



REPUBLIKA E SHQIPËRIË

**ENERGY REGULATORY AUTHORITY  
BOARD**

**DECISION**

**No. 114, Dated 09.07.2020**

**“ON**

**DEFINING THE ELECTRICITY PURCHASE PRICE PRODUCED FROM SMALL WIND  
RENEWABLE RESOURCES WITH INSTALLED CAPACITY UP TO 3MW FOR 2019”.**

Based on article 10, point 3 of Law no. 7/2017 “*On the promotion of the use of energy from renewable sources*”, Council of Ministers Decision no.369, dated 28.08.2019 “*On Approving the Methodology for Defining the Electricity Purchase Price Produced from Small Renewable Resources from Solar and Wind*”, Council of Ministers Decision no.580, dated 28.08.2019 “*On approving the national consolidated action plan for the energy renewable resources, 2019-2020*” and article 15 of the “*Rules on ERE Organization, Operation and Procedures*” approved with ERE Board Decision no. 96 dated 17.06.2016, Energy Regulatory Authority (ERE), on their meeting dated 09.07.2020 after reviewing the report Protocol no. 83/3 dated 03.07.2020, prepared by Tariff and Prices Directory on approving the electricity purchase price produced from wind turbines with installed capacity up to 3 MW, for 2019,

**Observed that:**

- Based on article 10, point 3 of Law no.7/2017 “*On the promotion of the use of energy from renewable sources*”, Council of Ministers Decision no.369, dated 28.08.2019 “*On Approving the Methodology for Defining the Electricity Purchase Price Produced from Small Renewable Resources from Solar and Wind*”, ERE is the authority responsible for defining the electricity purchase price produced from small renewable resources from the sun with an installed capacity up to 2 MW and from the wind with an installed capacity up to 3MW, in accordance with the methodology approved by Council of Ministers.
- ERE Board Decision no. 193, dated 02.12.2019, decided to open the procedure “*On defining the electricity purchase price produced from small renewable resources from the sun with an installed capacity up to 2MW and from the wind with an installed capacity up to 3MW, for 2019*”.

Following, ERE with the official letter protocol no. 805, dated 10.12.2019, informed the Ministry of Infrastructure and Energy (MIE), the Competition Authority (CA) and the interested parties, regarding the opening of the procedure to review this act, to express their comments and opinions in the written form within 15 days from being notified.

- In response to the information of this decision, the companies which are holders of the Final Approval and subjects of the application of electricity purchase price produced from small wind renewable sources with installed capacity up to 3 MW which is determined by ERE, have given their opinion and explanations regarding the lack of development of the wind power generation industry in Albania where, among other things, they have stated that:... *data calculated and processed in the feasibility study before the moment of obtaining the final approval from MEI regarding the value of the investment are data of this phase and can not be taken for reference in the price evaluation by the ERE Board.*
- The Competition Authority with the official letter protocolled at ERE with protocol no. 434, dated 18.02.2020, stated that ERE Board Decision no. 193, dated 02.12.2019, is not in compliance with the provisions of Law no. 9121, dated 28.07.2003 "On competition protection", as amended.
- Following the above, ERE with official letter protocol no. 58/1, dated 17.01.2020 addressed to the Ministry of Infrastructure and Energy (MEI), where, among other things, requested its assessments and opinion regarding the arguments of all 3 companies in the correspondence quoted above, as well as the availability of documentation that has served the MEI for granting the final approval.
- MEI by official letter protocolled at ERE with no. 58/2, dated 04.03.2020, presented at ERE the business plans of the companies holding the final approval, also, among others, has given a response to the circumstances made known by these subjects.
- "WINDSBAB, "MAX ENERGY and "SEMAN EOLIK" companies are the only companies that have received final approval from the Ministry of Infrastructure and Energy for 2019 for the construction of wind turbines with a capacity up to 3MW;
- Despite the number of licenses issued over the years for the construction of wind turbines in Albania, these companies are implementing for the first time this technology, diversifying the production of electricity from renewable sources with a lower cost than the one provided in Council of Ministers Decision no. 369, dated 26.4.2017 and Council of Ministers Decision no. 580, dated 28.08.2019.
- To define the electricity purchase price produced from small wind renewable sources with a capacity up to 3MW for 2019, it is reasonable to know the components for the calculation of LCOE (Levelized Cost of Electricity) resulting from the Business Plans of the submitted project implementation of the last 3 companies which are holders of final approvals for the construction of wind turbines.
- Pursuant to the above mentioned and based on the experience created for defining the electricity purchase price produced by photovoltaic generation plants up to 2MW, it is calculated the electricity purchase price produced by wind turbines with installed capacity up to 3MW.
- From the application of the formula for the calculation of LCOE, to define the price for wind turbines, it results a price of 75.64 Euro / MWh .

In the respective contracts between the parties, more specifically Article 8, point 2 and Article 10, point 4, the assessment of investments may undergo possible changes, by mutual agreement, in any case during the implementation of the project for the construction of the wind turbine, as well as the Ministry of Infrastructure and Energy (MEI) based on the final test report and after the submission by the holders of the final approval of the full report on the construction costs of the work, issues the Certificate of acceptance of the work according to the legislation in force.

For all of the above mentioned ERE Board,

**Decided:**

1. To approve the electricity purchase price produced from wind turbines with installed capacity up to 3 MW of about 75.64 Euro/MWh, for 2019.
2. Each amendment in the legal and sub legal acts into force for these producers, shall become a reason for ERE to review this decision.
3. The Legal Directory shall inform the applicants, the Ministry of Infrastructure and Energy (MEI), the Competition Authority as well as the Free Market Supplier regarding ERE Board Decision.

This decision enters immediately into force.

For 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 publication in the Official Gazette.

This decision shall be published on the Official Gazette

**ERE CHAIRMAN**

**Petrit AHMETI**