



ENERGY REGULATOR AUTHORITY

Board

DECISION

No. 21, Dated 31.01.2020

ON

**OPENING THE PROCEDURE TO REVIEW THE REQUEST OF ENERGY
COMMUNITY SECRETARIAT REGARDING THE ADDITION OF ANNEX “E” AT
THE TRANSITIONAL RULES FOR THE ELECTRICITY BALANCING MECHANISM
APPROVED WITH BOARD DECISION NO. 193 DATED 24.11.2017**

Based on article 16, article 20 letter “gj”, article 62, article 76 of Law no. 43/2015 “On Power Sector” as amended, as well as article 26 of the “Rules on ERE Organization, Operation and Procedures”, approved with ERE Board Decision, no .96, dated 17.06.2016, ERE Board on their meeting dated 31.01.2020, after reviewing the report Protocol no. 14/2, dated 15.01.2020 prepared by the Market Monitoring Directory on opening the procedure to review the request of Energy Community Secretariat regarding the addition of Annex “E” at the “Transitional rules for the electricity balancing mechanism” approved with ERE Board decision no. 193, dated 24.11.2017.

Observed that:

- ERE with Board Decision no. 193, dated 24.11.2017, approved the “Transitional rules for the electricity balancing mechanism” (rules for the balancing mechanism).
- Energy Community Secretariat (ENC) with the official letter Protocol no.23/157, of date 22.10.2019, invited ERE to open the procedure for amending the “Transitional rules for the electricity balancing mechanism” including on these rules annex “E” drafted and proposed by the Secretariat.
- The amendments proposed by the Energy Community Secretariat handle the issued held by “Ashta” HPP to handle the imbalances. “Ashta” HPP submitted its claim because they found deviations on the day ahead information and the current discharge realized by “Vau i Dejes” resulting in the creation of the deviations which are caused by other electricity market participants and not by “Ashta” HPP in itself. As consequence “Ashta” HPP paid to OST company for the deviations caused by other market participants.
- Annex “E” submitted by Energy Community Secretariat has the content as follows:

1. The information delivered between “Ashta” HPP, “KESH” company and “OSHEE”, as well as day ahead planning is led by the agreements agreed between market participants.
 2. Where “OST” (TSO) company, shall use the tertiary control reserves shall be considered as corrections for “OST” company as follows:
 - ❖ the use of tertiary control shall be clearly identified because it is based at the direct dispatch orders from OST company for KESH, to start/ stop an unit at Vau i Dejes.
 - ❖ The energy amount is registered from the meter to the TSO system, for the tertiary control reserve.
 - ❖ The impact for this type of reserve shall be reduced from the Energy Ashta imbalance to achieve the correct value of the imbalance for Energy Ashta.
 3. OST shall register these quantities as additional costs to the balancing account to comply with the regulatory agreement in accordance with the Temporary Balancing Rules.
 4. Before any amendment at the agreed agreements from the market participants according to paragraph 1 of this Annex, TSO shall be notified to ensure that there are no technical and regulatory obstacles to implement this proposed agreement.
 5. ERE shall have the consent and shall be consulted with the involved parties to amend this agreement.
 6. This annex shall enter into force on the first day of the month following the month when shall be taken the approval by ERE. OST company shall report at ERE after six months of operation and shall propose the amendments if necessary.
- ERE by the official letter Protocol no.793, dated 05.12.2019 submitted to Energy Community Secretariat that;*“Exercising the activity and managing the caused imbalances, in the circumstances of the fact that “Ashta” HPP operates shall be issued an alternative solution to “Ashta” HPP within the legal framework, without generating the need for interventions at the other acts approved by ERE...”* On this point of view there was proposed by ERE as an alternative solution the establishment of the Balancing Group implementing article 3 point 3 of the *“Transitional Rules for the electricity balancing mechanism”*, approved with ERE Board Decision no. 193 dated 24.11.2017. Also ERE submitted the need to propose or agree these amendments submitted at Annex “E” from the Transmission System Operator. This ERE submission is based on article 68 and article 89 of Law no 43/2015 “On Power Sector” as amended.
 - Energy Community Secretariat electronically on date 18.12.2019 and ERE protocol no. 23/203 dated 24.12.2019, remains to the proposal for opening the procedure to approve Annex E, states as follows:

The Secretariat drafts annex E (attached), which takes into consideration the agreement between KESH, OSHEE and ASHTA, handles only the possible imbalances at ASHTA HPP resulting from the use that OST company performs to Vau Deja HPP for the tertiary regulation.

Regarding the KESH and ASHTA operation in a balancing group, the proposed solution includes even the Annex and does not prevent the potential balancing group between KESH and ASHTA HPP. Providing that the operation of the balancing group is a commercial activity between the market participants, the proposed solution could only help the establishment of this potential balancing group.

- Energy Community Secretariat is legitimized as a party to propose the secondary acts according to Law no. 43/2015 “On Power Sector” as amended. The Secretariat proposal is after the communication with the stakeholders in this agreement, has the approval of the parties involved in this relation between OST (TSO), Energji ASHTA, KESH and claims to issue a temporary solution of the observed issue.
- Energy Community Secretariat has been part of the draft and proposal process of the “Transitional rules for the electricity balancing mechanism (rules for the balancing mechanism) approved with ERE Board Decision no. 193 dated 24.11.2017.

For all of the above mentioned, ERE Board with the majority of its members.

Decided:

1. To open the procedure of reviewing Energy Community Secretariat request regarding the addition of Annex “E” on the Transitional rules for the Electricity Balancing Mechanism” approved with ERE Board Decision no.193, dated 24.11.2017.
2. Legal Issues Directory, shall inform the interested stakeholders 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