



REPUBLIKA E SHQIPËRIË

## ENERGY REGULATION AUTHORITY

### BOARD

### DECISION

No. 178, Dated, 04.11.2020

"ON

**OPENING THE PROCEDURE TO REVIEW THE REQUEST OF FREE MARKET SUPPLIER COMPANY FOR SOME AMENDMENTS IN THE “REGULATION FOR THE PROCEDURE OF ELECTRICITY PURCHASE FOR COVERING LOSSES IN DISTRIBUTION AND TRANSMISSION NETWORKS AND FOR PURCHASE AND SALE OF ELECTRICITY FOR ENSURING FULFILLMENT OF PUBLIC SERVICE OBLIGATIONS” APPROVED WITH THE ENERGY REGULATORY AUTHORITY BOARD DECISION NO. 103/2016”.**

Based on articles 16, 19, letter "I", 69, of Law no. 43/2015, "On Power Sector", as amended; Council of Ministers Decision no. 244/2016, *“On approving the conditions for imposing public service obligation, that shall be implemented to the licensee on Power Sector, which exercise the electricity production, transmission, distribution and electricity supply activity”* as amended, article 21, of the *“Regulation for the procedure of electricity purchase for covering losses in distribution and transmission networks and for purchase and sale of electricity for ensuring fulfillment of public service obligations”*, approved with ERE Board Decision no. 103, dated. 23.06.2016, as amended; article 26 of the *“Regulation for ERE Organization, Operation and Procedures”*, the Energy Regulatory Authority (ERE) Board on their meeting dated 04.11.2020, after reviewing the report no. 109/3 dated 12.10.2020 prepared by Market Monitoring and Inspections Directory, upon the request of Free Market Supplier Company, for the review of point 1 / c of article 11 of the *“Regulation for the procedure of electricity purchase for covering losses in distribution and transmission networks and for purchase and sale of electricity for ensuring fulfillment of public service obligations”*

#### **Observed that:**

- Free Market Supplier Company with official letter protocol no. 2773, dated 23.09.2020, submitted the request to review point 1 / c of article 11 of the *“Regulation for the procedure of electricity purchase for covering losses in distribution and transmission networks and for purchase and sale of electricity for ensuring fulfillment of public service obligations”*, approved with Energy Regulatory Authority Board Decision no. 103/2016.
- Free Market Supplier Company informs that foreign companies registered in the IT online platform of electricity purchase have continuously expressed concern about their inability to update the

documentation within the set term of 3 months, as defined in point 1 / c of article 11 of the Regulation, due to the terms of the administrative procedures in the respective states and the financial costs of updating this documentation.

- Considering that some of the companies participating in the electricity purchase procedures are foreign companies and referring to the best industry practices and local precedents regarding electricity trading, Free Market Supplier Company proposes that the term for the update of the documentation according to point 1 / c of article 11 of the Regulation shall be 12 (twelve) months.

- Free Market Supplier Company bases the request for amendment of point 1 / c of Article 11 of the above Regulation, firstly on the elimination of financial costs of updating documents every three (3) months and secondly referring to the best industry practices and local precedents in relation with electricity trading.

- Based on Article 19, letter "I" of Law no. 43/2015 "On Power Sector", as amended, ERE has the responsibility to approve, upon the proposal of the licensees, the rules for: i) the sale, purchase and exchange of electricity, carried out by producers and suppliers, charged with public service obligation. In the sense of the above, Free Market Supplier Company legitimizes as an interested party to request a review of this Regulation.

- The regulation for the procedure of electricity purchase for covering losses in distribution and transmission networks and for purchase and sale of electricity for ensuring fulfillment of public service obligations, approved with the Energy Regulatory Authority Board Decision no. 103/2016 as amended, during the review of its approval has gone through a long process of consultation with the interested parties and was approved in close consultation with the Energy Community Secretariat (ECS).

- Pursuant to the rules of ERE practice, these amendments shall be notified to all the interested parties, especially TSO Company, as a direct party which also applies this regulation for the electricity purchase procedures to cover losses in the transmission system as well as the Energy Community Secretariat, to express their opinions on these proposals for amendment.

- For the fair review and evaluation of this proposal, shall also serve the consultations that shall be carried out with the best local and international practices as well as the competent bodies in the Republic of Albania.

For all of the above mentioned, ERE Board,

**Decided:**

1. To open the procedure to review the request of the Free Market Supplier Company for an amendment in the "Regulation for the procedure of electricity purchase for covering losses in distribution and transmission networks and for purchase and sale of electricity for ensuring fulfillment of public service obligations", approved with Energy Regulatory Authority Board Decision no. 103/2016 as follows:

- a. The term for the update of the documentation provided in point 1, letter "c" of article 11 of the Regulation shall become 12 (twelve) months.

2.The Legal Directory shall inform the interested parties about ERE Board Decision.

This decision enters immediately into force.

This decision may be reviewed within 7 calendar days and may be complained on Tirana Administrative Court, within 30 calendar days from the publication in the Official Gazette.

This decision is published at the Official Gazette.

**ERE CHAIRMAN**

Petrit AHMETI