



REPUBLIKA E SHQIPËRISË

ENERGY REGULATORY AUTHORITY

Board

DECISION

No. 124, Dated 30.07.2020

ON

THE REQUEST OF TSO COMPANY FOR SOME AMENDMENTS ON ERE BOARD DECISION NO. 207, DATED 18.12.2017 “ON APPROVING THE REGULATION ON STANDARD CRITERIA FOR THE QUALITY OF ELECTRICITY TRANSMISSION SERVICE”

Based on article 7, point 1, article 16 and article 20 point 1, letter a), of Law no. 43/2015 “On Power Sector ” as amended; articles 15 and 26 of the “Rules on ERE organization, operation and procedures”, approved with ERE Board Decision no.96, dated 17.06.2016” articles 7, 8, 9 and 10 of the Regulation on the quality of supply and network security performance in the electricity transmission system no.207, dated 18.12.2017 article 104, point 4), article 113, points 1 and 3 of Law no. 44/2015 “Code of Administrative Procedures ”, the Board of the Energy Regulatory Authority (E.R.E) on their 30.07.2020 meeting , after reviewing the report prepared by the Market Monitoring and Inspections Directory “On the request of TSO company for some amendments on ERE Board Decision no. 207, dated 18.12.2017 “On approving the Regulation on the quality of supply and network security performance in the electricity transmission system”

Observed that:

- ERE Board Decision no. 207, dated 18.12.2017 approved the “Regulation on the quality of supply and network security performance in the electricity transmission system”
- Following this decision, with the request of TSO company, as a result of the impossibility to meet the requirements of this Regulation within the defined terms, due to the need to perform the necessary investments, ERE Board Decision no. 270, dated 21.12.2018 and recently ERE Board Decision no. 209, dated 16.12.2019 "For an amendment on ERE Board Decision no. 207, dated 18.12.2017, “On approving the “Regulation on the quality of supply and network security performance in the electricity transmission system”, decided to extend the terms necessary for the completion of the requirements of this Regulation, as follows:

Point 7.3 of the “Regulation on the quality of supply and network security performance in the electricity transmission system” changes and becomes: “TSO company shall submit at ERE for approval the allowed level of the standard criteria for the quality of service within June 30, 2020 ”.

- TSO company with the official letter protocol no. 3577 dated 16.06.2020, based on article 10 of the Regulation on the quality of supply and network security performance in the electricity transmission system”, submitted a request for the amendment of ERE Board Decision no. 209. Dated 16.12.2019 requesting the extension of the term defined in point 7.3, provided in point 3 of Decision Nr. 209, dated 16.12.2019, from 30.06.2020 to 31.12.2021.

- TSO company reasons this request for extension by informing that;

- a. During the period of operation and maintenance by TSO company of 76 substations and approximately 170 tracts, 110 kV that have been received, it resulted that the technical condition of these equipments turns out to be even more problematic than it was anticipated at the time of receiving their delivery despite the extreme efforts of TSO company for keeping them in optimal conditions.

- b. Based on the topology of the transmission network, mainly the 110 kV network, it is concluded that a significant proportion of new broadcast network users operate in very old, depreciated transmission system lines, which have limitations on their transmission capacities in relation to the requirements of these users

- In the official letter protocol no. 3577, dated 16.06.2020. TSO company among other things, states that: “Another very important factor is the difficulty and restrictions risen by the declaration of the epidemic state caused by COVID-19 ”.

ERE Concluded that:

TSO company has taken under administration and ownership the 110 kV tracts of 110 / TM substations since 2015, with the entry into force of law no. 43/2015 “On Power Sector” as amended. During this period of almost 5 years TSO company invested and realized significant interventions on the rehabilitation of the 110 kV network.

ERE Board Decision no. 212, dated 28.12.2017, approved the investment plan for 2017 and the ten year plan 2015 - 2025 for the development of the transmission network of TSO company. In the request for extension of the terms provided in the Regulation, submitted by TSO company it is presented a general description of the 110 kV network as a whole and of the 110 kV tracts in particular. In this argumentation there is not an exact division of how many investments have been made in the 110 kV network, how many 110 kV tracts have been rehabilitated and how many 110 kV tracts have been rehabilitated by TSO company during the years that these tracts were under the administration of TSO company.

In the presentation of TSO company there were no issues regarding the main transmission network 400 kV and 220 kV, this was a positive element for meeting the quality standards of electricity transmission service in the transmission system, because each issue in this network could lead to another additional issue in the 110 kV network. Since this issue in the transmission system is localized only in the 110 kV network and in this network this issue is localized only in the 110 kV elements which are not rehabilitated, it turns out that the transmission system as a whole presents stable state and with good technical standards.

Meanwhile TSO company is still in the process of drafting the Ten-Year Network Development Plan (TYNDP), which is expected to be completed in December 2020, identifying critical nodes of the

network, towards which the investments of TSO company shall be oriented, for improvement until the solution of the issues arisen in the transmission network. Based on the above assessments in the technical aspect, the request made by TSO company with the official letter protocol no. 3577 dated 16.06.2020. for an amendment on ERE Board Decision no. 209 dated 16.12.2019 is not argued.

As a result of the epidemic caused by COVID 19, through the normative acts of the Council of Ministers regarding the spread of COVID - 19, as well as Council of Ministers Decision no. 243, dated 24.03.2020 "On natural disaster declaration", restrictions were imposed on the activity and number of employees in all state-owned enterprises, as well as the closure of a considerable number of activities. In this context, this situation which started in March 2020 until June 2020 had its impacts restricting the enterprises in their activities including even TSO company.

It is concluded that the impossibility to fulfill the obligation provided in point 7.3 of Regulation on standard criteria for quality of electricity transmission service approved with ERE Board Decision no. 207 dated 18.12.2017 (amended by Decision No. 209, date 16.12.2019), within the term, due to reasons that do not depend on TSO company and can not be avoided despite the will, efforts or reasonable care of TSO company.

Taking into account the situation created by COVID 19, as well as the need of ERE to realize the necessary communications with the Energy Community Secretariat, and regulators of other countries that set these standards for the respective TSO, it is reasonable to extend the term provided in point 2 of decision No. 209/2019, until 31.11.2020, with the condition that within 30.12.2020, TSO shall submit at ERE the " Standard Criteria Performance Indicators of the Transmission System Operator ".

ERE Board Decision no. 109/2019 decided: Point 7.4 of the "Regulation on the quality of supply and network security performance in the electricity transmission system", changes and becomes: " Within 6 months from the submission of the proposal of TSO company ERE shall assess the expected performance levels and approve the allowable level of standard criteria for the quality of service."

For all of the above mentioned, ERE board,

Decided:

1. To partially accept the request of TSO company for the extension until 31.12.2021, of the term provided in point 2 of ERE Board Decision no. 209, dated 16.12.2019 "For an amendment on ERE Board Decision no. 207, dated 18.12.2019 "On approving the regulation on standard criteria for the quality of electricity transmission service", as unsubstantiated and not fully based on evidence.

2. To amend point 2, letter a) of ERE Board Decision no. 209, dated 16.12.2019 "For an amendment on ERE Board Decision no. 207, dated 18.12.2019 "On approving the regulation on standard criteria for the quality of electricity transmission service" as follows;

a. Point 7.3 of the "Regulation on standard criteria for the quality of electricity transmission service", changes and becomes: TSO company shall submit at ERE for approval the allowed level of the standard criteria for the quality of service, within 30.11.2020 ".

3. Legal Issues Directory shall inform TSO company regarding ERE Board Decision.

This decision enters immediately into force.

About this decision may be required its review within 7 calendar days and may be complained on Tirana Administrative Court within 30 calendar days from the day of its publication on the Official Gazette.

This decision shall be published on the Official Gazette.

ERE CHAIRMAN

Petrit AHMETI