



REPUBLIKA E SHQIPËRISE  
ENERGY REGULATOR AUTHORITY

BOARD

DECISION

No.85, Dated 12.05.2020

ON

APPROVING THE CRITERIA FOR GRANTING DEROGATIONS FOR THE  
POWER GENERATING MODULES.

Based on articles 16 and 23, of Law no. 43/2015 “*On Power Sector*” as amended; article 26 of the “*Regulation on ERE organization, operation and procedures*”, approved with ERE Board Decision no. 96, dated 17.06.2016 as well as the provisions of Decision no. 2018/05/PHLG-EnC, dated 12.01.2018 of the Permanent High Level Group of Energy Community; articles 60; 61;62;63; 64; and 65 of the Commission Regulation (EU) 2016/631, dated 14 April 2016, ERE Board on their meeting dated 12.05.2020, after reviewing the report prepared by the Technical Directorates, on approving the “Criteria for granting derogations for the power generation modules”,

**Observed  
that :**

- With decision no. 185, dated 20.11.2019, ERE Board decided: “On opening the procedure to approve “*the Criteria for granting derogations according to the requirements for connecting the power generation modules*”.
- As follows the draft for the "Criteria on granting derogations according to the requirements for the connection of the power generation modules", with the official letter Protocol no. 790, dated 05.12.2019, is send to OSHEE company, “TSO” company, “the Ministry of Infrastructure and Energy”; “the Competition Authority; “AAES” association, as well as at “AREA” association to receive their comments or suggestions.
- “TSO” company with the official letter Protocol no. 8118/1, dated 23.12.2019 submitted its comments and suggestions for the draft of the “*Criteria for granting derogations according to the requirements for connecting the power generation modules*”.

“TSO” company, suggests that in general the drafted document, shall be harmonized the language of the approved document with ERE Board Decision no.129, dated 04.06.2018 and with the "Network code on the requirements for connection with the generator network” shall be added what is a derogation

These suggestions are taken into consideration as they complete the prepared draft.

TSO company, suggests that on the part “*Criteria to grant derogations*”, on letter “b” shall be replaced “*synchronized generators*” or “*not synchronized generators in the power system*” with the words “*Type of the synchronous generator*” or “*Non synchronous*”.

“TSO” suggestion is taken into consideration and is reflected on the document.

TSO company, suggests that on the submitted draft, despite article 63(1) shall be added as reference even Article 19(e) and Article 23(1)(b) of Law no. 43/2015 "On Power Sector" as amended.

The above mentioned suggestion of “TSO” company is taken into consideration and is reflected on the document.

“TSO” company, suggests that shall be added the right of Energy Regulator Authority, to review and amend the derogation criteria, if judges as necessary because of the circumstances regarding with the requirements for developing the system, but not more often than once a year as well as the power to abrogate a derogation decision in the circumstances defined according to the attached document.

“TSO” company suggestion, is not based on law and is not taken into consideration. ERE Board has all the legal power to set at any time that there are circumstances and arguments to review the approved acts implementing the legislation in force.

Article 61, point 2 and 3 of the Commission Regulation no. 2016/631, dated 14 April 2016 (part IV defines that: “*If the regulatory authority deems that it is necessary due to a change in circumstances relating to the evolution of system requirements, it may review and amend at most once every year the criteria for granting derogations in accordance with paragraph 1.*”

“TSO” company suggests that on the decision for approving the draft, ERE shall express even for amending article 12 of the Transmission Code “*Temporary Suspensions*”.

ERE accesses that with the approval of the draft on the “*Criteria for granting derogations according to the requirements for the connection of the power generating modules*”, it is the right of “TSO” company, to prepare the draft of the amendments on the Transmission Code and submit them at ERE for approval. Law no. 43/2015 “On Power Sector” as amended, article 56 letter “g” and 63, clearly defines that “TSO” company, drafts and publishes the “Transmission Code”.

TSO company, suggests on annex 1, the application for derogation may be by a third party, only if the type of the generating module is of type A (according to article 62(12) of the Commission Regulation 2016/631 as transposed).

ERE accesses that even the “*Network code on the requirements for connection with the generation network*” approved with ERE Board Decision no. 129 dated 04.06.2018, does not define the categorization for application of the derogations, on these conditions the derogations shall be applied for all the generators, according to the definitions of the Code.

“TSO” company, suggests that the “certification of the equipment producer” shall be issued from an authorized certified according to the Commission Regulation 2016/631 as transposed. When the document refers “Owners of the generating units”, shall be replaced with the “Owner of the generating unit” as the

Regulation does not permit the group application for the derogation.  
ERE assesses that the issue of the certification from the *authorized certifier* is not connected with the derogation process, but it is an obligation that the producers have according to the other legal acts.

- The Competition Authority with the official letter Protocol no. 672/2, dated 26.10.2019 is expressed that the draft for the “*Criteria to grant derogations according to the requirements for the connection of the generating modules*”, does not contradict with Law no. 9121, dated 28.07.2003 "On the protection of competition" as amended.

For all of the above mentioned, ERE Board,

**Decided :**

1. To approve “The criteria for granting derogations for the power generation modules”. (Attached to this decision)
2. Legal Issues Directory, shall inform the interested parties about ERE Board Decision.

This decision enters immediately into force.

About this decision may be required its review by ERE within 7 calendar day and it may be complained on Tirana Administrative Court, within 30 calendar days from the day of publication on the Official Gazette.

This decision is published on the Official Gazette.

**ERE CHAIRMAN**  
**Petrit AHMETI**

**CRITERIA FOR GRANTING DEROGATIONS FOR  
POWER GENERATING MODULES**

**2020**

## **The basis for granting the Criteria for Derogations about the power generation modules**

The Energy Regulator Authority (ERE) in granting the criteria for derogations for the power generation modules, is based on the competences defined on Articles 19(e), 23(1) and 63(1) of Law no. 43/2015 “On Power Sector” as amended, on the Permanent High Level Group of Energy Community decision no. 2018/03/PHLG-EnC dated 12 January 2018, on the Transmission Code, as well as on the “Network code on demand connection with the generators network”, approved with ERE Board Decision no. 129 dated 04.06.2018.

Article 61 of the Commission Regulation (EU) 2016/631 transposed in the national legislation with ERE Board Decision no 129 dated 04. 06. 2018, defines that ERE approves the criteria for granting derogations in conformity with the provisions of Articles 62 and 63 of this regulation.

On Article 9 of this Regulation or the “Network Code on Requirements for Grid Connection of Generators” transposed it is specified that *“The costs borne by system operators subject to network tariff regulation and stemming from the obligations laid down in this Regulation shall be assessed by the relevant regulatory authorities. Costs assessed as reasonable, efficient and proportionate shall be recovered through network tariffs or other appropriate mechanisms”*. On these conditions ERE shall specify the criteria for granting derogations from the requirements for the connection of the generating modules on a specific decision.

Article 60 of the “Network Code On Requirements for the Grid Connection of Generators” as a transposition of the Commission Regulation 2016/631 with Decision no.129 dated 04. 06. 2018, approved by ERE, on the request of the:

1. Owner of the power generation module in operation,
2. Prospective owner of the generation module; and
3. Respective network operators, TSO and DSO companies.

ERE may issue or remove the granted derogations. The specific criteria that shall be implemented to grant derogations shall be published on ERE official website, [www.ere.gov.al](http://www.ere.gov.al) and shall be notified to Energy Community Secretariat within two months.

### **Definition of the Derogation**

**Derogation:** shall mean the right of a party for not implementing, complying a request or specific standard or obligation deriving from the implementation of ERE Board Decision no. 129 dated 04.06.2018, for a specific time period.

## **I– Criteria for granting derogations**

When ERE shall decide upon the submitted request for derogations from the generating modules currently connected with the network or that require to be connected with the network, ERE shall take into consideration the following circumstances:

1. Whether the consistent application of some or all provisions of the transposed Commission Regulation (EU) 2016/631 of 14 April 2016 may have any adverse effect on operational security and the power system stability,
2. Whether power-generating facility owners in operation or prospective owners of the power generating modules require to connect in the power system are able to fulfil some or all requirements of the Regulation, if faced with the technical or economical justifiable issues in terms of :
  - a) Type of the primary source of energy of a generating unit,
  - b) Type of synchronous or asynchronous generator.

Criteria that shall be applied for the derogation shall be transparent and not discriminatory for all the existing generators or for those that require to connect to the power system. The request for derogation shall be refused if there are elements of the discriminatory behavior of the respective system operator regarding the identical cases of the modules connection, similar or identical of generation. Energy Regulator Authority may review or amend the criteria for derogation if it judges as necessary because of the circumstances regarding with the requirements for network development. In specific cases ERE may abrogate the decision for a granted derogation.

## **II – Additional recommendation for applicants**

Albanian Energy Regulator Authority (ERE) recommends prospective applicants for derogations to consult the recommendations titled “*Cost Benefit Analyses – Guidance document for national implementation for network codes on grid connection of ENTSO-E*”. This document is published on ENTSO – E website under section “Connection Network Codes”.

[https://www.entsoe.eu/network\\_codes/cnc/cnc-igds/](https://www.entsoe.eu/network_codes/cnc/cnc-igds/)

## **III – The requests for derogation shall be filed using the forms which are annexed to the document as follows:**

ANNEX 1 – Request form for derogation by power-generating facility Owners,

ANNEX 2 – Request form for derogation by relevant system operator.

**Request form for derogation by power-generating facility owners**

**I- General data about the applicant**

Name	
Premises	
Address	
Email address	
Telephone	
Fax	
Applicant: Identification number at the National Registration Center	<input type="checkbox"/> Power generating facility owner <input type="checkbox"/> Third party (if the module is type A)
Licensed by ERE with Decision no.....date Date of connecting the Connection Agreement .....	
Data provided pertain to: <i>(mark as appropriate)</i>	<input type="checkbox"/> Generating facility owner <input type="checkbox"/> Third party (if the module is of type A)

**II- Contact person of the applicant**

Name and surname	
Position	
Email address	
Telephone numbers	
Data provided pertain to: <i>(mark as appropriate)</i>	<input type="checkbox"/> Generating facility owner <input type="checkbox"/> Third party

**III-Basic data about the project**

Name	
Type of power generating module (A, B, C, D, synchronous, not in synchrony)	
Type of the primary source of energy	
Location /Connection point	
Installed capacity [kW]or (MW)	
Voltage of connection [kV]	
Equipment certificate issued by an authorized certifier <i>(mark if needed)</i>	Yes No
Expected lifetime	
Expected commencement of operations	

Provisions for which derogation is requested and the detailed causes		
Proposed period for the duration of the derogation (week, month, year)		Nga

#### IV– List of documents

##### a) Basic documents

<b>Evidence</b>	Submitted ( <i>mark below when appropriate</i> )	
Description of power-generating modules for which derogation is requested	Yes	No
Detailed description of the requested derogation	Yes	No
Detailed reasoning with relevant supporting documents and cost-benefit analysis	Yes	No
Demonstration that the requested derogation would have no adverse effect on cross-border trade	Yes	No

##### b) Other documents

No.	Title of the document
1.	Cost analysis in cooperation with the system operator where the generator is connected
2.	
3.	
4.	
5.	

Place and date of filing the request	Place:	Date:
Name and surname of responsible Person		
Signature of responsible person and seal		

## Request form for derogation by the relevant system operator

## I– General data about the system operator

Name	
Premises	
Address	
Email address	
Telephone	
Fax	

## II– System operator’s contact person

Name and surname	
Position	
Email address	
Telephone numbers	

## III– Basic data about the facility

Name	
Type of power-generating modules (A, B, C, or D,)	
Type of the primary source of energy	
Location	
Number of power-generating modules	
Total installed capacity [kW]	
Voltage of connection [kV]	<input type="checkbox"/> <input type="checkbox"/>
Equipment manufacturer’s certificate issued by an authorized certifier	Yes No
Expected lifetime	
Expected commencement of operation	
Provisions for which derogation is requested	
Expected lifetime declared from the applicant to remove derogation	From To

#### IV– List of the

#### documents

##### a)Basic documents

Evidence	Submitted ( <i>mark Yes or No</i> )
Description of power-generating modules for which derogation is requested and total installed capacity and number of power-generating modules	Yes No
Detailed description of the requested derogation	Yes No
Detailed reasoning with relevant supporting documents and cost-benefit analysis	Yes No
Demonstration that the requested derogation would have no adverse effect on electricity cross-border trade	Yes No

Cost-benefit analysis (if applicable, cost-benefit analysis is performed by the respective network operator where the generating TSO or DSO is connected) YES or NO.

**b) Other documents**

No.	Title of the Document
1.	
2.	
3.	
4.	
5.	

Place and time of Filling the request	Place: _____ Date: _____
First name and surname of the responsible person	
Signature of responsible person and seal	