



REPUBLIKA E SHQIPËRIË

ENERGY REGULATORY AUTHORITY

BOARD

DECISION

No. 275, dated 28.12.2020

ON THE REQUEST OF TSO COMPANY TO EXTEND THE TERM FOR THE ENTRY INTO FORCE OF ERE BOARD DECISION NO.106, DATED 02.07.2020

Based on article 16,19,62,98,99 and 100, of Law no. 43/2015 “On Power Sector”, as amended, as well as 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 28.12.2020, after reviewing the report Protocol no. 142/18, dated 24.12.2020, prepared by the Technical Directories,

Observed that:

- ERE Board Decision no. 106, dated 02.07.2020 “On approving the albanian electricity balancing market rules” , decided to approve the Albanian electricity balancing market rules.
- The Transmission System Operator Company (TSO) following the implementation of this decision, with official letter protocol no. 7186, dated 27.11.2020 submitted at ERE the evaluation report, as defined in point 3 (three) of the aforementioned decision and among others submits as follows:
 1. Current systems in TSO company at the time of drafting, proposing and approving these Rules were provided for the conditions of Albania as a control area;
 2. Recent developments in ENSTO-E, where according to the decision of the Regional Group Continental Europe (RGCE) on September 29, 2020, Kosovo shall function as a control area and the agreement for the establishment of the LFC Block Albania - Kosovo (AK Block) is made, new needs arise regarding the operation of the Albanian and Kosovo systems. Referred to System Operation Guide and Block Agreement “AK”, TSO shall be in the role of the block leader, with additional roles and functions, which are directly related to the balancing mechanism and procurement / activation of automatic and manual reserves, as well as, inter alia, the adaptation of the compensation program in two control areas as opposed to operating with one area;
 3. The technical issues focus on a number of elements. Among others, TSO company submits: “In conditions when the relevant agreements to prospective contractors have not been concluded yet and as a result there are only approximate provisions in relation to the terms for the implementation of the necessary improvements in SCADA and DAMAS systems and consequently of the terms to achieve the Go Live phase, TSO company requires to review the term for the entry into force of the Albanian electricity balancing market rules, provided in Decision no.106, dated 02.07.2020, extending it until 30 September 2021 ”.
- Regarding the information submitted by TSO company with official letter protocol no. 7186, dated 27.11.2020, it was estimated that:

Albania - Kosovo Regulatory Block:

As evidenced, Kosovo Transmission System Operator (KOSTT) and TSO company on 26.11.2019 signed the bilateral agreement on the establishment of Albania - Kosovo regulatory block. At the same time, on 30.06.2020 it is signed the new connection agreement between KOSTT and ENTSO - E, for which TSO company is informed being a member of ENTSO - E. In these circumstances TSO company has been informed before on the process for the establishment of the Albania-Kosovo regulatory block.

Also, pursuant to point 5 (five) of decision no. 106, dated 02.07.2020, TSO company has periodically reported to ERE on the progress of the implementation phase (Dry Run) of the Albanian Electricity Balancing Market Rules. Respectively, the reports were submitted at ERE via official letter protocol no.5263 , dated 03.09. 2020 and official letter protocol no. 6006, dated 09.10.2020, as well as at ERE official e-mail address, erealb@ere.gov.al. In the communications and Periodic reports made by TSO company, the issue addressed at the official letter protocol no. 7186 , dated 27.11.2020 was not identified.

Load frequency control (LFC) between Kosovo and Albania was realized years ago within the framework of the implementation of the project for the construction of 400 kV interconnection line between the two countries. In this context there are no technical obstacles for the operation of the Regulatory Block Albania - Kosovo.

The evaluation report contains detailed information on the steps performed during the Dry Run phase from TSO company and consists of:

- o The Registration Process for the Participants of the Albanian Balancing Market
- o The Pre-qualification Process of CSO.
- o Availability Commitment Auction Process.
- o Distribution Engagement Auction Process.
- o Balancing Energy Activation Process

As evidenced above, during the Dry Run period, until the preparation of the evaluation report, it turns out that TSO company has fully realized all the processes defined in Albanian electricity balancing market rules approved with ERE Board Decision no. 106, dated 02.07.2020. The application of these Rules throughout the Dry Run period has given concrete results that also include prices for the balancing energy and reserve capacities.

At the same time, as evidenced in the evaluation report submitted by TSO company but also mentioned in this report during the Dry Run period no obstacles have been identified which makes it impossible for the application of these Rules. Albanian electricity balancing market rules has operated during this period in all their components.

Also, as evidenced, there is a good participation of CSOs in the process of their pre-qualification and result in the completion of this process 4 (four) CSOs qualified who can provide their services to TSO company in this context it is evaluated that the Rules have achieved their objective.

Currently the evaluation report does not present any proposal for change or revision of the Albanian electricity balancing market rules, approved with ERE Board Decision no. 106, dated 02.07.2020.

In conclusion, evaluating the whole process for the operation of the electricity balancing market in our country in the Dry Run period, it was estimated that the term of 9 (nine) months, required by TSO

company until September 30, 2021, to make the necessary improvements, is longer than the realization and implementation of the Dry Run period defined in ERE Board Decision no. 106, dated, 02.07.2020, during which no issues that could prevent the application of these Rules were encountered..

In these conditions, it was assessed that the extension of the term shall be partial as there are not evidenced issues that make it impossible to enforce these Rules. This period shall continue to be one extension of the Dry Run period (without financial effects) of the implementation of the Albanian electricity balancing market rules, so that TSO company and electricity market participants continue the work started and no gaps are created in this regard.

For all of the above mentioned, ERE Board,

Decided:

1. To partially accept the request of TSO company on the extension of the term for the implementation by the electricity market participants, without financial effects (DRY RUN) until 31.03.2021, of rules of the Albanian electricity balancing market rules, approved with ERE Board Decision no. 106, dated 02.07.2020, “On approving the Albanian electricity balancing market rules”.
2. TSO company and electricity market participants shall continue to apply the DRY RUN period until 31.03.2021.
3. At the end of the period expressed in point 1 of this decision, the “Transitional rules for electricity balancing mechanism ”approved with ERE Board Decision no.193, dated 24.11.2017 are repealed.
4. TSO company shall report and document on a monthly basis the progress of the implementation of the Albanian electricity balancing market rules.
- 5.The Legal Directory shall inform TSO company and the interested parties about 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