



REPUBLIKA E SHQIPËRIË

ENERGY REGULATORY AUTHORITY

BOARD

DECISION

No. 29, Dated 29.01.2021

ON APPROVING THE REQUEST OF FREE MARKET SUPPLIER (FTL) 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” and 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 and article 15 and 26 of the *“Regulation for ERE Organization, Operation and Procedures”*, ERE Board on their meeting dated 29.01.2021, after reviewing the report Protocol no. 15/4, dated 28.01.2021, prepared by Market Monitoring and Inspections Directory on approving the request of Free Market Supplier (FTL) 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 ERE Board Decision no. 103/2016,

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, as amended.
- 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.

- ERE Board Decision no. 178, dated 04.11.2020, decided to open the procedure to review the request of 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 ERE Board Decision no. 103/2016.
- With official letter Protocol no. 1203 dated 12.11.2020, the proposed amendments in ERE Board Decision, cited above, were sent for opinions/comments to the interested parties, namely: Ministry of Infrastructure and Energy, Competition Authority, Electricity Distribution System Operator, Transmission System Operator, Universal Service Supplier, Free Market Supplier, Albanian Electricity Suppliers Association (AAES), Foring Investors Association of Albania (FLAA), Albania Renewable Energy Association (AREA) and the Energy Community Secretariat.
- In official letter Protocol no. 1203 dated 12.11.2020, the term set for opinions / comments by the aforementioned parties was set at 30 days from becoming aware. At the end of this term, it was observed that none of the interested parties has forwarded opinions / comments regarding what was submitted in ERE Board Decision no. 178/2020.
- ERE Board with decision no. 202, dated 02.12.2020, decided to approve the “Regulation on the procedures for the sale of surplus electricity in the unregulated market for the public supply company”
- Definitions of article 10, of " the “Regulation on the procedures for the sale of surplus electricity in the unregulated market for the public supply company”, approved with ERE Board Decision no. 202, dated 02.12.2020, are the same as those 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 ERE Board Decision no. 103/2016, as amended.
- As above, it is estimated that in Article 11, point 1, 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. 103/2016, as amended, "Legal and administrative documentation, **point (d) shall be added, with content:**
“Participants registered within December of each year must declare whether they have undergone amendments in the legal status in accordance with the requirements and conditions set out in letter C) of Article 11. At any time the Buyer may request the registered participants, submission within 30 days and not more than 2 times a year of the documents provided in letter "c" of this article, in order to verify the declaration and the legal status of the subject. In case the incorrect declaration is ascertained as well as the non-submission of the required documentation within the determined term, it results in the deregistration of the licensed participant from the Buyer's register ”.

- Also, given that ERE Board Decision no. 202/2020 approved the "Regulation on the procedures for the sale of surplus electricity in the unregulated market for the public supply company" which serves the sale of electricity and 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. 103/2016, as amended, which serves only for the purchase of electricity, it is considered necessary **to correct the title of this Regulation by removing the word "sale"**, as this act in its entirety does not define the procedure for the sale of electricity but only for the purchase of electricity.

- **The word "sale" is removed respectively in the content of article 2, point 1; article 4, points 2 and 13; article 6, letter "b"**.

For all of the above mentioned ERE Board

Decided:

1. To approve 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 ERE Board Decision no. 103/2016, as amended, as follows:

A. Article 11, point 1, letter C).

It was:

Documentation issued by the competent institutions of the respective state no later than 3 months from the submission of the bid which must prove that:

It becomes:

Documentation issued by the competent institutions of the respective state, which must prove that:

B. In Article 11, point 1, the letter "d" is added: The documents submitted in letter "c" of this article, shall be updated by all registered participants, within December of each year and shall be valid for the following year. In any case and at any time the Buyer may request from the registered participants, the submission within 30 days and not more than 3 times a year, of each of the documents provided in letter "c" of this article, in order to verify the legal status of the subject. Failure to send the required documentation within the term set, results in deregistration of the licensed participant from the Buyer's register."

Each participant in a procurement procedure, according to this regulation shall submit the declaration for the amendments on the legal status related to the documentation defined in article 11/1, within the terms set by the buyer.

C. The regulation is entitled: "*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*"

D. The word "sale" is removed in Article 2, point 1; article 4, points 2 and 13; nenin 6, germa "b".

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