



REPUBLIKA E SHQIPËRIË  
**ENERGY REGULATOR AUTHORITY  
BOARD**

**DECISION**

**No. 11, of date 23.01.2020**

**ON**

**THE REQUEST OF THE ALBANIAN ASSOCIATION OF ELECTRICITY SUPPLIERS  
(AAES) TO REVIEW ERE BOARD DECISION NO. 214, OF DATE 20.12.2019, FOR AN  
AMENDMENT ON THE "REGULATION FOR THE PROCEDURES OF ELECTRICITY  
PURCHASE TO COVER THE LOSSES IN THE DISTRIBUTION AND TRANSMISSION  
GRIDS AND FOR ELECTRICITY PURCHASE TO ENSURE THE FULFILLMENT OF  
PUBLIC SERVICE OBLIGATIONS**

Based on article 16, of Law no. 43/2015 *"On Power Sector"* as amended, article 16 of the *"Regulation on ERE organization, operation and procedures"* approved with decision no. 96 of date 17.06.2016, ERE Board, on their meeting dated 23.01.2020, handled the request of the Albanian Association of Electricity Suppliers (AAES) to review ERE Board Decision no. 214 dated 20.12.2019 *"For an amendment on the Regulation about the procedures of electricity purchase to cover the losses in the distribution and transmission grids and for the electricity purchase to ensure the fulfillment of public service obligation"* and after reviewing the report Protocol no. 19/5 of date 20.01.2020, prepared by the Legal Directory and the Market Monitoring Directory,

**Observed that:**

- With the official letter Protocol no. 15/1 of date 22.12.2019, ERE Protocol no. 863, of date 30.12.2019, the Albanian Association of Electricity Suppliers (AAES), submitted at ERE the request to review ERE Board Decision no. 214 of date 20.12.2019, "On the request of OSHEE company about an amendment on the "Regulation about the procedures of electricity purchase to cover the losses on the distribution and transmission grids and for the electricity purchase to ensure the fulfillment of public service obligation".
- On article 16 of the "Regulation on ERE organization, operation and procedures" approved with Decision no.96, of date 17.06.2016 it is provided that: *"For a Board Decision, Any party included in the procedure may require to ERE, within 7 (seven) calendar days from the day of taking the decision regarding that procedure, to review the Board decision in case there are new evidences that can lead the Board in taking a decision different from the previous one"*.

- The request of AAES association, is submitted within the terms provided on the abovementioned Regulation.
- AAES submitted earlier the comments regarding ERE Board decision no. 123 of date 29.07.2019 “On opening the procedure for an amendment on the abovementioned Regulation that legitimates to submit this request for review as an involved/interested party, according to the provisions of article 16 of the “Regulation for ERE organization, operation and procedures” approved with ERE Board Decision dated 17.06.2016.
- AEES claims that during the review of the arguments submitted from OSHEE company in the framework of the consultations held as result of ERE Board Decision no.123 of date 29.07.2019 “On opening the procedure for an amendment on the “Regulation for the procedures of electricity purchase to cover the losses in the distribution and transmission grids and for electricity purchase to ensure the fulfillment of public service obligations”, OSHEE company has not submitted any analysis of the costs or convincing evidences to argument that the electricity purchase price, due to the amendment of the payment terms, is not changed not considering the legal or technical definitions, expressed on ERE Board decision no. 26 of date 28.02.2019 (refusal of OSHEE company request)
- AAES association also claims that ERE in the framework of its decision, has not taken into consideration the recommendations of the Competition Authority, transposed on ERE Board Decision no. 659 dated 21.11.2019 “On issuing some recommendations to the Energy Regulator Authority regarding the approval of an amendment on the Regulation for the electricity purchase procedures to cover the losses in the distribution and transmission grids and for electricity purchase, to ensure the fulfillment of public service obligations”, concretely:
  - *The review of the application procedures for the electricity purchase to cover the losses in the distribution and transmission grids and for electricity purchase, in conformity with the provisions and terms defined on point 1, letter 21 of the “Regulation for ERE organization, operation and procedures”.*
- Regarding the above mentioned, it is observed that article 21, point 1 to which the Competition Authority is referred, relates: with the definition of the tariffs and prices of electricity and natural gas services for the next year ....., that means a wrong reference, an observation that is accepted as true by AAES association.
- ERE estimates that competition is closely connected with transparency and the application of equal rules for all members in the procedures for purchasing electricity in the unregulated market. Currently, the regulation approved by the ERE of electricity purchase procedures guarantees transparency and equal treatment of trading companies that participate in electricity sale-purchase procedures at OSHEE company.
- From the monitoring and verifications performed, it results that during 2017 and during 2018 and during January – September 2019 period (the data published on ERE official website), the number of the trading companies which have supplied with electricity OSHEE company from the irregulated market is over 10 of them. On these conditions it is accessed that the

regulation approved by ERE for the procedures of electricity purchase from OSHEE company, guaranteed competition.

- On article 69, letter “ë” of Law no.43/2015 “*On Power Sector*” as amended, it is provided that electricity procuring procedures are approved by ERE, after the proposal of the Distribution System Operator.
- With decision no.103/2016, it is approved the regulation on the procedures of electricity purchase to cover the losses in the distribution and transmission grids and for electricity sale-purchase to comply the public service obligations.
- The object of this Regulation is to define the electricity sale-purchase procedures from the distribution system operator, the transmission system operator and any other power company for which are set the public service obligations (PSO) from the licensed companies in electricity trading activity.
- Within the above mentioned, as widely justified even on ERE Board decision no.214/2019 which is required to be reviewed, it is clear that the definition of the terms to liquidate the payments, as provided on article 20 of the regulation, is not connected with the concept of the procedure regulation
- The Law on itself provides the main obligation to define the procedures, with which are performed the transactions for which it is drafted this regulation.
- The Lawmaker on article 19, letter “I” of Law no. 43/2015 “*On Power Sector*”, is restricted on defining the procedures, accessing this last one mentioned as essential to guarantee transparency, protection of fair competition, equal and nondiscriminatory handling of the electricity traders, on this relation.
- In accessing the abovementioned analysis and the explanations given from OSHEE company and other parties included in this process as well as ERE regarding the request to amend article 20 of the regulation approved with ERE Board decision no. 103/2016, the above mentioned principles, mentioned even on article 2, point 2 of this regulation are protected and guaranteed for the time the procedures terms and the deadlines of energy procurement for the Market Participants Charged with Public Service Obligation from the traders in the irregulated market is the same and transparent.
- AAES representative at the ERE Board meeting, required the assessment as a new evidence of the data received on the respective electronic addresses of the publications for the electricity purchase procedures from OSHEE company as well as other data that according to the applicant relate to the argument that these data evidence the change of the participants number and electricity purchase price from OSHEE company.
- The above mentioned is not assessed as a new evidence, because ERE Board Decision no. 214, dated 20.12.2019, is based on preserving the main principles oriented by the law and that relate to transparency and equality procedures of OSHEE company in the free market, a fact that is accepted by the applicant present in the meeting.
- Regarding the arguments explained by the applicant, AAES association, has not submitted new evidences or additional arguments that may lead ERE Board in taking a decision different from the no.214 one, dated 20.12.2019 “Regarding OSHEE company request for an amendment on the

“Regulation on the electricity purchase procedures to cover the losses in the distribution and transmission system and for electricity purchase to ensure the fulfillment of the public service obligations”.

For all of the above mentioned, ERE Board,

**Decided:**

1. To refuse AEES association request for review of ERE Board decision no. 214, of date 20.12.2019 “On the request of OSHEE company for an amendment on the Regulation on the procedures of electricity sale-purchase to cover the losses in the distribution and transmission grids and for electricity purchase to ensure the fulfillment of public service obligation”, as unsupported on new evidences, that may lead ERE Board to take a different decision.
2. The Legal Directory, shall inform the applicant for ERE Board decision.

this decision enters immediately into force.

this decision is published on the Official Gazette.

**ERE CHAIRMAN**

**Petrit AHMETI**