



REPUBLIKA E SHQIPËRISË

## ENERGY REGULATORY AUTHORITY

### Board

### DECISION

No. 136, Dated 28.08.2020

"ON

### **OPENING THE PROCEDURE TO REVIEW AND APPROVE THE "REGULATION ON THE PROCEDURES FOR THE SALE OF SURPLUS ELECTRICITY IN THE UNREGULATED MARKET FOR THE PUBLIC SUPPLY COMPANY".**

Based on article 16 and 20 of Law no. 43/2015 "On Power Sector", as amended, article 11, points 2 and 3 of 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, and article 15 of the "Rules on ERE Organization, Operation and Procedures", approved with ERE Board Decision, no. 96, dated 17.06.2016, the Energy Regulatory Authority Board (ERE), on their meeting dated 21.08.2020, after reviewing the report Protocol no. 96/7 dated 17.08.2020 prepared by the Technical Directory, on approving the "Regulation for the procedures for the sale of surplus electricity in the unregulated market for the public supply company".

#### **Observed that:**

- Free Market Supplier company with the official letter Protocol no. 633/5, dated 22.07.2020, submitted at ERE for approval the draft regulation on the procedures for the sale of surplus electricity in the unregulated market.
- The above request comes as a result of several amendments on Council of Ministers Decision no. 244, dated 30.03.2016, with Council of Ministers Decision no. 883, dated 27.12.2019, where article 11, point 3, stipulates that: In case of created surpluses they shall be traded in an unregulated market at the price offered by this market in accordance with the determined terms and procedures, based on the regulation for electricity trading, approved by the Energy Regulatory Authority.
- The "Free Market Supplier" company was established based on Law No. 43/2015 "On Power Sector", as amended, Law no. 9901, dated 14.04.2008 "On traders and Trade companies", as amended and the Order of the General Assembly Protocol no.157, dated 12.02.2018, of the Electricity Distribution Operator, "OSHEE" company in the quality of the founder shareholder and parent company.

- This company is licensed by ERE in electricity trading and supply activities, respectively with decisions no.198, dated 03.09.2018 "On licensing the Free Market Supplier company (FTL ) in electricity trading activity” and no. 199, dated 03.09.2018, On the "Free Market Supplier" company, (FTL) in electricity supply activity”.

- ERE Board Decision no. 24, dated 10.02.2020, on the procedures for the sale of surplus electricity in the unregulated market from the Free Market Supplier company (FTL) previously decided:

For a transitional period until the adoption of electricity trading rules, the Free Market Supplier company (FTL) for the purpose of the procedure for the sale of surpluses produced by the priority producers of electricity to use the “General Rules of Organization of the Commercial Activity ” for KESH company approved with decision no. 5233/1, dated 12.06.2019, of the Shareholders Assembly . The Free Market Supplier company (FTL) shall propose for approval at ERE within 30 days from the entry into force of this decision the Rules for electricity trading based on the principles of equality and transparency.

- The above decision-making came in the absence of an electricity sales platform by the Free Market Supplier company and it took time for its establishment, while the process was in an emergency, as the Free Market Supplier (FTL) could be in a rainy situation and the history has shown that priority producers of electricity during the months of February - April reach their maximum production, what could generate the need to develop procedures for trading surplus electricity from this category.

- Following ERE Board Decision no. 66, dated 08.04.2020, for an amendment on ere board decision no.24. dated 10.02.2020, “On the procedures for the sale of surplus electricity in the unregulated market from the free market supplier”, decided

In point 2 of ERE board decision no. 24, dated 10.02.2020, “on the procedures for the sale of surplus electricity in the unregulated market from the free market supplier” the change is made as follows:

a) Free Market Supplier company shall propose for approval at ERE within 30 (thirty) days after the expiration of the term of legal acts of the Albanian Government for protection against the epidemic Covid 19, the Regulation of electricity trading, based on the principles of equality and transparency.

- It turns out that the request of Free Market Supplier for the approval of the regulation on the procedures for the sale of surplus electricity in the unregulated market , is presented within the terms provided in the above decisions of ERE board.

- The purpose of the regulation is to define efficient and practical procedures through which to promote the participation of traders in the process of electricity sale in order to promote competition and enable the sale of electricity at the highest possible prices, ensuring transparency as well as equal opportunities for all traders and participants in electricity sales procedures, in accordance with the legislation into force.

- Draft regulation proposed by the Free Market Supplier company for approval, is a document which generally deals with the process of trading surpluses produced by priority producers of electricity and shall be consulted with the interested parties.

For all of the above mentioned ERE Board

Decided:

1. To open the procedures to review and approve the “Regulation on the procedures for the sale of surplus electricity in the unregulated market from the Free Market Supplier company (FTL)

2. The Legal Issues Directory shall inform the interested parties 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**