplikimi për licensë.

Gjate 2018 ERE ka marrë 5 vendime për mosfillim të procedurës së licensimit.

ERE heq një licensë në bazë të nenit 42 të ligjit 43/2015 dhe nenit 27 i ligjit 102/2015 kur i licensuari nuk përmbush më kushtet thelbësore të licensës së dhënë, shkel dispozitat ligjore për mbrojtjen e mjedisit gjatë kryerjes së veprimtarisë së tij, rrezikon jetën, shëndetin dhe pasurinë e qytetarëve, nuk kryen pagesat e rregullimit të vendosura nga ERE, siç përcaktohet nga neni 17 të ligjit 43/2015 dhe nenit 14 të ligjit 102/2015, bëhet financiarisht i paafte ose kërkon shpalljen e falimentimit, me kërkesë të të licensuarit, ka pushuar së kryeri funksionet e caktuara sipas licensës. Për heqjen e licenses njoftohet me shkrim i licensuari për fillimin e procedurave për heqjen e licensës, në njoftim shprehen qartësisht arsyet për heqjen e saj.

Gjate 2018 ERE ka marrë 6 vendime për heqje license, 4 në veprimtarinë e tregtimit të energjisë dhe 2 në veprimtarinë e furnizimit të energjisë elektrike.

Modifikimi i kushteve të një licence ERE mund të modifikojë licensën në përputhje me nenin 43 të ligjit 43/2015 dhe nenit 28 të ligjit 102/2015, me iniciativën e vet, në bazë të një vendimi gjyqësor të formës së prerë, kur ndryshojnë kushtet e kontratës koncesionare ose me kërkesën e të licensuarit. ERE merr në konsideratë ndikimet e pritshme që modifikimet e iniciuara apo të propozuara sjellin ndaj detyrimeve që i licensuari ka në përputhje me këto ligje dhe kushtet e licensës së tij. Përpara miratimit të modifikimit të një licence, ERE publikon modifikimet e propozuara dhe shqyrton vërejtjet ose ankesat e mundshme, të paraqitura nga palët e interesuara lidhur me këtë proces.

Gjate vitit 2018 bordi i ERE-s ka marrë 5 vendime për miratim të modifikimit të licensave, 1 në fushën e prodhimit të energjisë elektrike, 2 në veprimtarinë e tregtimit të energjisë elektrike dhe 2 në veprimtarinë e furnizimit të energjisë elektrike.

Transferimi i licensës ose aseteve. Transferimi i licensës ose aseteve të të licensuarit, që shërbejnë për kryerjen e veprimtarive të licensuara, bëhet me miratimin paraprak të ERE-s, bazuar në rregulloren e miratuar prej saj miratuar me vendimin nr. 119, datë 21.07.2016 të

bordit “Rregullore për procedurat e transferimit të aseteve nga të licencuarit”. Miratimi i ERE-s sipas rregullores të përcaktuar në pikën 2 të këtij neni, nuk është i nevojshëm në rastet e transferimit të aseteve me vlerë minimale, apo aseteve që nuk lidhen ngushtësisht me veprimtarinë e licencuar. Gjate këtij ushtrimi janë marrë 3 vendime për transferim license, të trija nga shoqëria OSHEE tek shoqëria FSHU, OSSH, FTL, po kështu janë marrë 2 vendime për fillim procedure për shqyrtim të kërkesave të shoqërive për lenien peng të aseteve dhe 4 vendime mbi miratimin e kërkesave për lenien peng të tyre, ka marrë një vendim për refuzim kërkesë për lenien peng të aseteve dhe një vendim për ndryshim ortaku.

Gjithashtu çdo aplikim për licencim i është nënshtruar një analize të kujdesshme të rregullshmërisë dhe plotësimit me korrektësi të dokumentacionit ligjor, administrativ, financiar, teknik dhe marrjes së lejeve përkatëse të përdorimit të ujërave apo leje mjedisore, të dhëna nga institucionet e tjera në përputhje me aktivitetin që subjektet kanë kërkuar të licensohen.

Për të gjithë subjektet e licensuar nga ERE, mbahen dhe arkivohen regjistra të veçantë për secilin aktivitet, me të dhënat e nevojshme për subjektin dhe llojin e licensës, të cilat pasqyrohen të përditësuara në portalin e ERE-s dhe mund të konsultohen nga çdo palë e interesuar. Licensat kanë një numer rendor progresiv si edhe një seri dhe kod të veçantë sipas fushave të licenses.

Licensat e dhena gjate 2018 janë:

Subjektet e licensuar, në aktivitetin e prodhimit të energjisë

Prodhim energjie nga burime hidrike

Subjekti	Prodhues energjie elektrike	fuqi e instaluar
“HEC Lënge” sh.p.k	H/C “Lënga 1”	1730 kW
	H/C “Lënga 2”	300 kW
	H/C “Lënga 3”	1500 kW
“Alesio - 2014” sh.p.k	H/C “Kryezi”	1990 kW
“Lucente Koncesionare” sh.p.k	H/C “Spatharë”	1038 kW
“Hydro Seta” sh.p.k	H/C “Seta 1+2”	7454 kW
		2722 kW
	H/C “Seta 3”	4724 kW
	H/C “Seta 4”	
“Favina 1” sh.p.k	H/C “Voskopojë”	1970 kW
“Caushi Energy” sh.p.k	H/C “Qafëzë”	400 kW
“Domi - Tec” sh.p.k	H/C “Plepi”	2285 kW
“Blac Energy” sh.p.k	H/C “Blac”	1300 kW
“Ediani” sh.p.k	H/C “Shëngjon 1”	651 kW
	H/C “Shëngjon 2”	356 kW
	H/C “Shëngjon 3”	341 kW
“Alesio - 2014” sh.p.k	H/C “Fushë Arrëz”	1990 kW
DERBI – E	H/C “Antena”	1105 kW
“OSOJA HPP” sh.p.k	H/C “Osoja”	1952 kW
“BE-IS Energy”	H/C “Kallivar 1”	1475 kW
	H/C “Kallivar 2”	1526 kW
	H/C “Kallivar 3”	3321 kW
	H/C “Kallivar 4”	275 kW

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Prodhim i energjisë elektrike nepermjet centraleve fotovoltaik

Subjekti	Prodhues energjie elektrike	fuqi e instaluar
"AGE Sunpower" sh.p.k	Centrali fotovoltaik Topojë (Sheq Marinas)	2000 kW
"Seman Sunpower" sh.p.k	Centrali fotovoltaik Topojë (Sheq Marinas)	2000 kW
"Malësia Solar 1" sh.p.k	Centrali fotovoltaik "Lahë e Poshtëme" Shkrel, Koplik, Rrethi Malësi e Madhe, Qarku Shkodër.	2500 kW
"Malësia Solar 2" sh.p.k	Centrali fotovoltaik "Lahë e Poshtëme" Shkrel, Koplik, Rrethi Malësi e Madhe, Qarku Shkodër.	2500 kW
"Malësia Solar 3" sh.p.k	Centrali fotovoltaik "Lahë e Poshtëme" Shkrel, Koplik, Rrethi Malësi e Madhe, Qarku Shkodër.	2500 kW
"OSOJA Energy" sh.p.k	Centrali fotovoltaik Seman-I Sheq Marinas Fier.	2000 kW
"Seman2Sun" sh.p.k	Centrali Fotovoltaik Seman – 2, Sheq Marinas, Fier	2000 kW
"SONNE" sh.p.k	Centrali Fotovoltaik, Topojë	1998 kW
"AED Solar" sh.p.k	Centrali fotovoltaik Topojë	1998 kW
"AEE" sh.p.k	Centrali Fotovoltaik "Plug"	2000 kW

Vendime te tjera te marra nga ERE per modifikim dhe transferim license ne veprimtarine e prodhimit.

- Nga Bordi i ERE-s gjatë vitit 2018 ka miratuar modifikimin e licencës së prodhimit të energjisë elektrike të shoqërisë "Hidropower Elektrik" shpk duke miratuar emertimet dhe fuqite perkatese.
- Bordi i ERE-s ka miratuar transferimin e licencës së furnizimit te energjisë elektrike nga Operatori i Shpërndarjes së Energjisë elektrike sha tek shoqëria "Furnizuesi i shërbimit universal" sha (FSHU).
- Bordi i ERE-s ka miratuar transferimin e licencës per operimin e sistemit të shpërndarjes së energjisë elektrike, të shoqërisë "OSHEE sha" tek shoqëria "OSSH" sha.

Të licensuarit në veprimtarinë e Tregëtimit të Energjisë Elektrike gjatë 2018:

Subjekti	Aktiv. licensuar	Nr. Vendimit, data
"Wind Power Albania" shpk	Tregëtim	Vendimi Nr. 58, date 12.03.2018
"Smart Watt" shpk	Tregëtim	Vendimi Nr. 72, date 26.03.2018
"DON-UCD" shpk	Tregëtim	Vendimi Nr. 158, date 09.07.2018
"ReNRGY Trading Group" shpk	Tregëtim	Vendimi Nr. 165, date 19.07.2018
"Uradrin" shpk	Tregëtim	Vendimi Nr. 172, date 03.08.2018
"FLT" sha	Tregëtim	Vendimi Nr. 198, date 03.09.2018
"AEE" shpk	Tregëtim	Vendimi nr. 210, date 27.09.2018
"ENER TRADE" shpk	Tregëtim	Vendimi Nr. 226, date 26.10.2018

Vendime te tjera te marra nga ERE per modifikim dhe heqje license ne veprimtarine e tregëtimit te energjise.

- Heqja e licencës për tregëtimin të energjisë elektrike, shoqërisë "Hec-Dunicë" shpk, me kërkesë të subjektit.

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- Heqja e licencës për shoqërisë "ENPOWER ALBANIA" shpk, për kryerjen e aktivitetit të tregtimit të energjisë elektrike, i ndryshuar, për shkelje të kushteve të licencës nga ana e subjektit.
- Heqja e licencës shoqërisë "EFT ALBANIA" shpk, për tregtimin të energjisë elektrike, me kërkesë të subjektit në kuadër të një riorganizimi brenda grupit të kompanive të EFT Group.
- Modifikimi i licencës së shoqërisë "Energia Gas and Power Albania" shpk, në veprimtarinë e tregtimit të energjisë elektrike, për ndryshim emri.
- Modifikimi i licencës së shoqërisë "GEN-I Tirana" shpk në veprimtarinë e tregtimit të energjisë elektrike, për një afat 5 vjeçar.
- Heqja e licencës shoqërisë "ROBERTO OIL" shpk, për tregtimin e energjisë elektrike, me kërkesë të subjektit për mos ushtrim aktiviteti.

Subjektet e licensuar në aktivitetin e Furnizimit të energjisë elektrike, gjatë vitit 2018:

Subjekti	Aktiv. licensuar	Nr.vendimit, data
"Energji Ashta" shpk	Furnizim	Vendimi Nr. 26, Datë 30.01.2018
"Wind Power Albania" shpk	Furnizim	Vendimi Nr. 126, Datë 04.06.2018
"FTL" sha	Furnizim	Vendimi Nr. 199, Datë 03.09.2018
"DON-UCD" shpk	Furnizim	Vendimi Nr. 219, Datë 11.10.2018
"ENER TRADE" shpk	Furnizim	Vendimi Nr. 227, Datë 26.10.2018
"ReNRGY Trading Group" shpk	Furnizim	Vendimi Nr. 245, Datë 26.11.2018

Vendime të tjera të marra nga ERE për modifikim, heqje dhe transferim license në veprimtarinë e furnizimit të energjisë.

- Heqja e licencës së shoqërisë "EFT Albania" shpk me kërkesë të subjektit në kuadër të një riorganizimi brenda grupit të kompanive të EFT Group.
- Modifikim i licencës së shoqërisë "Energia Gas and Power Albania" shpk, në veprimtarinë e furnizimit të energjisë elektrike, modifikimi ka ndodhur për arsye të ndryshimit të emrit.
- Modifikimi i licencës së shoqërisë "GEN-I Tirana" shpk në veprimtarinë e furnizimit të energjisë elektrike, për një afat 5 vjeçar.
- Transferimi i licencës së Furnizimit të Energjisë Elektrike nga "Operatori i Shpërndarjes së Energjisë Elektrike" sha (OSHEE sh.a), tek shoqëria "Furnizuesi i Shërbimit Universal" sha (FSHU sha).
- Heqja e licencës shoqërisë "ROBERTO OIL" shpk, për furnizimin e energjisë elektrike, e cila u bë me kërkesë të subjektit për arsye të mos ushtrimit të veprimtarisë.

Subjektet e licensuar në aktivitetet e Gazit natyror për vitin 2018

Subjekti	Aktiviteti	Nr.vendimit, data
"Balgaz" shpk	Tregëtim	Vendimi Nr. 256, datë 17.12.2018

❖ Monitorimi

Monitorimi kryhet nga dy sektore ai i monitorimit të te licensuarve dhe sektori i monitorimit të tregut.

Në zbatim të Ligjit Nr. 43/2015 "Për Sektorin e Energjisë Elektrike", neni 22, të Ligjit Nr. 102/2015 "Për Sektorin e gazit natyror" neni 87.; Vendimi i Këshillit të Ministrave Nr. 244, datë 30.03.2016 "Për miratimin e kushteve për vendosjen e detyrimit të shërbimit publik, që do të zbatohen ndaj të licensuarve në sektorin e energjisë elektrike, të cilët ushtrojnë aktivitetin e prodhimit, transmetimit, shpërndarjes dhe furnizimit me energji elektrike", si dhe kushtet e licensave të lëshuara nga ERE, shërbimet e operatorëve të licensuar nga ERE janë objekt i monitorimit në lidhje me respektimin e detyrimeve ligjore.

Monitorimet janë kryhen bazuar në plane tematike paraprake dhe organizuar në mënyrë të tillë që të monitorohen në vazhdimësi rezultatet e pjesëmarrësve të tregut të energjisë elektrike. Procesi i monitorimit kryhet duke ndjekur periodikisht hapat e mëposhtme.

- Mbledhja dhe përpunimi i rezultateve periodike (muajore) dhe informacioneve.
- Përpunimi i rezultateve dhe përcaktimi i vlerave të indikatorëve të performancës.
- Diskutimi i problematikave në mbledhjet periodike të Bordit të ERE.
- Identifikimi i çështjeve për monitorim në terren.
- Monitorim për zbatimin e rregulloreve.
- Kryerja e monitorimeve në terren dhe analiza e tyre.
- Propozimi i qëndrimit dhe rekomandimeve të ERE-s lidhur me konstatimet nga monitorimet.

Sektori i monitorimit të te licensuarve.

Për monitorimin e shoqërive të licencuara nga ERE në aktivitetin e prodhimit të energjisë elektrike (Urdhër Nr. 52, datë 04.09.2018) me objekt:

- Verifikimi i kapacitetit të instaluar faktik krahasuar me kapacitetin e instaluar dhënë në licencën përkatëse; Regjistrimet e llogarive të të Licencuarit; Parametrat teknikë dhe zbatimi i kushteve, në përputhje me standartet e parashikuara në Kodin e Shpërndarjes dhe Transmetimit sipas rastit; Format e raportimit në përputhje me detyrimet në zbatim të akteve ligjore dhe nënligjore në fuqi: -Prodhim vjetor i ndarë në muaj; -Fuqia e mundëshme, duke përfshirë periudhat kohore të disponibilitetit të çdo njësie gjeneruese e kombinuar kjo me planin dhe kohën për daljen nga puna; -Fuqia Aktive dhe Reaktive e çdo njësie gjeneruese; -Pjesëmarrja e tyre në pik dhe në pjesë të veçanta të mbulimit të ngarkesës.
- Cilësia e prodhimit dhe detaje të marra për përmirësimin e cilësisë së tij.
- Detaje mbi çdo ndryshim të bërë në asetet e prodhimit, përfshirë detaje të çdo elementi që është zgjeruar, nxjerrë jashtë përdorimit ose zëvendësuar gjatë operimit;
- Kushtet dhe tarifat e lidhjes së prodhuesve.

Gjatë vitit 2018 janë kryer rreth 40 monitorime në objektet e licencuara në veprimtarinë e prodhimit të energjisë elektrike (kryesisht hidrocentrale) për zbatimin e kushteve të licensave, ku u konstatuan që tre hidrocentrale kishin kapacitet të instaluar përtej kufirit të lejuar në kushtet e licensës, për të cilat ka vazhduar procedurat dhe janë kryer seancat dëgjimore me institucionet përkatëse për rregullimin e situatës.

Sektori i monitorimit te tregut

a) Eshte monitoruar plani i investimeve te OST sha për vitin 2017 dhe periudhën Janar-Tetor 2018. (Urdheri nr.61, date 6.11.2018).

Ne lidhje me investimet e vitit 2017:

- Nga 33 zëra investimesh të miratuara nga ERE me fond të parashikuar prej 2 183 846 979 lekë, janë lidhur kontrata e janë kryer pagesa për 12 zëra investimesh duke realizuar vlerën 957 337 509 lekë. Gjithashtu janë lidhur kontrata e kryer pagesa për 2 zëra që nuk bënin pjesë në investimet e miratuara të vitit 2017 por të miratuara me vendim të Bordit Mbikqyrës, me një vlerë 64 866 925 lekë. Gjithsej vlera e realizuar për vitin 2017 është 1 022 204 434 lekë nga 1 348 083 090 lekë që është vlera e kontratave për këto zëra investimesh.
- Vërehet mos realizim i parashikimeve i shkaktuar nga mos rakordimi mes strukturave të OST sha. Për 11 zëra investimesh gjatë vitit 2017 është mundësuar vetë procedura deri në lidhjen e kontratës. Për 8 zëra investimesh të miratuara nuk është arritur të lidhet kontratë pasi kryesisht këto investime është menduar të shtyhen në kohë.

Ne lidhje me investimet Janar-Tetor 2018:

- ERE nuk ka miratuar Planin e Investimeve të OST sha pasi nga ana e OST sha nuk është paraqitur kërkesa për miratimin e planit të Investimeve për Vitin 2018. OST sha për realizimin e investimeve është bazuar në planin 10 vjeçar 2015-2025 të miratuar dhe në vendimet e Këshillit Mbikqyrës të miratuara përgjatë vitit 2017 dhe 2018.
- Për vitin 2018 janë planifikuar 41 zëra investimi me fond të parashikuar prej 4 375 053 881 lekë. Duke qënë se disa nga investimet shtrihen në më shumë se një vit, fondi i parashikuar për investimeve vetëm për vitin 2018 është parashikuar 1 792 900 000 lekë. Nga 41 zëra investimesh, për 15 zëra evidentohet se akoma nuk është lidhur kontratë realizimi dhe vlera e këtyre investimeve për vitin 2018 llogaritet afërsisht 317 422 560 lekë. Për 26 zëra investimet ose janë realizuar ose janë në proces realizimi. Vlera e realizuar deri në tetor 2018 është 1 140 108 741 lekë ose 77.27 % e vlerës së parashikuar për vitin 2018 për këto zëra.

ERE ka monitoruar vazhdimisht realizimin e investimeve të Operatorit të Sistemit të Transmetimit duke konstatuar se pavarësisht ndryshimeve të miratuara nga Këshilli Drejtues i OST sha investimet e realizuara përkojnë me trendet e planit 10 vjeçar të zhvillimit të rrjetit të transmetimit.

b) Me kërkesën e shoqërisë GEN-I Tirana shpk ka nisur monitorimi për kontratat e KESH sha për vitet 2017 dhe 2018. (Urdhër Nr. 76, datë 06.12.2018) ku u konstatuan se: Kontrata e lidhur më dt. 11.03.2013 ndërmjet KESH sha dhe GSA shpk "Për furnizimin e energjisë shtesë dhe energjisë së devijimeve" dhe, Kontrata e lidhur më dt. 27.07.2016 ndërmjet KESH sha dhe EFT AG "Kontratë për Depozitimin e Energjisë" nuk i përmbahej kontrates tip të miratuar nga ana e ERE-s.

Bordi i ERE me vendimin nr. 131/2016 "Mbi ndërprerjen e procedurës së shpallur nga shoqëria KESH sha "Ftesë për shprehje interesi për marrëveshjen kuadër për depozitimin e energjisë elektrike" ka vendosur që:-KESH sha të ndërpresë menjëherë çdo veprim të mëtejshëm për finalizimin e procedurës së shpallur "Ftesë për shprehje interesi për marrëveshjen kuadër për depozitimin e energjisë elektrike".

c) Për sa i përket monitorimit periodik të indikatorëve të sistemit elektro-energjitik, janë mbledhur e përpunuar treguesit e planifikuar duke shfrytëzuar informacionet periodike të pjesëmarrësve të tregut të energjisë. Janë paraqitur në mënyrë të përmblodhur shumica e të dhënave të përpunuara duke dhënë edhe mundësinë e krahasimit me vitet paraardhëse.

Një set i plotë me indikatorët kryesorë të sistemit publikohet në faqen e internetit të ERE-s edhe 4-mujor si detyrim i ligjit Nr. 43/2015 dhe që i shërben të gjithë të interesuarve si dhe rrit transparencën për zhvillimet në sektorin elektro-energjitik.

Nga analiza e rezultateve dhe përpunimi i problematikave e informacioneve të marra, nga strukturat drejtuese të ERE-s, është gjykuar sipas rastit të zhvillohen verifikime, analiza, seanca dëgjimore dhe monitorime në terren. Rezultatet e këtyre aktivitetëve i kanë shërbyer strukturave përkatëse për një vendim marrje sa më të drejtë.

Grupet e monitorimeve specifike janë organizuar me pjesëmarrje nga drejtori e sektorë të tjerë me qëllim sigurimin e specialistëve të nevojshëm në procesin e monitorimit por edhe për faktin se numuri i specialistëve që punojnë në Drejtorinë e Liçensimit dhe Monitorimit të Tregut është i vogël. Specialistët e Drejtorisë së Liçensimit dhe Monitorimit të Tregut gjithashtu janë angazhuar në grupe pune të ndryshme për të dhënë kontributin e tyre në trajtimin e problematikave të strukturave të tjera të ERE-s. Theksojmë përfshirjen në përgatitjen e draft akteve nënligjore të ERE-s dhe në dhënien e mendimeve për akte jashtë ERE-s.

Është analizuar situata e raportimeve periodike të të licensuarve ku konstatohen **mangesi** nga ana e tyre në respektimin e detyrimit për raportim periodik. Edhe gjatë vitit 2018 do të vazhdojë puna për ndjekjen periodikisht të raportimeve periodike dhe reflektimin e mangësive të konstatuara, është përgatitur një regjister për këtë qëllim.

Përfaqesues të Drejtorisë së Liçensimit dhe Monitorimit të Tregut janë anëtarë të grupeve të punës në organizmat ndërkombetare sipas urdherave e Udhëzimeve të Kryetarit të ERE-s duke informuar rast pas rasti për zhvillimet.

Studimi i materialeve dhe zhvillimeve të reja në sektorin energjitik kryhet vazhdimisht dhe konsiderohet si detyrim në punën e përditshme të specialistëve të drejtorisë.

Monitorimet Tematike gjatë vitit 2018

Monitorime Tematike gjatë vitit 2018		
Urdhëri i Monitorimit	Objekti i Monitorimit	Kompania
Urdhër Nr. 14, datë 1.02.2018	Analizimin e planit të përditësuar të investimeve për vitin 2018 dhe planin e zhvillimit të rrejtit të shpërndarjes për 5 vitet e ardhshme të shoqërisë OSHEE sh.a.	OSHEE sh.a.
Urdhër Nr. 32, datë 28.03.2018	Për shqyrtimin dhe analizimin e planit 10 vjeçar të zhvillimit të (2018-2028) të shoqërisë ALBGAAZ sh.a.	ALBGAAZ sh.a.
Urdhër Nr. 48, datë 11.07.2018	Monitorimin e operimit të prodhuesve të energjisë elektrike dhe lidhjet me rrjetin e shpërndarjes së energjisë elektrike	OSHEE sh.a.; Hydro Power Plant of Korca shpk; Gjoka Konstruktion & Energji shpk; Xhengo Energji shpk; Favina 1 shpk; The Blue Star shpk; Strelca Energy shpk.
Urdhër Nr. 51, datë 31.08.2018	Monitorimin e shoqërisë KESH sh.a lidhur me ankesën e shoqërisë GEN-I Tirana shpk mbi zbatimin e procedurave të shpërndarjes së energjisë elektrike të kryera nga KESH sh.a për periudhën 2017-mars 2018.	KESH sh.a.
Urdhër Nr. 52, datë 04.09.2018	Për monitorimin e shoqërive të licensuara nga ERE në aktivitetin e prodhimit të energjisë elektrike	Shoqëritë e licensuara nga ERE në aktivitetin e prodhimit të energjisë elektrike (sipas HEC-ëve përkatëse)
Urdhër Nr. 61, datë 06.11.2018	Mbi monitorimin e ecjes së zbatimit të planit të investimeve për vitin 2017 dhe periudhën janar – tetor 2018	OST sh.a.
Urdhër Nr. 70, datë 23.11.2018	Për monitorimin e veprimtarisë së OST sh.a gjatë periudhës janar – tetor 2018	OST sh.a.

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Urdhër Nr. 73, datë 26.11.2018	Për monitorimin e veprimtarive të OSSH sh.a; FSHU sh.a për periudhën janar–nëntor 2018	OSHEE sh.a.
Urdhër Nr. 75, datë 06.12.2018	Për monitorimin e realizimit të OPEX për vitin 2017 dhe 2018 të shoqërisë OST sh.a.	OST sh.a.
Urdhër Nr. 76, datë 06.12.2018	Lidhur me kërkesën e shoqërisë GEN-I Tirana shpk për zgjerimin e heqimit në lidhje me kontratat ekskluzive të KESH sh.a për vitet 2017 dhe 2018.	KESH sh.a.

➤ Drejtoria e Tarifave dhe Çmimeve

Kjo Drejtori perbehet nga dy sektore:

1. Sektori i Struktues së Tarifave dhe Çmimeve, përgjegjës, specialist dhe,
2. Sektori i Analizes së Kostove dhe Çmimeve, përgjegjës, specialist.

Bazuar në Ligjet Nr 43/2015 "Për Sektorin e Energjisë Elektrike", Ligjin Nr.102/2015, "Për sektorin e gazit natyror" dhe Ligjin 7/2017 "Për nxitjen e përdorimit të energjisë nga burimet e rinovueshme"; Drejtoria e Tarifave dhe Çmimeve funksionon sipas parimeve të përcaktuara në rregulloren për organizimin dhe funksionimin e brendshëm të ERE-s, miratuar me Vendimin e Bordit të ERE-s Nr. 141, datë 24.12.2008 dhe ndryshuar me vendimin Nr. 80 dt. 24.08. 2011; si dhe Rregulloren për organizimin, funksionimin dhe procedurat e ERE-s, miratuar me Vendim Bordin Nr.96, datë 17.06.2016. Kështu ajo gjatë aktivitetit vjetor realizon keto momente kryesore:

1. Në përputhje me pikën 1 të nenit 16 të Rregullores, Drejtoria e tarifave dhe Çmimeve, dhe në vecanti Sektori i Struktues së Tarifave dhe të Çmimeve, bazuar në metodologjinë e vlerësimit të kostos dhe miratimit të çmimeve, vlereson mjaftueshmerine e tarifave për sigurimin e shërbimit dhe furnizimit me energji e gaz duke i mbajtur vlerat e tarifave në nivelin e mbulimit të kostove dhe të siguroje vazhdimin normal të veprimtarisë. Në përputhje me pikën 2 të nenit 16 të Rregullores, Drejtoria e tarifave dhe Çmimeve, dhe në veçanti Sektori i Analizes, ka shqyrtuar programet e investimeve të të licënuarve, Pasqyrat Financiare të Operatoreve të energjisë si material mbështetës në përgatitjen e relacioneve për tarifën dhe çmimet.
2. Kjo Drejtori, në përmbushje të përgjegjësisë që i ngarkon ligji 43/2015 "Për Sektorin e Energjisë Elektrike" në mënyrë të vecantë referuar nenit 17 pika 4, ligjit 102/2015 Për Sektorin e gazit natyror" neni 14, ERE përcakton, propozon dhe çon për miratim pagesën rregullatore që arketohet prej të licënuarve në përputhje me rregulloren përkatëse. Si rrjedhojë, është llogaritur sipas metodikës së përcaktimit të pagesave rregullatore bazuar në të ardhurat vjetore për të licënuarit në sektorin e energjisë elektrike, e cila është miratuar me Vendimin Nr. 263, dt. 19.12.2018 të Bordit të ERE-s.

Drejtorja e çmimeve dhe tarifave është përgjegjëse për zhvillimin e metodologjisë së tarifave dhe mbledhjen dhe analizen e të dhënave e të informacioneve për propozime të arsyeshme nga operatorët e tregut të energjisë në lidhje me strukturën dhe nivelin e tarifave.

Ashtu si dhe në vitet e mëparshme edhe gjatë vitit 2018, nga kjo Drejtori është synuar që nepermjet tarifave dhe çmimeve të propozuara prej saj dhe të miratuara nga Bordi i ERE, të japë Operatoreve mundësitë e mbulimit të kostove dhe të beje të interesuar për përdorimin e të ardhurave për investime të reja në zhvillim të ecurisë së aktivitetit.

Gjatë vitit 2018 në bashkëpunim me Ministrinë e Infrastrukturës dhe Energjisë si dhe Autoritetin e Konkurrencës dhe duke marrë opinion në lidhje me çështje që kanë të bëjnë me rishikimin e metodologjive të përcaktimit të tarifave dhe çmimeve dhe me vendimmarjet për përcaktimin e tarifave dhe çmimeve të cilat janë reflektuar në vendimet e ERE-s si vijon:

Auditues Ligjor: Ludmilla Paluka
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- Vendimi Nr. 97, Datë 23.04.2018 "Mbi miratimin e tarifës së transmetimit të gazit natyror nga shoqëria Alb gaz sha, për vitin 2018"
- Vendimi 144, datë 25.06.2018 "Mbi rishikimin e "metodologjisë së përcaktimit çmimit të shitjes së energjisë elektrike nga furnizuesi i mundësisë së fundit" miratuar me vendimin e Bordit të ERE-s nr. 201, datë 04.12.2017"
- Vendimi 168, datë 19.07.2018 "Mbi për miratimin e ndryshimeve të propozuara nga TAP AG në metodologjinë e tarifave të TAP AG, të miratuar me vendimin e ERE-s nr. 127, datë 7.11.2013"
- Vendimi 190, datë 30.08.2018 "Mbi shqyrtimin e aplikimit të shoqërisë "OSHEE" sh.a. për tarifën e shërbimit të shpërndarjes së energjisë elektrike sipas nivelit të tensionit dhe lënien në fuqi të çmimeve me pakicë për klientët që shërbehen nga furnizuesi i shërbimit universal për vitin 2018".
- Vendimi Nr. 266, Datë 21.12.2018 "Mbi përcaktimin e tarifës së shërbimit të transmetimit të energjisë elektrike nga shoqëria "OST" sha për vitin 2019"
- Vendimi Nr. 268, Datë 21.12.2018 mbi lënien në fuqi të vendimit të Bordit të ERE-s nr. 190 datë 30.8.2018 në lidhje me tarifën e përdorimit të rrjetit të shpërndarjes sipas nivelit të tensionit dhe çmimet me pakicë për për klientët fundorë që shërbehen nga furnizuesi i shërbimit universal për vitin 2019.

❖ *Mbi procedurat për aplikimin dhe miratimin e tarifave dhe të çmimeve*

Bazuar në Rregulloren për funksionimin dhe procedurat e ERE-s, miratuar me Vendim Bordi Nr.96, dt.17.06.2016, Neni 21- Procedura e aplikimeve për përcaktimin e tarifave e çmimeve, pika 1; kerkohet nga të licensuarit në sektorin e energjisë dhe të gazit të paraqesin propozimet për përcaktimin e tarifave dhe të çmimeve jo me vonë se data 1 Shtator e vitit aktual. Po kjo Rregullore, Neni-22, përcakton se ERE do të shpallë vendimet mbi përcaktimin/rishikimin e tarifave dhe çmimeve brenda dates 15 dhjetor të vitit që është paraqitur aplikimi.

Në zbatim të detyrimit ligjor, veprimtaritë e kesaj Drejtorie gjatë vitit 2018 kanë qënë:

1. Shqyrtimi i aplikimeve për tarifën dhe çmimet nga ana e të licensuarve në sektorin e energjisë elektrike dhe të gazit natyror për:
 - Aktivitetin e gjenerimit të energjisë elektrike,
 - Aktivitetin e transmetimit të energjisë elektrike,
 - Aktivitetin e shpërndarjes të energjisë elektrike,
 - Aktivitetin furnizimit të shërbimit universal të energjisë elektrike,
 - Aktivitetin e transmetimit dhe shpërndarjes së gazit natyror,
 - Aktivitetin e furnizimit të mundësisë së fundit të energjisë elektrike.
2. Amendimi i metodologjisë për llogaritjen çmimit të shitjes së energjisë elektrike nga Furnizuesi i Mundësisë së Fundit, miratuar me vendimin nr. 144, datë 25.06.2018.

Gjate procesit të shqyrtimit të aplikimeve kjo Drejtori analizon situatën energjitike në vend duke pasur parasysh orientimet e qeverisë për sektorin, situatën ekonomiko-financiare të Operatoreve kryesore në tregun energjistik dhe atë të gazit dhe relaton prane Bordit deri në vendimarrjen që finalizohet me tarifën dhe çmimet sipas strukture së tregut të energjisë.

Mbi procedurat per miratimin e tarifave te shërbimit te shpërndarjes se energjise elektrike sipas nivelit te tensionit

Gjate misionit ne u njohem me Relacionin e pergatitur nga kjo Drejtori dhe ne bashkepunim: *Mbi analizën e realizimit të të ardhurave për aktivitetet e shpërndarjes dhe furnizimit me pakicë të energjisë elektrike për periudhën 2015-2018 dhe lënien në fuqi të tarifave të përdorimit të rrjetit të shpërndarjes për nivele tensioni.*

Me anë të Vendimit Nr. 211, datë 28.12.2017, Bordi i ERE-s vendosi "Fillimin e procedurave për shqyrtimin e aplikimit të OSHEE sha për tarifën e shërbimit të shpërndarjes së energjisë elektrike sipas nivelit të tensionit dhe lënien në fuqi të çmimeve me pakicë për klientët që shërbehen nga furnizuesi i shërbimit universal për vitin 2018".

Aplikimi i OSHEE sha nepermjet shkreses nr. 26933 Prot, dt.14.12.2017, u bë ne pergjigje te kërkeses per informacion nga ana e ERE-s me shkresat nr. 699 date 30.10.2017 dhe nr. 699/I date 11.12.2017 ne lidhje me realizimin e treguesve teknik, ekonomik e financiare per vitin 2017 dhe parashikimin e tyre per vitin 2018.

Ne zbatim te "Rregullores për organizimin, funksionimin dhe procedurat e ERE-s" miratuar me Vendimin Nr. 96, datë 17.06.2016 të Bordit të ERE-s, pergjate procesit te shqyrtimit te ketij aplikimi jane kryer nje sere veprimesh procedurale per te konkluduar për tarifën e shërbimit të shpërndarjes së energjisë elektrike sipas nivelit të tensionit për vitin 2018.

Ne u njohem gjate misionit me nje sere shkresash ndermjet ERE-s, OSHEE dhe MIE ne ndjekje dhe zbatim te procedurave te percaktuara ne Legjislacion dhe rregulloret me synim percaktimin mbi baza shkencore te tarifave te shërbimit të shpërndarjes së energjisë elektrike sipas nivelit të tensionit.

Në këto kushte per ERE-n rezultoi e nevojshme të rishikohen këto tarifa mbi bazën e të ardhurave të realizuara për periudhat paraardhëse, gjë e cila synon ti shërbejë një analize sa më realiste në përcaktimin e tarifave të drejta për periudhën në vijim.

Bordi i ERE-s, me vendimin Nr. 190, datë 30.08.2018 vendosi:

1. Lënien në fuqi të Vendimit Nr.52, datë 06.04.2017 "Mbi lënien në fuqi të Vendimit nr. 190 datë 22.12.2016, të Bordit të ERE-s" për tarifën e shërbimit të shpërndarjes si vijon:
 - Tarifa e shërbimit të shpërndarjes në nivelin e tensionit 35 kV 1.5 Lekë/kWh
 - Tarifa e shërbimit të shpërndarjes në nivelin e tensionit 20 kV 3.9 Lekë/kWh
 - Tarifa mesatare e shërbimit të shpërndarjes 4.79 Lekë/kWh
2. Rishikimin e të ardhurave të kërkuara të Operatorit të Sistemit të Shpërndarjes në periudhat pasardhëse për vlerësimin e të ardhurave të kërkuara për vitin 2018.
3. Lënien në fuqi për vitin 2018, të pikave 3, 4 dhe 5 të Vendimit të Bordit të ERE-s, nr.211, datë 28.12.2017 "Mbi fillimin e procedurës për shqyrtimin e aplikimit të OSHEE sha, për tarifën e shërbimit të shpërndarjes së energjisë elektrike sipas nivelit të tensionit dhe lënies në fuqi të çmimeve me pakicë për klientët që shërbehen nga furnizuesi i shërbimit universal për vitin 2018".

Mbi procedurat per miratimin e çmimeve te shitjes se energjise elektrike nga Furnizuesi i Mundesise se Fundit.

ERE me miratimin e Vendimit nr. 201, datë 04.12.2017 dhe rishikuar me Vendimin 144, datë 25.06.2018 të Bordit të ERE-s, përcaktoi çmimin e shitjes së energjisë elektrike të furnizimit nga

Furnizuesi i Mundësisë së Fundit (FMF) për klientët e lidhur në nivelin e tensionit 35 kV për çdo muaj të vitit 2018.

Gjatë vitit 2018 u evidentuan një sërë problematikash në llogaritjen e çmimi të Furnizuesit të Mundësisë së Fundit si mungesa e evidentimit nga OSHEE sha e shpenzimeve operative dhe kostove për disbalancat e shkaktuara për këtë kategori klientësh. Në keto kushte u pa e nevojshme rishikimi i "Metodologjisë së përcaktimit çmimit të shitjes së energjisë elektrike nga furnizuesi i mundësisë së fundit" miratuar me Vendimin e Bordit të ERE-s nr. 201, datë 04.12.2017 me ane të Vendimit nr. 144, datë 25.06.2018. Ndryshimi i metodologjisë në përcaktimin e çmimit konsistoi në marjen parasysh të kostove administrative dhe kthimin e riskut.

ERE vendosi që çmimi prej 9.5 lekë/kWh për klientët e FSHU të lidhur në 35 kV sipas Vendimit Nr.148 datë 26.12.2014, të përfaqësojë një kufi dysheme për përcaktimin e çmimit të klienteve të FMF, në rastet kur nga përlogaritjet sipas formulës së Metodologjisë së përcaktimit të çmimit të shitjes së energjisë elektrike nga FMF rezultojnë vlerë më e ulët se 9.5 lekë/kWh. Ndryshimet në metodologji ju nënshtruan një procesi konsultativ me OSHEE sha.

I gjithë ky proces është zhvilluar konform Legjislacionit dhe rregullorevë për procedurat e ERE-s.

Mbi procedurat për miratimin e tarifës së transmetimit të gazit natyror

Bordi i ERE me vendimin nr. 178, datë 08.11.2017, ka miratuar Metodologjinë e llogaritjes së tarifave të rrjetit të transmetimit dhe shpërndarjes së gazit natyror, në zbatim të së cilës miratohet tarifa përfundimtare e transmetimit të gazit natyror.

Gjatë misionit në u njohem me procedurat për zbatimin e kësaj tarife, e cila për shkak të mbarimit të afatit të kontratës së transmetimit të gazit midis Shoqërive Albpetrol sha dhe Albgaaz sha me 05.01.2018, u kerkua dhe miratua nga Bordi i ERE-s vendimi nr. 14, datë 10.01.2018 i cili vendosi:

1. Lënie në fuqi të vendimit të Bordit të ERE-s nr. 90, datë 07.06.2017 "Mbi miratimin e tarifës së përkohshme të transmetimit të gazit natyror nga shoqëria "Albgaaz" sha, deri në datë 31.03.2018.
2. Miratimin e kërkesës së shoqërisë Albgaaz sha, për ndryshimin e nenit 4 të kontratës së shërbimit të transmetimit të gazit natyror ndërmjet shoqërisë Albgaaz sha dhe Albpetrol sha me nr. 55/I Prot. i Albgaaz, datë 05.07.2017 dhe nr. 4608 Prot. i Albpetrol, datë 06.07.2017, miratuar me vendimin e Bordit të ERE nr. 199, Datë 24.11.2017 duke e shtyrë afatin e kësaj kontrate deri në 31.03.2018.

ERE ndoqi hapat proceduriale për përcaktimin e tarifave të transmetimit të gazit, nepermjet publikimeve në media, seancave degjimore midis paleve të interesuara, analizave të treguesve teknik dhe ekonomik me shoqërinë Albgaaz sha, etj dhe konkludoi: Bordi i ERE me Vendimin Nr. 97, datë 23.04.2018 miratoi tarifën e transmetimit të gazit natyror nga shoqëria Albgaaz sha, për vitin 2018 prej 28 lekë/m³ ose 2.6457 lekë/kWh.

Shoqëria Albgaaz sha kerkoi interpretim të zbatimit të tarifës së re, pasi me vendimet e mëparshme ishte lene tarifa e përkohshme prej 25 lekë/m³ deri me 31.03.2018, nderkohe që tarifa e miratuar fillonte zbatimin me 01.01.2018.

Në mbështetje të Nenit 17, gërma "e" e Ligjit Nr.102/2015 "Për Sektorin e Gazit Natyror", i cili parashikon se kur tarifat e miratuara rezultojnë të ndryshme nga ato të përkohshme, ERE vendos masat e përshtatshme kompensuese.

Bordi i ERE, me vendimin Nr. 179, datë 20.08.2018 vendosi: “Miratimin e tarifës së transmetimit të gazit natyror nga shoqëria Albgaz sha, për vitin 2018 prej 28 lekë/m³ ose 2.6457 lekë/kWh, duke filluar nga data 01.01.2018”

Mbi fillimin e procedurave për përcaktimin e çmimit të blerjes së energjisë elektrike të prodhuar nga burimet e vogla të rinovueshme nga dielli me fuqi të instaluar deri 2MW dhe era me fuqi të instaluar deri ne 3MW për vitin 2018

Prodhimi i energjisë nga burimet e vogla të rinovueshme nga dielli me fuqi të instaluar deri 2MW dhe era me fuqi të instaluar deri ne 3MW, është një fushë e re që po gjen zbatim keto vitet e fundit në vendin tonë. Në keto kushte, VKM nr.369, datë 26.04.2017, “Për miratimin e metodologjisë për përcaktimin e çmimit të blerjes së energjisë elektrike të prodhuar nga burimet e vogla të rinovueshme nga dielli dhe era”, në pikën 2 të tij, ngarkon ERE-n me miratimin e çmimit të blerjes së energjisë elektrike të prodhuar nga burimet e vogla të rinovueshme nga dielli dhe era, në përputhje me çmimin e mesatarizuar, sipas parashikimeve të kësaj metodologjie.

Bordi i ERE-s, me Vendimin Nr. 205, Datë 13.09.2018 vendosi: Fillimin e procedurave për përcaktimin e çmimit të blerjes së energjisë elektrike të prodhuar nga burimet e vogla të rinovueshme nga dielli me fuqi të instaluar deri 2 MW dhe era me fuqi të instaluar deri 3MW për vitin 2018.

Viti 2018 regjistroi kërkesa dhe licensime të ketyre prodhuesve të cilët kishin marrë aprovimin nga MIE gjatë vitit 2017. Por për shkak të mungesës së informacionit të nevojshëm në lidhje me lejet e miratuara përgjatë vitit 2018 nga MIE për impiantet nga teknologjite e diellit me fuqi të instaluar deri në 2 MW dhe era deri 3 MW, procesi i miratimit të çmimeve të shitjes së energjisë elektrike për këta impiante për vitin 2018 u shty për periudhën në vazhdim. Kjo në funksion të marrjes së një vendimi sa më të drejtë, të bazuar në një analizë të plote dhe të mbështetur në të dhëna konkrete.

Mbi procedurat në lidhje me shqyrtimin e tarifave dhe çmimeve për vitin 2019

- a. *Procedura për lënien në fuqi të tarifës së përdorimit të rrjetit të shpërndarjes sipas nivelit të tensionit dhe çmimet me pakicë për klientët fundorë që shërbehen nga furnizuesi i shërbimit universal për vitin 2019.*

Nëni 21 i “Rregullores për organizimin, funksionimin dhe procedurat e ERE-s” përcakton se i licencuari në sektorin e energjisë elektrike dhe të gazit natyror, duhet të paraqesë në ERE jo më vonë se data 1 Shtator e vitit aktual, një kërkesë me shkrim të shoqëruar me të gjithë informacionin e kërkuar sipas rregullores dhe metodologjive përkatëse.

Shoqëritë “OSSH” sha dhe “FSHU” sha, Shoqëri të dala nga ndarja e OSHEE, nuk paraqiten pranë ERE-s aplikimet përkatëse në përputhje me “Metodologjinë e llogaritjes së tarifave të Operatorit të Sistemit të Shpërndarjes së Energjisë Elektrike”.

Një praktikë e plote procedurale është zhvilluar midis institucioneve dhe për sa më sipër Bordi i ERE me Vendimin Nr. 268, Datë 21.12.2018 vendosi:

1. Të lërë në fuqi pikën 1 dhe pikën 3 të Vendimit të Bordit të ERE-s nr. 190, datë 30.08.2018, “Mbi shqyrtimin e aplikimit të shoqërisë “OSHEE” sha për tarifën e shërbimit të shpërndarjes së energjisë elektrike sipas nivelit të tensionit dhe lënien në fuqi

të çmimeve me pakicë për klientët që shërbehen nga Furnizuesi i Shërbimit Universal për vitin 2018” sipas tabelës më poshtë:

TIP I AKTIVITETIT	NR. I VENDIMIT	TARIFAT E MIRATUARA
Tarifa e shërbimit të shpërndarjes në nivelin e tensionit 35 kV	Nr. 52, Datë 06.04.2017	1.5 Lekë/Kwh
Tarifa e shërbimit të shpërndarjes në nivelin e tensionit 20 kV	Nr. 52, Datë 06.04.2017	3.9 Lekë/Kwh
Tarifa mesatare e shërbimit të shpërndarjes	Nr. 52, Datë 06.04.2017	4.79 Lekë/Kwh
Çmimi i shitjes për klientët në 20 kV *	Nr. 52, Datë 06.04.2017	11 Lekë/Kwh Në Pik 12.65 Lekë/Kwh
Çmimi i shitjes për klientët në 10/6 kV *	Nr. 52, Datë 06.04.2017	11 Lekë/Kwh Në Pik 12.65 Lekë/Kwh
* Miratimi i çmimit të shitjes për klientët që nuk arrijnë të sigurojnë furnizimin në rang për shkak të gjatësisë së objekteve të qesura për të shërbimit në pikë në VKM nr. 449, datë 15.05.2018, furnizimi si mundësi e fundit i këtyre klientëve kryhet në të njëjtat kushte me shërbimin universal që furnizohet me çmimet si më lart		
Çmimi i shitjes për Konsumatorët e lidhur në TM dhe me matës në TU	Nr. 52, Datë 06.04.2017	12.4 Lekë/Kwh Në Pik 14.3 Lekë/Kwh
Çmimet e shitjes me pakicë për klientët fundor	Nr. 52, Datë 06.04.2017	*Çmimet paraqiten në tabelën më poshtë
TARIFAT E SHËRBIMEVE TË SHITJES ME PAKICË TË ENERGJISË ELEKTRIKE PËR KLIENËT FUNDOR		
Niveli i tensionit	Çmimi (Lekë/kWh)	Çmimi pikë (Lekë/kWh)
Furra buke dhe prodhim mielli në 10/6 kV	7.1	8.17
Klientë në 0,4 kV	14	16.1
Furra buke dhe prodhim mielli në 0,4 kV	7.6	8.74
Familjarë	9.5	
Tarifa për konsumin e energjisë elektrike në ambientet e përbashkëta (ndërcim shkollë, pompe, asensor)	9.5	
Tarifa fikse e shërbimit për taksim "zero" (Lekë/Muj)		200
* Çmimi i energjisë reaktive është 50% e çmimit të energjisë aktive		
* Orari pikë gjatë të cilit do të aplikohet tarifa për energjinë e konsumuar në pikë është :		
Për periudhën 1 Nëntor - 31 Mars nga ora 18:00 deri në 22:00		
Për periudhën 1 Prill - 31 Tetor nga ora 19:00 deri në 23:00		

Barimi ERE

2. Rishikimin e të ardhurave të kërkuara të Operatorit të Sistemit të Shpërndarjes dhe Furnizuesit të Shërbimit Universal në periudhat pasardhëse, për vlerësimin e të ardhurave të kërkuara për vitin 2019.

3. Nëse do të ketë efekte në të ardhurat e kërkuara të shoqërisë "OSHEE" sh.a. do të bëhet përditësimi dhe kompensimi i tyre sipas përcaktimeve të nenit 20, pika "c" e Ligjit nr.43/2015, "Për Sektorin e Energjisë Elektrike", i ndryshuar.

b. *Procedura e miratimit të tarifës së shërbimit të transmetimit të energjisë elektrike nga OST sh.p.k për vitin 2019*

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Në zbatim të “Rregullores për organizimin, funksionimin dhe procedurat e ERE-s”, përgjatë procesit të shqyrtimit të kërkesës së OST sha u kryen veprimet e nevojshme procedurale për të siguruar transparencën nëpërmjet publikimeve dhe seancave dëgjimore si dhe marrjen e opinionëve nga palët e interesuara.

Shoqëria OST sha, e licensuar për veprimtarinë e transmetimit të energjisë elektrike, paraqiti aplikimin për tarifën e shërbimit të transmetimit të energjisë elektrike për vitin 2019 me shkresën nr. 6879 Prot, datë. 04.10.2018. ERE në kuadër të shqyrtimit të këtij aplikimi zhvilloi një monitorim pranë kësaj shoqërie në lidhje me shpenzimet operative të realizuara për vitet 2017 dhe 2018.

Pas gjithë procedurave të nevojshme të takimeve, analizave për llogaritjen e të ardhurave dhe kostove, me pranimin nga OST sha të sasisë së energjisë për tu transmetuar në vitin 2019 prej 7,158GWh, Bordi i ERE-s me Vendimin Nr. 266, datë 21.12.2018 miratoi tarifën e shërbimit të transmetimit të energjisë elektrike prej 0,75 Lekë/kWh për vitin 2019.

c. Prodhuesit me përparësi të energjisë elektrike dhe impakti i tyre

Prodhimi i energjisë elektrike nga prodhuesit me përparësi të energjisë elektrike (HEC-et me fuqi deri në 15 MW) në vitin 2018, për shkak të kushteve shumë të favorshme hidrike pati një rritje të konsiderueshme prej rreth 61% krahasuar me vitin paraardhës. Futja në operim e 11 centraleve të rinj ndikoi gjithashtu në këtë prodhim të rritur. Ky prodhim i lartë ndikoi në rritjen e të ardhurave nga shitja e energjisë për prodhuesit me përparësi të cilat ishin 80% më të larta krahasuar me vitin 2017. Në rritjen e të ardhurave për prodhuesit me përparësi ndikoi edhe çmimi i blerjes të energjisë së prodhuar nga këta gjenerues për vitin 2018 i cili ishte 15% më i lartë se ai i vitit paraardhës.

Në vitin 2018 energjia elektrike e prodhuar nga Prodhuesit me Përparësi deri 15 MW dhe HEC-Ashta zinte rreth 22% të konsumit kombëtar vjetor të energjisë elektrike.

Shpenzimet e OSHEE sha për blerjen e energjisë elektrike nga prodhuesit me përparësi dhe Hec-Ashta në vitin 2018 përbënin rreth 50.2% të shpenzimeve totale për blerjen e energjisë elektrike nga 22.5% që ishin në periudhën paraardhëse.

U konstatua se sasia e blerë nga OSHEE sha nga këta prodhues (1,696 GWh) i tejkaloi nevojat për mbulimin e humbjeve prej 1,538 GWh sikurse parashikuar në VKM 244 datë 30.03.2016. Diferenca prej 158 GWh ka kaluar për mbulimin e kërkesës për Klientet e Furnizimit Universal. Ky fakt përforcon nevojën e rregullimeve ligjore për të dhënë zgjidhje problematikës së akomodimit në treg të sasisë së energjisë elektrike nga burimet e rinovueshme (RES), që rezultojnë përtej nevojave për mbulimin e humbjeve në rrjetin e shpërndarjes të Operatorit të Sistemit të Shpërndarjes.

Për ERE-n si ent rregullator dhe gjithë Operatorët e Tregut sfide mbetet gjetja e rrugëve për nxitjen e investimeve eficiente, për mundësinë e daljes së tyre në tregun e parregulluar si dhe shtrirjen e kontributit për mbështetjen e prodhimit të energjisë nga burimet e rinovueshme tek të gjithë klientet fundorë.

Nisur nga rritja e aktivitetit të kësaj Drejtorie, bazuar në zhvillimet e reja të sektorit të energjitikës dhe gazit, Ne kemi sugjeruar ngritjen e një sektori të veçantë me synimin e analizës dhe përcaktimit të tarifave për prodhimin e energjisë nga burimet jo hidrike.

d. Procedurat per lënien në fuqi të vendimit të Bordit të ERE-s nr. 19, datë 19.01.2018 mbi çmimin vjetor të blerjes së energjisë elektrike, që do t'u paguhet prodhuesve ekzistues me përparësi të energjisë elektrike për vitin 2018.

VKM nr. 687, datë 22 Nëntor 2017 miratoi "Metodologjinë e përcaktimit të çmimit vjetor të blerjes së energjisë elektrike që do t'u paguhet prodhuesve ekzistues me përparësi". Po kjo VKM përcaktoi gjithashtu edhe kufijtë maksimal dhe minimal të çmimit të blerjes së energjisë elektrike nga prodhuesit ekzistues me përparësi të cilët janë: jo më i ulët se çmimi i miratuar nga ERE për vitin 2016 dhe jo më i lartë se 15% e çmimit të miratuar nga ERE për vitin 2016. Bazuar në këtë metodologji, Bordi i ERE-s me vendimin nr. 19 datë 19.01.2018 "Mbi çmimin vjetor të blerjes së energjisë elektrike, që do t'u paguhet prodhuesve ekzistues me përparësi për vitin 2018", miratoi çmimin 8.5652 lekë/kWh, dhe deri në publikimin e raportit vjetor nga HUPEX, Bordit të ERE-s me Vendimin Nr. 267, datë 21.12.2018 vendosi të lërë në fuqi Vendimin nr. 19 datë 19.01.2018, "Mbi çmimin vjetor të blerjes së energjisë elektrike, që do t'u paguhet prodhuesve ekzistues me përparësi për vitin 2018"

e. Procedurat për çmimin e blerjes së energjisë elektrike nga prodhuesit ekzistues me përparësi për vitin 2019

Në zbatim të "Metodologjisë së përcaktimit të çmimit vjetor të blerjes së energjisë elektrike që do t'u paguhet prodhuesve ekzistues me përparësi" të miratuar me VKM Nr. 687, datë 22.11.2017, ERE përcaktoi çmimin përkatës menjëherë pas publikimit të raportit vjetor të Bursës së Energjisë së Hungarisë (HUPEX) për vitin 2018.

Çmimi prej 8.4582 Lekë/kWh i cili rezultoi nga zbatimi i formulës perilogaritese të cituar në metodologji, ndodhej brenda kufijve minimal e maksimal të përcaktuar në paragrafet 2.ç dhe 2.d, të VKM-së Nr. 667, datë 22.11.2017.

Përsa më sipër, Bordi i ERE-s, me Vendimin Nr. 8, datë 17.01.2019 miratoi çmimin vjetor prej 8.4582 Lekë Lekë/kWh që do t'u paguhet prodhuesve ekzistues me përparësi për vitin 2019.

f. Procedurat mbi miratimin e tarifës së transmetimit të gazit natyror nga shoqëria Albgaz sh.a. për vitin 2019.

Bazuar në rregulloren procedurale të ERE-s, është konstatuar se Shoqëria Albgaz sh.a. nuk ka paraqitur aplikim për rishikimin e tarifës së transmetimit për periudhën pasardhëse rregullatore të vitit 2019, në përputhje me "Metodologjinë për llogaritjen e tarifave të përdorimit të rrjetit të transmetimit dhe shpërndarjes së gazit natyror".

Shoqëria Albgaz sh.a. nuk kishte paraqitur aplikimin për planin e investimeve për vitin 2019. Mungesa e vlerës së investimeve për vitin 2019, si komponent i rëndësishëm i llogaritjes së tarifës bënte të pamundur llogaritjen e të ardhurave të kërkuara dhe përcaktimin e tarifës së transmetimit të gazit natyror për vitin 2019.

Në këto kushte Bordi i ERE, me Vendimin Nr. 269, Datë 21.12.2018, vendosi për shtyrjen deri më datë 31.03.2019 të fuqisë juridike të Vendimit të Bordit të ERE-s nr. 97, datë 23.04.2018 "Mbi miratimin e tarifës së transmetimit të gazit natyror nga shoqëria Albgaz sh.a. për vitin 2018".

Lidhur me metodikën e planifikimit të pagesave rregullatore, sugjerojmë respektimin e bazës ligjore për afatet e përcaktuara në ligj si dhe përdorimin e penalteteve në rastet e moszbatimit të dy ligjeve kryesore 43/2015 dhe 102/2015.

➤ **Drejtoria e Burimeve Njerëzore, Administrimit, Finances dhe Marrëdhënieve me jashtë të ERE-s**

Kjo Drejtori ka këtë strukturë të miratuar:

- Specialisti i Finances dhe Protokoll Arkives,
- Sektori i marrëdhënieve me jashtë,
- Specialisti i IT-se dhe Sherbimit të Marrëdhënieve me jashtë.

Drejtoria e Burimeve Njerëzore, Administrimit, Finances dhe Marrëdhënieve me Jashtë mbulon veprimtarinë financiare të ERE-s dhe mban përgjegjësi të plotë për të gjitha problemet që kanë të bëjnë me administrimin, si dhe marrëdhëniet me jashtë, konform legjislacionit të shtetit shqiptar. Në bashkëpunim me drejtoritë e tjera përgatit projekt-buxhetin për miratim, kontrollon dhe evidenton shpenzimet e kryera, fondet e përdorura për investime, dhe blerjet e vogla. Merr masa dhe përgjigjet për krijimin e kushteve të nevojshme të punës për personelin teknik dhe Bordin e Komisionerëve. Mbi bazën e buxhetit të miratuar për vitin aktual, kalkulon dhe ndjek pagesat e rregullimit nga të licënuarit dhe mbi bazën e analizave financiare bën kompensimin e detyrimeve nëse është e domosdoshme. Përgatit dhënie të llogarisë vjetore për institucionin, si pjesë e raportit vjetor të ERE-s. Gjithashtu kjo drejtori mbulon programimin dhe zhvillimin e burimeve njerëzore, si dhe të marrëdhënieve me jashtë duke respektuar legjislacionin në fuqi.

❖ **Mbi administrimin e Burimeve njerëzore**

Bazuar në Ligjin Nr. 43/2015 "Për Sektorin e Energjisë Elektrike" Neni 11, Pika 1, emerimi i Kryetarit dhe anëtarëve të bordit bëhet nga Kuvendi i Shqipërisë. Nderkohe sipas pikes 7 të po këtij neni, Bordi përcakton strukturën organizative të ERE-s dhe numrin e punonjësve, pagën dhe trajtimet financiare të kryetarit, të anëtarëve të bordit, si dhe të personelit teknik. Në përcaktimin e masës së pagës dhe trajtimeve financiare apo jofinanciare të personelit teknik, bordi merr parasysh kushtet e tregut dhe nivelin e pagave në shoqëritë që kontrollohen në sektorin që mbulon.

Sipas pershkrimit të mesipërm, Bordi ka kompetencën për miratimin e strukturës organizative dhe numrit të punonjësve. *Por, paravaresisht të drejtës që i jep Ligji i mesipërm, ERE ka mbetur nën respektimin dhe përcaktimet e Ligjit Nr. 152/2015 "Për nepunesin Civil" dhe Vendimit Nr.181, datë 05.05.2008 të Kuvendit të Shqipërisë mbi përcaktimin e organikes së ERE-s.*

Viti 2018 ka sjelle risi në këtë fushë, që në zbatim të Ligjit Nr.43/2015 "Për Sektorin e Energjisë Elektrike" ERE është në proces konsultimi me USAID për hartimin e rregullores për përcaktimin e strukturës organizative të ERE-s dhe numrin e punonjësve, pagën dhe trajtimet financiare të kryetarit, të anëtarëve të bordit, si dhe të personelit teknik, si dhe Rregullorja për menyrën e përzgjedhjes, emërimit, ngritjes në detyrë dhe largimit nga detyra të personelit teknik.

Gjatë vitit 2018 ERE ka patur një strukturë të miratuar prej 32 vetash dhe një personel mbështetës dhe shërbimi me date 31 dhjetor 2018 prej 10 vetash. Personeli prej 32 vetash aktualisht gëzon statusin e nepunesit civil sipas Ligjit Nr. 152/2015 "Për nepunesin Civil".

ERE- në përcaktimin e pagave është bazuar në një fushë të gjere legjislacioni e cila ka patur parasysh se personeli i saj trajtohet në kushtet e nepunesit civil.

Ky Legjislacion i renditur si vijon ka gjetur zbatim edhe në vitin 2018:

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- Ligji nr. 9584, datë 11.07.2006, "Për pagat shpërblimet dhe strukturat e institucioneve kushtetuese dhe të institucioneve të tjera të pavarura të krijuara me ligj", i perditesuar me Ligjin nr. 9845, datë 17.12.2007, Vendim i GJK 9/2007, Ligj nr.115/2013, Ligj nr. 58/2014 dhe Ligji nr. 16/2015.
- Vendimi nr. 589 i Keshillit të Ministrave, datë 17.07.2013, për disa ndryshime në vendimin nr. 545, dt 11.08.2011 "Për miratimin e strukturës dhe të niveleve të pagave të nëpunësve civil/nëpunësve, zëvendësministrit dhe nëpunësve të kabineteve, në kryeministri, aparatet e ministrive të linjës, administratën e presidentit, kuvendit, komisionit qendror të zgjedhjeve, prokurorinë e përgjithshme, gjykatën e lartë, disa institucione të pavarura, institucionet në varësi të keshillit të ministrave, kryeministrit, institucionet në varësi të ministrive të linjës dhe administratën e prefektit".
- Vendimin nr. 717, datë 23.06.2009 të keshillit të ministrave "Për pagat e punonjësve mbështetës të institucioneve buxhetore dhe të nëpunësve të disa institucioneve buxhetore" të ndryshuar me VKM nr.621, date 8.07.2010, VKM nr.551, date 11.08.2011, VKM nr.690, date 9.10.2012, VKM nr.610, date 24.07.2013, VKM nr. 859, date 21.10.2015, VKM nr. 202, date 15.03.2017.
- VKM nr. 187, datë 08.03.2017 "Për miratimin e strukturës dhe nivelet e pagave të nëpunësve civilë/nëpunësve, zëvendësministrit dhe nëpunësve të kabineteve, në Kryeministri, aparatet e ministrive të linjës, administratën e Presidentit, Kuvendit, Komisionit Qëndror të Zgjedhjeve, Gjykatën e Lartë, Prokurorinë e Përgjithshme, disa institucione të pavarura, institucionet në varësi të Kryeministrit, institucionet në varësi të ministrave të linjës dhe administratën e Prefektit".
- VKM nr. 524, datë 16.08.2012 "Për disa shtesa dhe ndryshime në vendimin nr. 545, datë 11.08.2011 të Keshillit të Ministrave "Për miratimin e strukturës dhe të niveleve të pagave të nëpunësve civilë/nëpunësve, zëvendësministrit dhe nëpunësve të kabineteve në Kryeministri, aparatet e ministrive të linjës, administratën e Presidentit, Kuvendit, Komisionit Qendror të Zgjedhjeve, Prokurorinë e Përgjithshme, disa institucione të pavarura, institucionet në varësi të Kryeministrit, institucionet në varësi të ministrave të linjës dhe administratën e prefektit" të ndryshuar, Lidhja nr. 2, Vlera e pagës së grupit për grupet e diplomave të arsimit universitar.
- Ligji nr. 9741, datë 21.05.2007 "Për arsimin e lartë në Republikën e Shqipërisë i ndryshuar me Ligjet nr. 9832, datë 12.11.2007, nr. 10307, datë 22.07.2010, neni 26 ciklet dhe titujt e studimeve universitare dhe neni 99/1 dhe 99/2 .
- Vendimi nr. 475, datë 13.07.2007 "Për miratimin e strukturës dhe të niveleve të pagave të nëpunësve civilë, zëvendësministrit dhe nëpunësve të kabineteve, në kryeministri, aparatet e ministrive të linjës, administratës së presidentit, kuvendit dhe komisionit qendror të zgjedhjeve".
- Udhëzimi nr. 1, datë 18.04.2008 për "Zbatimin e vendimeve nr. 475, datë 13.07.2007 i ndryshuar nr. 476, datë 18.07.2007 i ndryshuar dhe nr. 478, datë 18.07.2007 i ndryshuar të Keshillit të Ministrave" pika 12.
- Udhëzimi nr. 01, datë 16.03.2012 për Zbatimin e vendimit nr. 545, datë 11.08.2011 të Keshillit të Ministrave.
- Vendim nr. 77, datë 28.01.2015 "Për kontributet e detyrueshme dhe përfitimet nga sistemi i sigurimeve shoqërore dhe sigurimi i kujdesit shëndetësor".

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- Vendim nr. 809, datë 26.12.2018 "Për përcaktimin e pagës minimale në shkallë vendi", pika 1 "Paga bazë minimale mujore për punonjësit në shkallë vendi, që është e detyrueshme të zbatohet nga çdo person juridik a fizik, vendas ose i huaj, të jetë 26 000 lekë."
- Udhëzim i Ministrit të Financave nr. 23, datë 09.12.2014 "Për mbledhjen e kontributeve të detyrueshme të sigurimeve shoqërore dhe shëndetësore", kontributet në përqindje në tabelën sipas pikës 10.3.
- VKM nr. 77, datë 28.01.2015 "Për kontributet e detyrueshme dhe përfitimet nga sistemi i sigurimeve shoqërore dhe sigurimi i kujdesit shëndetësor".
- Ligji nr. 9049, datë 10.04.2003 "Për deklarimin dhe kontrollin e pasurive, të detyrimeve financiare të të zgjedhurve dhe të disa nëpunësve publik" i ndryshuar me ligjin nr.85/2012, datë 18.09.2012 dhe Ligjin nr.45, datë 24.04.2014.

Gjate vitit 2018 është hartuar dhe miratuar me Vendimin Nr. 65, Datë 26.03.2018 "Rregullorja për mbrojtjen e informacionit konfidencial". Kjo Rregullore ka për qëllim të përcaktojë parimet e përgjithshme dhe masat organizative dhe teknike për mbrojtjen, ruajtjen, sigurinë, administrimin dhe asgjësimin e informacionit konfidencial. Ajo përshkruan konceptin dhe llojet e konfidencialitetit, si dhe masat dhe procedurat për identifikimin, përdorimin dhe mbrojtjen e informacionit konfidencial të disponuar nga ERE. Masat e mbrojtjes dhe procedurat për mbrojtjen e informacioneve konfidenciale, të cilat përcaktohen nga kjo rregullore janë të detyrueshme për këdo që përdor informacionin apo dokumenta të klasifikuar konfidencialë.

❖ Administrimi i Burimeve Financiare të ERE-s

Bazuar në Ligjin nr.43/2015 "Per Sektorin e Energjisë Elektrike" neni 17, Ligjin 102/2015 "Per sektorin e gazit natyror" neni 14 Financimi i ERE-s është përcaktuar që "Burimet financiare të ERE-s përbëhen nga pagesat rregullatore dhe pagesat e licencave, të miratuara nga ERE. Drejtoria perkatese, sektori i kontabilitetit mban llogari të plota për shpenzimet e kryera, në përputhje me legjislacionin në fuqi, organizon mbajtjen e një database për të pasqyruar dhe zhvilluar më tej punën e departamentit, përdor programet baze kompjuterike, organizon mbajtjen e kontabilitetit sipas ligjit dhe është përgjegjës për trajtimin kontabël të informacionit që i paraqet Kryetarit, Bordit dhe institucioneve të tjera të interesuara, është përgjegjës për përgatitjen e informacionit financiar zyrtar për arsye publikimi.

Ne theksojmë si domosdoshmeri te kerkesave bashkekohere perdorimin e programeve kompjuterike per perpunimin e informacionit financiar per te rritur eficensen ne punen e departamentit.

ERE bazuar në metodologjinë e miratuar nga Bordi, sipas pikes 4, të nenit të mësipërm llogarit dhe përcakton pagesen rregullatore për çdo Operator të Licensuar. Keta të fundit janë të detyruar të bëjnë pagesen brenda 30 diteve nga data e marjes njoftim, në të kundërt duhet të penalizohen sipas nenit 107, të Ligjit nr.43/2015 dhe nenit 106 të Ligjit 102/2015.

Buxheti i ERE-s miratohet nga bordi dhe ERE ka autonomi në përdorimin e buxhetit të tij.

Me vendimin Nr.44, date 27.02.2018 Bordi e ERE-s ka miratuar buxhetin për vitin 2018 me kete strukture

- Shpenzime operative 178.8 milion leke ose 89% te totalit
- Shpenzime për investime 21.2 milion leke ose 11% te totalit

Në fushën e administrimit të burimeve materiale dhe monetare është zbatuar Ligji nr. 9228, datë 29.4.2004 "Për kontabilitetin dhe pasqyrat financiare", si dhe akte të tjera ligjore e nënligjore.

Kjo Drejtori ka hartuar Pasqyrat Financiare të vitit ushtrimor 2018 së bashku me Shenimet shpjeguese të cilat janë pranuar dhe firmosur nga Kryetari e ERE-s në cilësinë e Administratorit të saj.

Gjithashtu, është kryer inventarizimi i pasurisë që ERE ka në administrim. Inventarizimi i aseteve të institucionit për vitin 2018 u krye sipas Urdhërit nr. 86, datë 31.12.2018 "Mbi ngritjen e komisionit për inventarizimin e aktiveve të ERE-s për vitin 2018".

Struktura e shpenzimeve të realizuara nga ERE-s për vitin 2018, me një vlerë prej 134.8 milion (pa amortizimin) paraqitet si vijon:

- 77% janë përdorur për pagat dhe sigurimet e punonjësve;
- 13% janë përdorur për shpenzime udhetimesh e dietash të personelit;
- 1% janë përdorur për trajnime të personelit;
- 2% janë përdorur për publikime në media e anetaresime
- 7% janë përdorur për blerje dhe shërbime në ndihmë të aktivitetit.

Sa vërehet, në raport me buxhetimin vlera e shpenzimeve operative është me e vogël.

Nuk ka pasur shpenzime për investimet, vlera prej 35.000 leke është e pakonsiderueshme në raport me atë të buxhetuar. Në buxhetin e vitit 2018 ishte parashikuar të investohej në fushën e dixhitalizimit të informacionit, investim i cili nuk u krye.

Për sa i përket të ardhurave ato përbëhen nga pagesat rregullatore dhe pagesat e licencave të cilat janë llogaritur nga drejtorja e tarifave dhe çmimeve dhe miratuar me Vendim Bordin nr.263, datë 19.12.2018.

Të ardhurat e llogaritura kanë strukturën si vijon:

- Të ardhurat nga tarifatat proporcionale të operatorëve të licensuar prej 136,868,000 leke,
- Të ardhura nga tarifatat fikse të operatorëve të licensuar prej 6,600,000 leke.

Njohja me këto detyrime të operatorëve të licensuar bëhet nepermjet një shkrese njoftuese nga ana e Drejtorisë së Burimeve Njerëzore, Administrimit, Finances.

Ne sugjerojmë hartimin e një dokumenti faturimi të ketyre të ardhurave me numër serial gjenerues, dokument që do të prezantojë shumën që çdo operator i licensuar është i detyruar të paguaj, duke vendosur edhe afatin kohor të pagesës dhe penalitetet për mos pagesë në kohë sipas ligjit 42/2015 dhe 102/2015.

❖ Prokurimi për blerjet

Kjo Drejtori ka zbatuar afatet kohore në lidhje me kryerjen e prokurimeve të fondeve publike, në përputhje me ligjin e prokurimeve dhe akteve të tjera nën ligjore.

Baza ligjore mbi të cilën zhvillohen procedurat e prokurimit për mallra e shërbime për plotësimin e nevojave të ERE-s është:

- Ligji Nr.9643, datë 20.11.2006 "Për prokurimin publik", i ndryshuar,
- Vendimi i Këshillit të Ministrave Nr. 914, datë 29.12.2014 "Për miratimin e rregullave të prokurimit publik, i ndryshuar,
- Vendimi i Këshillit të Ministrave Nr.918, datë 29.12.2014 "Për kryerjen e procedurave të prokurimit publik në mënyrë elektronike"

- Udhëzimi i APP-së Nr.1, datë 05.01.2018 "Për hartimin e Regjistrit të parashikimeve të procedurave të prokurimit publik dhe Regjistrit të Realizimeve të procedurave të prokurimit dhe krijimi i tyre në Sistemin e prokurimit elektronik".
- Udhëzimi i APP-së Nr.3, datë 08.01.2018 "Mbi përdorimin e procedurës së prokurimit me vlerë të vogël dhe zhvillimin e saj me mjete elektronike".
- Udhëzimi i APP-së Nr.6, datë 16.01.2018 "Për përdorimin e Marrëveshjes Kuadër dhe për zhvillimin e saj me mjete elektronike".
- Manuali i APP-së Nr.2, datë 06.08.2018 "Për rolin e Administratorit të Sistemit të Autoritetit Kontraktor, për rolin e Nëpunësit të autorizuar të Njesisë së Prokurimit dhe për rolin e anëtarëve të Komisionit të Vlerësimit të Ofertave në Sistemin e Prokurimit Elektronik".

si dhe Udhëzime të tjera dhe Rekomandime që nxjerr vazhdimisht Agjencia e Prokurimit Publik për zhvillimin e procedurave të prokurimit.

Gjatë vitit 2018 janë realizuar 36 procedura prokurimi, nga të cilat:

- 24 procedura prokurimi në formë shkresore me vlerë deri në 100.000 lekë pa TVSH për mallra e shërbime me objekt si: Blerje artikuj kancelarie, Blerje shtypshkrime, Blerje letër A4, Blerje ujë i pijshëm, Shërbim dreka/darka zyrtare, Shërbim riparim pajisje elektronike, Blerje artikuj higjienikë, Siguracion TPL për automjetet, Shërbim riparim kondicionerësh etj.
- 5 procedura prokurimi me vlerë të vogël (në formë elektronike) për mallra e shërbime me objekt si: Shërbimi i ruajtjes me roje private; Shërbim interneti, Hostim Web dhe Mail Server; Larje dhe parkim automjete; Blerje bojëra për printera, Siguracion kasko për automjetet e ERE-s.
- 5 procedura prokurimi negociim pa shpallje paraprake (shites kontrate në masën 20% të kontratës fillestare) për plotësimin e nevojave të fillim vitit (si Shërbim interneti, Shërbim larje dhe parkim automjete, Shërbim i ruajtjes me roje private; Mirëmbajtje e automjeteve, si dhe Blerje bojëra për printera).
- 1 procedurë Kërkesë për propozim me objekt: Blerje karburanti për automjetet e ERE-s.
- 1 procedurë Kërkesë për propozim (marrëveshje kuadër) me objekt: Shërbimi i ruajtjes me roje private (turni II dhe III).

Veprimtaria ekonomiko-financiare e ERE-s gjatë vitit 2018 është audituar nga një grup audituesish ligjor bazuar në Ligjin nr.10091, datë 05.03.2009 "Për auditimin ligjor, organizimin e profesionit të ekspertit kontabël të regjistruar dhe të kontabilistit të miratuar" i ndryshuar.

❖ Sektori i Marrëdhënieve me Jashtë

Ky sektor kryen detyrat që kanë të bëjnë me veprimtarinë dhe marrëdhëniet që ERE ka me institucionet homologe jashtë vendit, me institucionet ku aderon, si dhe me organizma të ndryshme ndërkombëtare për probleme të caktuara, në përputhje me porositë që merr prej Kryetarit të Bordit të Komisionerëve. Ky sektor drejtohet nga Shefi i Sektorit, i cili raporton në çdo kohë tek Kryetari për realizimin e detyrave të ngarkuara dhe para Bordit.

Specialisti i Informacionit dhe Teknologjisë së Shërbimit të Sektorit të Marrëdhënieve me Jashtë i raporton përgjegjësit të sektorit, merr udhëzime e detyra prej tij, prej Drejtorit të

drejtorisë, Kryetarit të Bordit, kur konsiderohet e arsyeshme nga ky i fundit. Specialisti kryen detyrat instalim dhe mirembajtje të rrjetit, përditësimin e faqes elektronike të ERE-s.

Komunikime me Pjesëtarët e Tregut.

Komunikimi me pjesëtarët e tregut të energjisë elektrike është një ndër prioritetet e ERE-s, që burojnë nga legjislacioni bazë i sektorit të energjisë elektrike. Në këtë këndvështrim me qëllim ekuilibrimin e interesave të shtetit, të konsumatorëve dhe investitorëve ERE, ka vendosur një bashkëpunim me pjesëtarët e tregut në sektorin e energjisë elektrike për një koordinim sa më të mirë dhe transparent të tregut të energjisë. Konsultimet dhe takimet me operatorët e tregut të energjisë elektrike, përpunimi dhe dhënia në kohë e informacionit të kërkuar nga subjektet e interesuara lidhur me çështjet e tregut të energjisë elektrike, legjislacionit dhe zbatimit të detyrimeve që burojnë prej tij janë pjesë e punës së kësaj drejtorie së bashku me drejtoritë e tjera.

Informacioni në Faqen Zyrtare të Internetit.

Ashtu sikurse dhe vitet me parë dhe gjatë vitit 2018 ka vijuar puna intesive për përditësimin e faqes zyrtare të internetit të ERE-s, duke ofruar një pasqyrë sa më të plotë e më të saktë të informacioneve dhe shërbimeve të ofruara. Një nga prioritetet kryesor ka qënë dhe mbetet azhurnimi sistematik i faqes së Internetit, duke u ofruar të gjithë të interesuarve një informacion të përditësuar mbi legjislacionin primar dhe sekondar në sektorin e energjisë, të gjitha vendimmarrjet e ERE-s, publikimi i akteve nënligjore të miratimit dhe ato për të cilat ka filluar procedurën e miratimit dhe priten komentet nga palët e treta; regjistrin e të licensuarëve, kushtet e licencimit. Informacion të detajuar për klientët e energjisë elektrike, mbi kontratat e furnizimit me energji elektrike, broshurë informuese mbi të drejtat dhe detyrimet respektive të palëve në tregun energjetik. Gjithashtu në faqen zyrtare vazhdon të sigurohet akses dhe plotësimi online i formularit të ankesave nga të gjithë të interesuarit dhe data base i ankesave të trajtuara në ERE dhe përgjigjet e kompanisë "OSHEE" sh.a, të pasqyruara në menyrë të detajuar.

Gjithashtu, faqja e internetit të ERE-s ka vazhduar të ofrojë informacione mbi legjislacionin primar dhe sekondar në sektor, mbledhjet e Bordit të Komisionerëve, vendimet përkatëse si dhe për veprimtaritë e ERE-s në nivel kombëtar dhe rajonal. Ka vazhduar puna me intensitet për përkthimin në gjuhën Angleze dhe publikimin në faqen zyrtare të ERE-s të të gjitha vendimeve të Bordit si dhe çdo informacion tjetër, i cili lidhet me veprimtarinë e ERE-s.

➤ Drejtoria Juridike dhe Mbrojtjes së Konsumatorit

Kjo Drejtori ka dy sektore:

1. Sektori i Legjislacionit; Përgjegjes dhe specialist
2. Sektori i Mbrojtjes Konsumatorit dhe Mardhenieve me Publikun dhe specialist.

Drejtoria Juridike dhe Mbrojtjes së Konsumatorit, vepron si përfaqësues ligjor i ERE-s; përgatit vendimet dhe urdhërat e ERE-s në konformitet me legjislacionin që është në fuqi. Përgatit konferenca shtypi, drejton komunikimet zyrtare me publikun; boton në gazetën zyrtare të gjitha vendimet dhe urdhërat e ERE-s. Evidenton në një regjistër të veçantë, të gjitha ankesat e paraqitura nga konsumatorët, personat e licensuar dhe institucionet e ndryshme. Në bashkëpunim me drejtorinë, i shqyrton këto ankesa, përgatit përgjigjet në vartësi të zgjidhjeve të mundshme konform ligjit duke respektuar afatet kohore të përcaktuara në të.

✓ **Kuadri Rregullator Sekondar**

Një pjesë e veprimtarisë së kësaj Drejtorie është edhe hartimi i legjislacionit sekondar që përbën edhe kuadrin rregullator në Sektorin e Energjisë Elektrike dhe gazit. Hartimi dhe rishikimi i akteve nënligjore në bashkëpunim me Drejtorite të tjera si dhe me Kryetarin dhe Antaret e Bordit, është bërë në çdo rast duke konsultuar gjerësisht palët e treta që kanë patur interes të drejtëpërdrejtë mbi këto vendimmarrje. Në çdo rast fillimi i procedurave për shqyrtimin e një akti nënligjor nga ana e ERE-s është njoftuar në medianë dhe shkruar për ti dhënë mundësi njohjeje publikut me të, por edhe të përcjellë komente apo sugjerime mbi përmbajtjen. Zhvillimi i seancave dëgjimore me prezencën e palëve që kanë shfaqur interes për dokumentat në proces përpunimi nga ERE, të cilat në çdo rast janë bërë publike për palët përmes publikimit të tyre në faqen elektronike të ERE-s, po ashtu edhe finalizimi i procesit të miratimit të një akti, garanton transparencën e vendimmarrjeve të ERE-s përmes mbledhjeve vendimmarrëse të cilat janë të hapura për publikun. Në çdo rast aktet e miratuara nga ERE janë konsultuar me Autoritetin e Konkurrencës, Ministrinë përgjegjëse për energjinë, si dhe me Sekretariatën e Komunitetit të Energjisë. Në miratimin e këtyre akteve është mbajtur në konsideratë opinioni i palëve si më sipër, si një garanci më shumë në plotësimin dhe mbrojtjen shumëplanëshe të interesave të aktorëve të tregut të energjisë elektrike por mbi të gjitha interesave të konsumatorëve.

Vendimmarrjet e ERE-s në plotësim të kudit rregullator sekondar janë:

- Vendim Nr.7, datë 10.01.2018 Mbi miratimin e licencës tip të aktivitetit të shpërndarjes së gazit natyror.
- Vendim Nr.8, datë 10.01.2018 Mbi miratimin e licencës tip të aktivitetit të transmetimit të gazit natyror.
- Vendim Nr.24, datë 30.01.2018 Mbi miratimin e licencës tip të aktivitetit të tregimit të gazit natyror
- Vendim Nr.25, datë 30.01.2018 Mbi miratimin e licencës tip në aktivitetin e furnizimit të gazit natyror.
- Vendim Nr.161, datë 09.07.2018 Për miratimin e “Rregullores mbi kushtet e përgjithshme të shërbimit të furnizimit me gaz natyror për klientët fundorë”.
- Vendim Nr.168, datë 19. 07.2018 mbi për miratimin e ndryshimeve të propozuara nga TAP AG në metodologjinë e tarifave të TAP AG të miratuar me vendimin e ERE-s nr.127, datë 7.11.2013.
- Vendim Nr.223, datë 16.10.2018 Mbi miratimin e “Kërkesave minimale për zyrтарin e përputhshmërisë, kriteret profesionale si dhe kriteret e tjera përzgjedhëse” dhe miratimin paraprak të zyrтарit të përputhshmërisë së OST të gazit natyror.
- Vendim Nr. 236, datë 02.11.2018 Për një ndryshim në vendimin e bordit të ERE-s, nr. 179, datë 08.11.2017, Mbi certifikimin e shoqërisë “Operatori i Kombinuar i Gazit Natyror” ALBGAS sha.
- Vendim Nr.15, datë 10.01.2018 Mbi miratimin e kushteve të përgjithshme të kontratës së shërbimit universal të furnizimit me energji elektrike për klientët fundorë
- Vendim Nr.16, datë 10.01.2018 Mbi miratimin e rregullave për përcaktimin e formatit të të dhënave dhe procedurën për aksesin e furnizuesve ndaj të dhënave të operatorit të shpërndarjes së energjisë elektrike.

- Vendim Nr.18, datë 10.01.2018 Mbi miratimin e "Rregullores së procedurave të paraqitjes së planit të investimeve nga operatorët e transmetimit dhe shpërndarjes së gazit natyror".
- Vendim Nr.65, datë 26.03.2018 Mbi miratimin e rregullores për mbrojtjen e informacionit konfidencial.
- Vendim Nr.80, datë 06.04.2018 Mbi miratimin e rregullave operationale për furnizuesin e mundësisë së fundit të gazit natyror.
- Vendim Nr.81, datë 06.04.2018 Mbi miratimin e rregullave për sigurimin e aksesit të palëve të treta në sistemin e transmetimit dhe transparencën në sektorin e gazit natyror.
- Vendim Nr.103, datë 30.04.2018 Mbi miratimin e programit të pajtueshmërisë së OST sha.
- Vendim Nr.14, datë 10.01.2018 mbi shtyrjen e afatit të tarifës së përkohshme të transmetimit të gazit natyror nga shoqëria "ALBGAS" sha, miratuar me Vendimin e Bordit të ERE-s Nr. 90, datë 07.06.2017 si dhe kontratës së transmetimit të gazit natyror të lidhur me ALBPETROL sha dhe ALBGAS sha.
- Vendimin Nr.19, datë 19.01.2018 Mbi çmimin vjetor të blerjes së energjisë elektrike, që do t'u paguhet prodhuesve ekzistues me përparësi të energjisë elektrike për vitin 2018.
- Vendim Nr.22, datë 30.01.2018 Mbi ankimin e shoqërisë "OST" sha në lidhje me Vendimin e bordit të ERE Nr.210, datë 28.12.2017 "Për miratimin e tarifës së shërbimit të transmetimit të energjisë elektrike nga OST sha për vitin 2018".
- Vendim Nr.110, datë 14.05.2018 mbi zgjidhjen e mosmarrëveshjes ndërmjet KESH sha dhe OST sha, lidhur me korrigjimet e faturave për shërbimin e balancimit sipas parashikimeve të akteve ligjore dhe nënligjore në fuqi dhe përllogaritjeve nga OST sha të rakorduara dhe të pranura nga palët përgjegjëse për periudhën 1 korrik 2016-31 dhjetor 2017.
- Vendim Nr.148, datë 28.06.2018 Mbi kërkesën e OSHEE sha për kontestimin e Vendimit Nr.110, datë 14.05.2018, të Bordit të ERE-s, lidhur me korrigjimin e faturave për shërbimin e balancimit sipas parashikimeve të akteve ligjore dhe nën ligjore në fuqi dhe përllogaritjeve nga OST sha, të rakorduara dhe të pranura nga palët përgjegjëse për periudhën 1 korrik 2016-31 dhjetor 2017.
- Vendim Nr.131, datë 07.06.2018 Mbi kërkesën e KESH sha për rishikimin e Vendimit të Bordit të ERE Nr.98 datë 30.04.2016, Mbi miratimin e kontratës për shit-blerjen e sasisë së tepërt të energjisë elektrike që rezulton pas përmbushjes së kërkesës së klientëve që përfitojnë nga shërbimi universal, me qëllim mbulimin e humbjeve në rrjetin e shpërndarjes për periudhën kohore 01.01.2018-31.12.2018.
- Vendim Nr.59, datë 15.03.2018 Mbi miratimin e kërkesës së OST sha për shtyrjen e afatit të pikës 2 të Vendimit të ERE Nr. 43 datë 15.03.2017 Mbi miratimin përfundimtar të certifikimit të operatorit të sistemit të transmetimit të energjisë elektrike OST sha në përputhje me nenin 54, pika 6, të Ligjit Nr. 43/2015, "Për sektorin e energjisë elektrike" dhe nenin 9, pika 6, të direktivës 72/2009 mbas marrjes së opinionit të Sekretariatit të Komunitetit të Energjisë.
- Vendim Nr.75, datë 26.03.2018 Mbi detyrimin e shoqërisë OSHEE "Kontratës tip për shit-blerje të energjisë elektrike ndërmjet OSHEE sha dhe prodhuesve me përparësi të

energjisë elektrike" të miratuar me Vendimin Nr.101, datë 23.06.2016 të Bordit të ERE-s, i ndryshuar me Vendimin Nr.147, datë 30.09.2016 të Bordit të ERE-s.

- Vendim Nr.127, datë 04.06.2018 "Mbi miratimin e Kodit të rrjetit për kërkesat e lidhjes me rrjetin të sistemeve me tension të lartë me rryme të vazhduar dhe parqet me module të energjisë të lidhur me rrymë të vazhduar (HVDC)"; Nr.128, datë 04.06.2018 "Mbi miratimin e Kodit të rrjetit për ngarkesën"; Nr.129, datë 04.06.2018 "Mbi miratimin e Kodit të rrjetit mbi kërkesat për lidhjen me rrjetin e gjeneruesve".
- Vendim Nr.170, datë 03.08.2018 Mbi miratimin e Memorandumit të Mirekuptimit mbi bashkëpunimin e tregjeve ditore të energjisë elektrike mes palëve, Enti Rregullator i Energjisë së Shqipërisë, Zyra e Rregullatorit të Energjisë të Kosovës, OST sha, KOST sha.
- Vendim Nr.183, datë 20.08.2018 Mbi miratimin e licencës së operimit të Operatorit të Sistemit të Shpërndarjes së energjisë elektrike.
- Vendimet Nr. 188, datë 20.08.2018; Nr.249, datë 11.12.2018; Nr.250, datë 11.12.2018; Nr.251, datë 11.12.2018; Nr.252, datë 11.12.2018; Nr.253, datë 11.12.2018, kanë miratuar Propozime të të gjithë OST-ve në përputhje me Rregulloret e Komisionit Evropian që lidhen me metodologji të modelit të përbashkët të rrjetit, metodologji të ofrimit të të dhënave të gjenerimit dhe ngarkesës, metodologji të analizës së kosto-përfitimit si dhe Udhëzuesit përkatës mbi alokimin e kapaciteteve në avancë, mbi operimin e sistemit të transmetimit të energjisë elektrike si dhe amendimet përkatëse.
- Vendim Nr.200, datë 03.09.2018 Mbi miratimin e disa ndryshimeve në "Rregullat për alokimin e kapaciteteve të interkoneksionit".
- Vendim Nr.214, datë 11.10.2018 Mbi miratimin e kodit të rrjetit mbi rregullat e ndërveprimit dhe shkëmbimit të të dhënave. (Sektori i Gazit Natyror)
- Me Vendimet Nr.198, datë 03.09.2018 dhe Nr. 199, datë 03.09.2018, ERE ka licencuar në veprimtarinë e tregtimit dhe furnizimit të energjisë elektrike, shoqërinë Furnizuesi i Tregut të Lirë sha (FTL sha).
- Vendim Nr. 246, datë 11.12.2018 Mbi miratimin e "Rregullores mbi kushtet specifike për ndërprerjen e furnizimit me energji elektrike të klientëve në nevojë"
- Vendim Nr. 247, datë 11.12.2018 Mbi miratimin e "Rregullave për kushtet e shërbimit të furnizimit nga Furnizuesi i Mundësisë së Fundit, dhe kushtet kontraktore të furnizimit me energji elektrike".

Drejtorja ka bashkëpunuar me USAID dhe ENC për hartimin:

1. Rregulla për përcaktimin e strukturës organizative të ERE-s dhe numrin e punonjësve, pagën dhe trajtimet financiare të kryetarit, të anëtarëve të bordit, si dhe të personelit teknik. Rregullorja për menyrën e përzgjedhjes, emërimit, ngritjes në detyrë dhe largimit nga detyra të personelit teknik.
2. Rregulla për përcaktimin e kostove nga përdoruesit në lidhje me kushtet e veçanta të pikës së lidhjes. Kushtet teknike për instalimin e një burimi dytësor të furnizimit me energji elektrike për klientët që kërkojnë këtë shërbim, përfshirë edhe kushtet që duhet të përmbushë burimi dytësor, me qëllim që të parandalohen çrregullimet në rrjet.
3. Sistemi i njësuar dhe standard i llogarive për të gjithë të licencuarit që veprojnë në tregun të energjisë elektrike

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✓ Veprimtaria e ERE-s në fushën e Mbrojtjes së Konsumatorit.

Autoriteti dhe përgjegjësia e ERE-s në drejtim të zbatimit të masave më efektive për garantimin e mbrojtjes së klienteve të energjisë elektrike, zë një vend të veçantë në veprimtarinë e saj në funksion të Ligjit Nr. 43/2015 "Për Sektorin e Energjisë Elektrike" i ndryshuar. Veprimtaria e Sektorit të Mbrojtjes së Konsumatorit mbështetet kryesisht në parimet kryesore që konsistojnë në: Trajtimin dhe zgjidhjen e ankesave dhe konflikteve direkte që lindin në marrëdhëniet midis furnizuesit të energjisë elektrike dhe konsumatorëve/klientëve, duke pasur si qëllim: Mbrojtjen e interesave të konsumatorëve/klienteve në aspektin individual, Mbrojtjen e interesave të konsumatorëve/klientëve në tërësi nga abuzimet e aktoreve dominant në tregun e energjisë elektrike, Trajtim të barabartë dhe jodiskriminues të të gjithë klienteve përmes procedurave ligjore e transparente, Monitorimin dhe kontrollin e shërbimeve që ofron i licensuari ndaj konsumatorëve të energjisë elektrike, Sigurimin e një shërbimi të furnizimit me energji elektrike të pa ndërprerë dhe brenda standardeve të cilësisë së shërbimit.

Proceset gjyqësore ku ERE është në Cilësinë e Palës së Paditur.

ERE ka qënë palë e paditur në 4 procese gjyqësore përgjatë vitit 2018, 3 nga të cilat Gjykata Administrative Tirane ka vendosur rrezimin e padisë dhe për njerën pala paditese ka hequr dorë nga padia dhe pritet zbardhja e vendimit të Gjykatës Tirane.

Proceset gjyqësore ku ERE merret pjesë në Cilësinë e Palës së Tretë.

ERE është thërritur në cilësinë e personit të tretë me të cilin palët paditëse kanë të përbashkët çështjen që kanë paraqitur në gjykatë. Janë 14 procese gjyqësore në të cilat ERE është thërritur për të ndihmuar palët ndërgjyqëse dhe gjykatën në zgjidhjen e konflikteve të cilat në të gjitha rastet janë shqyrtuar më herët administrativisht pranë sektorit për mbrojtjen e konsumatorit në ERE. 10 procese kanë përfunduar gjykimin pranë Gjykatës së Rrethit Gjyqësor dhe janë në proces shqyrtimi në Gjykatën e Apelit, ndërsa për 3 procese të tjera vazhdon procesi gjyqësor pranë Gjykatës së Rrethit Gjyqësor Tiranë. Një proces është pezulluar nga Gjykata e Rrethit Gjyqësor Tiranë.

Zhvillimi i seancave Dëgjimore në ERE:

Për vitin 2018 shënohen 26 seanca dëgjimore teknike dhe joteknike, të organizuara nga ERE nga të cilat 20 seanca në kuadër të zgjidhjes së mosmarrëveshjeve midis operatorëve të licencuar në sektorin e energjisë elektrike dhe gazit natyror, dhe 6 seanca diskutimesh me palët e interesuara në kuadër të rishikimit të akteve nënligjore në zbatim të ligjit nr. 43/2015 "Për Sektorin e Energjisë".

Prioriteti i ERE-s në zgjidhjen e mosmarrëveshjeve ndërmjet klientëve të energjisë elektrike dhe të licencuarve, vazhdon të mbetet ndër veprimtaritë kryesore të saj që vijnë si detyrim i zbatimit të parashikimeve të nenit 24, të Ligjit Nr.43/2015 "Për Sektorin e Energjisë Elektrike" i ndryshuar dhe nenit 98 të Ligjit Nr. 102/2015 "Për Sektorin e Gazit Natyror".

Edhe gjatë vitit 2018 ka vijuar veprimtaria e ERE-s në drejtim të mbrojtjes së konsumatorit, me hartimin e miratimit të akteve nënligjore në zbatim të Ligjit Nr. 43/2015 "Për Sektorin e Energjisë Elektrike" i ndryshuar; Ligjit Nr. 102/2015 "Për Sektorin e Gazit Natyror". ERE me Vendimin e Bordit Nr. 201, datë 03.09.2018 miratoi "Planin e masave për Operatorin e Shpërndarjes së Energjisë Elektrike (OSHEE) sha, për respektimin e të drejtave të klientëve të furnizimit me energji elektrike".

Plani i masave, identifikon qartësisht përgjegjësitë e Furnizuesit në kuadër të detyrimit të shërbimit publik të tillë si: E drejta e informimit, aksesit të konsumatorit ndaj shërbimeve, e

drejta për të paraqitur ankesë ndaj shërbimit të ofruar, e drejta e zgjedhjes, përfshirë dhe të drejtën e zgjedhjes së modaliteteve të pagesave, e drejta e zgjedhjes së furnizuesit, e drejta për t'u informuar për çmimet.

ERE do të monitorojë punën e Furnizuesit të Shërbimit Universal kundrejt standardeve të vendosura në aktet rregullatore dhe në përputhje me detyrat sipas këtij plani masash.

Për vitin 2018 janë paraqitur dhe trajtuar 279 ankesa. Përveç ankesave të paraqitura, Sektori i Mbrojtjes së Konsumatorit në zbatim të përgjegjësiave dhe objektivave të tij ka ofruar asistencë dhe në dhënien e informacionit, shpjegimeve dhe konsultimeve verbale nepërmjet faqes zyrtare të ERE-s për të gjithë klientët e energjisë elektrike. Objekti i ankesave të paraqitura ka konsistuar në shkeljen e kushteve të përgjithshme të "Kontratës së Shërbimit Universal të Furnizimit me Energji Elektrike për Klientet Fundorë", të miratuar me vendimin e Bordit të ERE-s Nr. 15, datë 10.01.2018 në të cilat përcaktohen detyrimet reciproke të palëve në kontratë. ERE në referencë të Ligjit Nr.43/2015 "Për Sektorin e Energjisë Elektrike" i ndryshuar dhe akteve nënligjore, si: "Kontratës së Shërbimit Universal të Furnizimit me Energji Elektrike për Klientet Fundorë"; "Rregullores për Trajtimin e Ankesave të Paraqitura nga Klientët dhe për Zgjidhjen e Mosmarrëveshjeve midis të Licencuarve në Sektorin e Energjisë Elektrike dhe të Gazit Natyror" dhe "Rregullave për Organizimin, Funksionimin dhe Procedurat e ERE-s, ka trajtuar dhe analizuar ankesat e klientëve të energjisë elektrike duke ia përcjellë shoqërisë "OSHEE" sha, së bashku me udhëzimet përkatëse.

Nga 279 ankesat e paraqitura në ERE konstatohet se ankesat me objekt "mbifaturim" zënë vendin kryesor në trajtimin e ankesave, të ndjekura nga ankesat me objekt "energji e pamatur" dhe "matje jashtë kushteve teknike".

Nga analiza e tyre rezultojnë: 54 ankesa për "energji të pamatur", prej të cilave janë marrë masa për anulimin e 6 prej tyre; 65 ankesa për "mbifaturim" të energjisë elektrike, prej të cilave janë marrë masa për anulimin e 2 prej tyre; 10 ankesa për "faturim aforfe" të energjisë elektrike, prej të cilave janë marrë masa për anulimin e 3 prej tyre; 20 ankesa për "matje jashtë kushteve teknike"; 15 ankesa për vlerë referuse dhe; 14 ankesa për kontratat fiktive, për të cilat nuk ka patur sistemim nga ana e shoqërisë "OSHEE" sha.

ERE ka miratuar rregulloren për kriteret standarte të cilësisë së shërbimit të furnizimit dhe performancës së sigurisë së rrjetit të shpërndarjes së energjisë elektrike me vendimin nr. 181, datë 10.11.2017. Në lidhje me këtë rregullore OSHEE sha, kërkoi shtyrjen e afateve të përcaktuar në këtë rregullore, duke kërkuar një aplikim të përshkallëzuar për të miratuar nivelin e lejuar të kriterëve standarte të performancës në zona të ndryshme.

ERE në konsultë edhe me MIE, me vendimin nr. 271, datë 21.12.2018, vendosi shtyrjen e afateve për një periudhë 6-mujore me kusht që brenda kësaj periudhe kompania të dorëzojë në ERE një studim të detajuar mbi përshkallëzimin e realizimit të parametrave të kërkuara sipas zonave të sipërcituara.

Vendosja në punë e sistemit të ri të faturimit nga shoqëria OSHEE, lehtëson në mënyrë të ndjeshme matjen e energjisë dhe krijon mundësi dhe opsione të reja të nevojshme, duke përfshirë edhe matjen periodike disa mujore.

Rekomandime

Enti Rregullator i Energjisë në bazë të ligjit nr. 43/2015, “Për sektorin e energjisë elektrike” dhe nr.102/2015, “Për sektorin e gazit natyror”, funksion si rregullatori i vetëm dhe i pavarur për mbikëqyrjen e funksionimit të tregut të energjisë elektrike e të gazit natyror, si dhe për ruajtjen e ekuilibrit ndërmjet interesave të konsumatorëve, shtetit dhe sipërmarrësve në këtë sektor. Ndryshimet në kuadrin ligjor të sipërcituar janë reflektuar edhe në kuadrin rregullator nëpërmjet hartimit të akteve nënligjore të nevojshme, duke mbajtur parasysh që këto akte të jenë në përputhje me Paketën e Tretë të Bashkimit Europian në fushën e energjisë e të gazit, për të bërë të mundur krijimin e një tregu konkurrues, eficient, që rrit sigurinë dhe cilësinë e furnizimit me energji elektrike dhe gaz në vend dhe e integron atë në tregun rajonal. Për këtë qëllim ERE ka vendosur një bashkëpunim të ngushtë me Komunitetin e Energjisë, Minsitrinë e Infrastruktura dhe Energjisë, dhe Autoritetin e Konkurrencës lidhur me çështje që kanë të bëjnë me kuadrin rregullator në sektorin e energjisë, si dhe për çështje të tjera të rëndësishme të këtij sektori.

Mbrojtja e konsumatorëve përbën një aspekt shumë të rëndësishëm të punës së Entit Rregullator të Energjisë jo vetëm në drejtim të trajtimit të ankesave të konsumatorëve por edhe në kuadër të sigurimit të shërbimeve që lidhen me furnizimin e klientëve Universal me çmime të drejta që reflektojnë kostot në sistem.

Duke konsideruar zhvillimet e tregut të energjisë dhe rëndësinë e implementimit të ligjeve 43/2015, “Për sektorin e energjisë elektrike” dhe nr.102/2015, “Për sektorin e gazit natyror”, veprimtaria e ERE-s në vijim duhet të fokusohet në mënyrë të veçantë në drejtim të:

- *Me rolin e rregullatorit në treg, në kushtet e një tregu me orientim liberalizimin e tij, duhet fokusuar në miratimin e tarifave të reja duke i kushtuar vëmendje të veçantë, nga njëra anë, mbrojtjes së konsumatorëve për tarifa dhe çmime sa më të drejta e të përballueshme dhe nga ana tjetër, rritjes së cilësisë së shërbimit dhe performancës së kompanive që operojnë në tregun e energjisë dhe gazit natyror.*
- *Krijimi i një tregu efektiv për të gjithë klientët dhe furnizuesit, në kuadër të liberalizimit të tregut të energjisë elektrike, duke siguruar shërbime të drejta, të sigura dhe të argumentuara për klientët dhe përdoruesit e sistemit energjetik në vend, si dhe mbështetja e investimeve strategjike dhe teknologjike, të cilat rrisin konkurrencën dhe përmirësojnë nivelin e shërbimeve në tregun e energjisë elektrike dhe të gazit natyror.*
- *Panvarsisht risive që solli viti 2018 në fushën e prodhimit të energjisë nga burime të tjera si era, dielli, etj, mbetet fokus i rëndësishëm krijimi i kushteve të nevojshme për nxitjen e investimeve për prodhimin e energjisë nga burimet alternative, duke bërë kështu të mundur rritjen e diversifikimit të burimeve të energjisë, rritjen e sigurisë së furnizimit me energji në vend, si dhe uljen e shkallës së lartë të riskut hidrologjik në stabilitetin e prodhimit të energjisë elektrike.*
- *Në kuadër të ushtrimit të kompetencave lidhur me miratimin e planit të investimeve të Operatorëve të rrjetit një vëmendje të veçantë duhet të kushtohet rritjes së investimeve, të cilat kanë ndikim të drejtpërdrejtë në përmirësimin e cilësisë së furnizimit të konsumatorit me energji elektrike.*

- Mbetet fokus i rendesishem ne aktivitetin e ERE-s mbrojtja e konsumatorit, lidhur me hartimin dhe përmirësimin e një sërë aktesh nënligjore të sektorit të mbrojtjes së konsumatorit, të cilat në funksion të ligjit të ri të sektorit, i pajisin palët e interesit me të drejta të plotësuara, por edhe i vendosin përpara detyrimeve të reja.
- Viti 2018 solli një analizë të hollësishme të treguesve tekniko ekonomik në menyrë të vecantë të OSHEE-sha i ecurisë së arkëttimeve, humbjeve dhe shpenzimeve të investimeve të saj. Monitorimi i vazhdueshëm është një element i rëndësishëm duke konsideruar ndikimin e drejtpërdrejtë në performancën e kompanisë, rritjen e cilësisë së shërbimit dhe shlyerjen e pagesave ndaj palëve të treta. Monitorimi në vijim i treguesve tekniko ekonomik, i investimeve të shoqërive të ngarkuara me detyrimin e shërbimit publik.
- Bashkëpunimi me entet rregullatore të Italisë dhe Greqisë si në kuadër të projektit TAP, ashtu edhe për të përfutur nga eksperiencia e Rregullatorit Italian në sektorin e gazit natyror dhe sektorin e shpërndarjes është një nga objektivat në vijim të veprimtarisë së ERE.
- Monitorimi i treguesve tekniko ekonomik, si dhe planit të investimeve të Albagazit, i çertifikuar si operator i transmetimit dhe shpërndarjes së gazit natyror përbën një hap tjetër të rëndësishëm për plotësimin e kuadrit të legjislativitetit sekondar, në përputhje me direktivat dhe rregulloret përkatëse të BE-së.
- Sa i takon procesin e protokollimit dhe arkivimit të dokumentacionit, korrespondencës së institucionit, duke parë edhe zhvillimet teknologjike rekomandohet të përpjektohet dixhitalizimi i gjithë procesit të protokollimit arkivës si një element që do të ndihmonte në ruajtjen dhe gjurmen e çdo informacioni dhe korrespondencës së ERE-s.
- ERE ne kushtet e zhvillimit dinamik të sektorit të energjisë, gjatë vitit 2018 ka projektuar ne bashkëpunim me USAID strukturën organizative dhe funksionale të saj, pas miratimit të së cilës është e nevojshme hartimi i një rregulloreje të brendshme. Duhet symuar ne forcimin e profesionalizmit dhe të pavarësisë operacionale të stafit të entit.
- Gjatë vitit 2018, megjithë rastet e konstatuara, nenit 107- Gjybat dhe Penalitet nuk ka gjetur zbatim. Ne rekomandojmë zbatimin e tij si të rëndësishëm për të rritur eficienten dhe efektivitetin e aktivitetit të ERE-s.

Grupi i Audituesve Ligjore



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FORESEE OF THE BUDGET FOR 2019

no	Name	Amount
I	COHERENT EXPENSES	257,135,000
	Staff wages	170,750,000
	Expenses for Social and Health Insurance	13,000,000
	Other operational expenses and expenses for third party services	67,585,000
	Depreciation expenses	5,800,000
II	INVESTMENTS	65,495,000
	expenses for accommodation of the new staff	48,375,000
	Other coherent investments	17,120,000
III	Reserve Fund	5,000,000
	Total of the expected expenses for 2019	327,630,000

This budget provides ERE necessary needs to compete the staff from 32 to 52 employees and moreover to realize its duties and functions as an institution compared with the others in the Region.