

LAW
No. 43/2015

ON POWER SECTOR¹

Based on Articles 78 and 83, point 1 of the Constitution, with proposal of the Council of Ministers,

ASSEMBLY
OF THE REPUBLIC OF ALBANIA

DECIDED:

FIRST PART
GENERAL PROVISIONS

Article 1

Purpose of this law

The purpose of this law is to guarantee a reliable and safe electricity supply to the customers, through the establishment of an operational and competitive power market, taking into consideration the customer's interests, the security and quality of electricity supply and the requirements for environmental protection.

Article 2

Scope of this Law

This law regulates the relations of the electricity production, transmission, distribution and electricity supply activities and lays down the rules regarding:

- a) opening, organization and functioning of a competitive electricity market,
- b) participation in the electricity market;
- c) granting authorizations and licenses in the power sector,
- ç) regulation of power sector activities, customer protection, security of supply and establishment of competitive electricity market structures;
- d) integration of the Albanian market in the Regional and European Electricity Market.

¹ *This law is fully aligned with: Directive 2009/72 / EC of the European Parliament and the Council, dated 13 July 2009 "On common rules for the internal market in electricity, which repeals Directive 2003/54 / EC", CELEX number: 32009L0072, the Official Journal of the European Union, Series L, no. 211, no. 14. 08. 2009, p. 55-93 "*

Article 3

Definitions

In this law the following terms are defined as follows:

1. **"Third party access"** means the right of all system users to use the electricity transmission and distribution grids based on defined and published conditions, in conformity with transparency and non-discriminatory principles to the tariffs approved by ERE;
2. **"Electricity activities"** means the economic activities related to electricity production, transmission, distribution and electricity supply as well as electricity market operation.

*Red color are reflected the amendments on Law no. 7/2018 "On some amendments and Additions on Law no. 43/2015, "On Power Sector"

3. **“Balancing”** means all processes, through which the Transmission System Operator operates and maintains the system frequency within the defined stability range.

4. **“Board”** means the ERE decision-making body, appointed according to this Law.

5. **“Energy Renewable Resources”** means non fossil energy renewable resources, like wind, solar, aero thermal, geothermal, hydrothermal, and ocean energy, hydropower, biomass, landfill gas, sewerage treatment plant gas and biogas, as defined on the effective legislation for energy renewable resources.

6. **“Back-up source”** means a secondary source of electricity supply that is not connected with the power system.

7. **“Production plant”** is a set of defined buildings and plants, which have as base destination the production of electricity.

8. **“Certification”** means the procedure which determines compliance with the conditions ensuring independence and unbundling of Transmission System Operator, according to the definitions of this Law, as a precondition for defining and approving this operator;

9. **“Electricity derivate”** means a financial instrument that may be used from the electricity market participants as a safety means to possible fluctuations of the electricity price in the market.

10. **“Public service obligation”** means the obligation imposed to the licensee to perform a public service, related to the security and quality of supply, the regulated prices in the power sector, electricity efficiency, energy from renewable resources, environmental protection which does not distort competition, except when it is necessary to ensure the public service in question.

11. **“Dispatch”** means the activity performed by the Transmission System Operator consisting in real-time management of the electricity flows and application of the necessary provisions for the coordinated operation of the power system components, including production plants, transmission grid and the ancillary services necessary for the system operation.

12. **“Energy efficiency/request management”** means the use of electricity in a way to influence in the quality reduction and on peak time of electricity consumption.

13. **“Declared export”** means the electricity dispatch corresponding to the amount of electricity delivered simultaneously to another country as declared import according to a contractual agreement.

14. **“ENTSO-e** means the European Network of Transmission System Operators for Electricity”.

15. **“Energy Regulatory Entity”** or **“ERE”** means the regulatory institution of electricity and natural gas sectors, which operates according to this Law and the Law on “Natural Gas Sector”.

16. **“Force Majeure”** is an natural or social act or event such as earthquakes, lightning, cyclones, floods, volcanic eruptions, fires or wars, armed conflict, insurrection, terrorist or military action, which prevent a licensee from performing his obligations under the license or other acts or events that are beyond the reasonable control and not arising out of the fault of the licensee, and where the licensee has been unable to overcome such act or event by the exercise of due diligence and reasonable efforts, skill and care.

17. **“Supply”** means the sale, including resale, of electricity to the customers;

18. **“Supplier”** means a company licensed to perform the supply activity.

19. **“Supplier of last resort”** means a supplier designated in conformity with the provisions of this law, which provides, for a limited time, the supply service in regulated conditions to the customers, which are not were not able to contract a supplier by themselves or have lost their supplier.

20. **“Licensee”** means a person that holds a license for electricity activities according to

the provisions of this law.

21. **“Declared Import”** is the electricity delivered to a country which simultaneously is dispatched as declared export from another country.

22. **“Interconnector”** means a transmission line built by the Transmission System Operator or a third party, which crosses a border between Albania and another country and connects the national transmission systems of both countries.

23. **“New interconnector”** means an interconnector not completed and/or completed but not commissioned, by the date of entry into force of this law.

24. **“Customer”** is a wholesale or end use customer of electricity.

25. **“Household customer”** means a customer purchasing electricity only for its own household consumption, excluding the consumption for commercial or professional activities.

26. **“End – use customer”** means a customer purchasing electricity for his own use;

27. **“Non-household customers”** means any natural or legal person purchasing electricity, which is not for household use, this include the producers and wholesale customers.

28. **“Small non-household customer”** means any natural or legal person, connected to the 0.4 kV voltage level, purchasing electricity for use in the facilities where it operates, and not for resale.

29. **“Wholesale customer”** means any natural or legal person that purchases electricity to resale it within or outside the system of the country where it is registered.

30. **“Vulnerable customer”** means a household customer which due to social reasons, is entitled of certain special rights regarding the electricity supply, ensured on explanatory cases, according to the definitions of this Law.

31. **“Grid/Network Codes”** are the Transmission and Distribution Codes.

32. **“Distribution Code”** means a set of technical rules, which regulate the operation of distribution grid/network and sets out the conditions and terms of service provided by the distribution system operators for the distribution system users.

33. **“Transmission Code”** means the set of technical rules, which regulate the operation of transmission system and sets out the conditions and terms of service provided by the Transmission System Operator to the transmission system users in conformity with the ENTSO-e rules.

34. **“Metering Code”** is a set of mandatory minimum standards for the measurement and recording of electricity.

35. **“Supply contract”** means a contract for the electricity supply, but does not include electricity derivatives.

36. **“Full supply contract”** means the supply contract which includes the responsibility of using the transmission or distribution grid.

37. **“Supply contract with interruption”** means the supply contract that gives the right to the Transmission or Distribution System Operator to temporarily interrupt the electricity supply of the end-use customers, in conformity with the conditions and terms of service, defined at the Grid Codes and other regulatory acts.

38. **“Control”** means the rights, contracts or any other method which separately or collectively, based on a circumstance or a law, grant an entity the option of exercising a decisive influence for a given company in particular through:

a) ownership or the right to use all or a part of such company assets

b) rights or contracts which give a high influence on the drafting, voting or decision-making of that company bodies.

39. **“Restricted/limited capacity”** is the situation on which an interconnection line may not ensure the transmission of all the electricity physical flow resulting from the request of the market participants, due to the lack or reduction of the interconnection lines capacities and/or the national transmission system.

40. **“License”** means an authorization granted to a person for performing electricity activities according to the provisions of this law;

41. **“Direct line”** means either an electricity line connecting an isolated producer from the grid with an isolated customer from the grid, inside or outside Albania, or an electricity direct line connecting a producer with an electricity supply undertaking which directly supply with electricity their premises, subsidiaries or its eligible customers;

42. **“Intelligent metering”** means an electronic device that register on real time electricity consumption data and communicates this information, at least every day to the system operator for the monitoring and invoicing purposes.

43. **“Demand side”** means the measures undertaken to maintain the stability of the grid, as well as the reduction of the load or supply interruption, about which it is prior agreed between the parties

44. **“Ministry”** means the responsible ministry for the power sector.

45. **“Electricity market model”** means a document developed and approved according to the provisions of this law, which defines the relations between different electricity market participants.

46. **“Independent metering operator”** means a company with experience in electricity metering to perform and manage the metering system.

47. **“Distribution System Operator”** or **“DSO”** means a legal person responsible for secure, reliable and efficient operation of the distribution grid, ensuring the maintenance and the development of the distribution system, extended at a given area, and if applicable, its connection with other systems in order to ensure long-term capabilities of the system to meet the reasonable demands for the electricity distribution, respecting the environment and electricity efficiency.

48. **“Transmission System Operator”** or **“TSO”** means the legal person responsible for the operation, maintenance and development of the transmission system, including its interconnections with other cross-border systems, to ensure the long term ability of the system to meet reasonable demands for electricity transmission.

49. **“Network Operator”** is the transmission system operator and / or distribution system operator.

50. **“Market operation”** means the activity performed by the market operator for the organization and operation of the day ahead electricity market and the intraday electricity market”

51. **“Market operator”** means an entity licensed by ERE for the organization and operation of the day ahead and intraday electricity market”.

52. **“Regulatory Fee”** means an annual fee that all the entities licensed on the power sector shall pay on ERE account to cover the costs of its regulatory activity. The regulatory fee for each licensed entity is approved each year by ERE according to a methodology approved by this institution.

53. **“License fee”** means a fee imposed by ERE for licenses issued to perform an activity in the power sector.

54. **“Balancing responsible party”** means an electricity market participant or the representative selected by him, responsible to the Transmission System Operator for the imbalances established during its operation.

55. **“Energy Community Parties”** means the Contracting Parties to the Energy Community, the European Union and its Member States;

56. **“Person”** means a natural or legal person;

57. **“System users”** means any natural or legal persons supplying, or being supplied, with electricity through the transmission or distribution system;

58. **“Balancing responsibility”** means an obligation of market participants to balance generation, consumption, and electricity sale/purchase processes, in accordance with the accepted schedule being financially responsible to the Transmission System Operator for the settlement of imbalances system.

59. **“Balancing service provider”** is an electricity market participant, ensuring the balancing

services for the Transmission System Operator, according to a contract for balancing market participation, in conformity with the balancing rules of the power system.

60. **“Electricity market participant”** means any legal person, registered as an electricity market participant, which includes electricity producers, traders, suppliers, customers, Transmission system operator, distribution system operator, closed distribution systems and market operator. Transmission System Operator, Distribution System Operators, closed distribution systems and the market operator. The Distribution and the Transmission System Operators are the electricity market participants only for providing electricity needed to cover the losses in the grid, to provide the balancing and the ancillary services.

61. **“Long-term planning”** means the planning of the need for investment in generation, transmission and distribution capacities on a long-term basis, to fulfill the system demand for electricity and ensuring the customer’s supply.

62. **“Electricity generation”** means the process of generating electricity from the primary energy resources.

63. **“Producer”** means a person licensed for electricity generation;

64. **“Distributed power producer”** means a producer, whose plant is connected to the distribution grid;

65. **“Priority producer of electricity”** means the electricity producers from electricity renewable sources, according to the definitions of the Law on renewable energy.

66. **“Market rules”** means the detailed rules, which define the operation approach and the market management, the participants registration, balancing responsibility from the electricity market participants, rules for balancing the electricity system, rules for calculating the imbalance of the balancing responsible parties, rules for financial responsibilities of the balancing responsible parties in the event of imbalance, as well as other issues related with the market operation.

67. **“Electricity network”** means the set of lines, substations, transmission equipment or distribution of electricity, including the interconnection lines.

68. **“Security”** means both security of supply and provision of electricity, and technical safety;

69. **“Balancing service provider”** is an electricity market participant, ensuring the balancing services for the Transmission System Operator, according to a contract for balancing market participation, in conformity with the balancing rules of the power system.

70. **“Electricity system”** means an interconnected system, comprised of the power plants, power lines, substations and transmission and distribution equipment, for electricity transmission or distribution to the customers.

71. **“Distribution System”** means the system of lines, supporting structures, transforming and switching devices, used for electricity distribution system and its delivery to its customers, excluding the supply.

72. **“Transmission system”** means the system used for electricity transport in the high-voltage and very high-voltage, connected in parallel with the other countries’ systems which includes lines, supporting structures, power transforming and switching equipment for the delivery of electricity to the customers or to the distribution grid, excluding the supply.

73. **“Balancing service”** means the assurance of the contracted reserve capacity and/or the balancing electricity used from the Transmission System Operator to perform the balancing.

74. **“Ancillary services”** means the services necessary for reliable operation of the transmission or distribution system;

75. **“Public service”** means the service provided by a licensee operating in the power sector connected with the security and quality of supply, the regulated prices in the power sector, energy efficiency, the energy from the renewable resources, environmental protection, fulfillment of which does not distort competition, despite when it is necessary to ensure the public service in question.

76. **“Universal service of supply”** means a public service for the supply of the end-use
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customers, ensuring their right to be supplied with electricity of a specified quality within the entire territory of Albania at reasonable, easily and clearly comparable, transparent and non-discriminatory prices.

77. **“Power company”** means any natural or legal person performing at least one of the following activities: electricity generation, transmission, distribution, supply or purchase, which is responsible for commercial, technical or maintenance liabilities related to these activities, excluding the end-use customers.

78. **“Integrated electricity undertaking”** means an entity licensed on the power sector, vertically or horizontally integrated;

79. **“Horizontally integrated undertaking”** means an entity performing at least one of the activities for electricity sale generation, electricity transmission, distribution, or supply and another activity outside the electricity field;

80. **“Vertically integrated undertaking”** means an entity or a group of entities in the power sector, where the same person or persons are entitled, directly or indirectly, to exercise control directly or indirectly over these company and where the company or the group of companies perform at least one of the transmission or distribution activities and at least one of the electricity generation or supply activities;

81. **“Distribution”** means the transport of electricity in the distribution system with a high, medium and low voltage for its delivery to the customers, excluding the supply;

82. **“Declared transit”** means the amount of electricity coming from another country, which is not consumed within the country, but is transmitted to a third country;

83. **“Balancing market”** means market-based management of the power system balancing operations operated by the Transmission System Operator.

84. **“Organized electricity market”** is the platform organized for the electricity sale and purchase according to the day ahead or the intraday market.

85. **“Electricity market”** means a system where there are performed the effective sales and purchases and electricity derivate through the supplies and demands submitted for long term and short term periods.

86. **“Trader”** means any legal person performing the electricity trading activity.

87. **“Electricity trading”** means the process performed by a legal person that purchases electricity, to resale it within or outside the country’s system where it performs the activity.

88. **“Self-producers”** means a person producing electricity, which mainly consumes most of the produced energy for its own needs.

“89. **“Day ahead market”** means the electricity market, where the submission of the requests and the bids may be on the day before the delivery, on the time interval from one hour by the market operator to the gate closure.

90. **“Intra day market”** shall mean the electricity market for continuous trading of the products, where the submission of the requests and bids may be up to one hour before delivery.

91. **“Financial compensation (clearing)”** means the process of payment liquidation for the products traded in the electricity market, according to the provisions of the market rules”.

SECOND PART POWER SECTOR POLICIES

Article 4

Power sector policies

1. The Council of Ministers is responsible for the overall policy of the Albanian power development in conformity with country policies of economic development and other sectors.

2. The Ministry responsible for energy shall:

a) develop the National Energy Strategy for Albania, which is subject to approval by the Council of Ministers and is updated at least every five years. The National Strategy of

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Energy defines the objectives of the energy sector development and the ways of their accomplishment, providing a sustainable development of the national economy in a medium and long term period;

b) develops midterm programs for the development of the power , which are approved by the Council of Ministers in compliance with the National Energy Strategy;

c) accesses the need to construct new production capacities and strengthening the grids, in conformity with the midterm programs taking into consideration:

i) the general expected future electricity balances;

ii) the reliability and stability of the electricity supply;

iii) the cost, including any mechanism for costs minimization, for these new production capacities;

ç) supervise the implementation of policies and programs of power sector development, in conformity with the economic and social development of the country.

Article 5

Data and information on electricity balance

1. Any physical or legal person that produces, transmits, distributes, imports, exports or supplies electricity is obliged to submit data related to its activity to the responsible ministry for energy for the drafting of the power sector development policies and communication with specialized institutions, in the framework of the international commitments of Albania as well as the preparation and publication of annual electricity balance.

2. The responsible Ministry for energy approves the way and the format of reporting the data.

3. This Article does not limit ERE and any other respective bodies rights for the statistics, to data access in compliance with the provisions of this Law and the legislation in force.

THIRD PART SECURITY OF SUPPLY

Article 6

Rules on security of electricity supply

1. The Council of Ministers shall, upon proposal of the responsible Minister of Energy, in collaboration with other relevant institutions or undertakings in the power sector, approve rules on electricity security of supply, which include:

a) measures for ensuring security of electricity supply;

b) measures to be undertaken in cases when the security of supply is at risk;

c) measures to be taken in emergency situations;

ç) roles and responsibilities of electricity market participants in relation to security of electricity supply.

2. The rules for ensuring security of supply shall take into account:

a) the importance of ensuring continuity of electricity supply;

b) the importance of a transparent and stable regulatory framework;

c) the internal market and possibilities for cross-border cooperation in relation to security of supply;

ç) the need for maintenance and improvement of the transmission and distribution system to maintain the performance of the grid;

d) promotion of electricity produced from renewable energy sources;

dh) the need of ensuring sufficient transmission and generation reserve capacities, for maintaining the grid stability;

e) the importance of encouraging the establishment of a stable wholesale

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market;

ė) diversity of electricity generation sources;

f) the importance of reducing the long-term effects of the electricity demand increase;

g) the importance of encouraging energy efficiency and the use of new technologies, in particular as regards the demand management, renewable sources, generation from plants connected with the distribution grid;

g) the importance of avoiding administrative barriers to grid investments and generation capacities.

3. The rules referred to in paragraphs (1) and (2) of this Article shall not be discriminatory or provide unreasonable obligations to the existing and new participants in the market.

4. Electricity market participants shall act in conformity with the measures and rules of supply security, provided on points (1) and (2) of this article and shall be responsible for the electricity supply security in conformity with the activity that they exercise.

Article 7

Grid security and quality of supply

1. Transmission and distribution system operators shall develop specific rules, defining the minimum requirements on grid security and operation, including rules on quality of supply and grid security performance. During the developments of such rules and requirements, transmission and distribution system operators shall consult with the relevant stakeholders in- and outside the country. The rules on the quality of supply and the security of network performance shall be approved and monitored by ERE.

2. ERE shall supervise the maintenance of an appropriate level of technical reserve capacity of transmission from the Transmission System Operator, which cooperates even with the transmission operators of neighboring countries that is interconnected, to guarantee operation security.

3. Transmission and distribution system operators shall exchange information on the operation of grids on time and in conformity with the operative requirements referred to in point 1 of this Article, and with the foreign operators of the transmission interconnected systems.

Article 8

Demand and generation balance

1. To maintain the balance between the demand for electricity and the availability of electricity quantity, the following measures shall be taken:

a) ERE defines the rules that enable and promote the establishment and operation of an open market for generation, wholesale sale and the supply.

b) Transmission System Operator ensures a reserve capacity.

2. To maintain the balance between the demand for electricity and the availability of generation capacity, the Council of Ministers may take additional measures, including but not limited to the following measures:

a) inclusion in the relevant secondary legislation of the provisions supporting the construction of new capacities and the entry of new generation companies to the market;

b) removal of barriers that prevent the use of interruptible supply contracts, according to ENTSO-e guidelines;

c) removal of barriers that prevent the conclusion and signing of various terms contracts for both the producers and for the customers;

ç) encouragement for the use of real-time demand management technologies through an advanced metering systems, according to the customer's demands;

d) encouragement of the measures for using energy efficiently;

dh) implementation of competitive, transparent and non-discriminating procedures for

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new investment in the generation capacities, according to the provisions in Article 50 of this law.

3. Transmission System Operator shall, draft a general short-term, medium-term and long-term foresee of electricity demand and potential supply sources, taking into account the criteria and requirements of supply security.

FOURTH PART ENERGY REGULATORY ENTITY (ERE)

SECTION I ORGANIZATION

Article 9

Organization of ERE

1. ERE is the regulatory institution of electricity and natural gas sectors in Albania, which is governed by the Board. The Board is composed of the Chairperson and four Board members.

2. The Regulation on ERE organization and operation is drafted and approved by the Board and it is published at the official website.

Article 10

Independence of ERE

1. ERE is a legal, public person, independent from any other public or private entity. ERE Board and its Technical Staff:

- a) perform their operations in an impartial and transparent way.
- b) act independently from market interest of any private or public institution/entity.

2. ERE cooperates with the responsible Ministry for Energy and other Government institutions, in respect to issues subject of this law which are on their responsibility field.

Article 11

Selection and Appointment of the Chairperson and the Board members

1. The Chairperson and the Board members shall be appointed by the Parliament, with the proposal of the Selection Team, in conformity with points 2, 3, 4 and 5 of this Article.

2. The Chairperson and the Board members are appointed for a term of 5 years with the right to be re-appointed for another mandate.

3. The Board Selection Team shall be composed of two representatives from the Parliament, respectively the chair of the responsible parliamentary commission for energy and the chair of the responsible parliamentary commission for economy and from the Minister responsible for energy.

4. Not later than three months before the termination of the ERE Chairperson or one of the ERE Board members term, the Parliament publish the notification on the vacancy. The Selecting Team, shall select in advance two candidates which fulfil the requirements of point 5 of this Article and proposes it to the Parliament.

5. The Chair and the Board's members shall be persons that fulfill the following criteria:

a) the Chairperson shall be an outstanding person in the field of energy. He/she shall have at least 15 years of working experience in the power sector;

b) one of the Board's member shall have not less than 10 years working experience in the power sector and shall be electric engineer;

c) one of the Board's member shall have not less than 10 years working experience in

the hydrocarbons sector and shall be an engineer in the oil and/or gas area;

ç) two other members, respectively one from legal area and the other financial area shall have not less than 10 years working experience, from which not less than 5 years of experience in the power sector.

6. When the chairperson position remains vacant, the Board's member who has been longer in the board acts as the Chairperson until the appointment of the new Chairperson. The seniority is accounted from the date of his/her appointment as Board member.

7. The Board defines ERE Organization Chart and the number of employees, their salary and financial treatment of the Chairperson and the Board members as well as technical staff. In defining the salary and the financial/non financial treatment of the technical staff, the Board takes into consideration the market conditions and the salary level of the companies controlled by the sector that it covers.

Article 12

Dismissal and release of the Chairperson and the Board members

1. The Chairperson and the Board members may be dismissed from the Parliament only in case:

- a) they act not in compliance with the independency principle or are in conflict of interest;
- b) are punished for committing a criminal act by a final court decision;

2. The Chairperson and any Board member shall be released from the Parliament in case:

- a) they resign;
- b) they run to be elected as Member of Parliament.
- c) they run to be elected on the bodies of a local unit.
- ç) are unable to fulfil ERE duties and responsibilities for a period over 6 months;
- c. when they are not in the office, without any reason, for more than 1 month.

3. Before they are dismissed, the ERE Chairperson and the Board members, have the right to submit their reasons before the Parliamentary Commissions. The decision to dismiss or release the Chairperson or any Board member, should be based on the law and be reasoned for causes that lead to their dismissal.

4. The chairperson and the Board members, which are dismissed, shall have no right to re-elected at the ERE Board.

5. The dismissal or release of the Chairperson and the Board Members, according to points 1 and 2 of this article, shall be subject of Parliament approval, with the proposal of the Selecting Team.

Article 13

Chairperson of the Board

1. The Chairperson of the Board is ERE general administrator. He is responsible for the administration of the institution and the chair of the board meetings.

2. In cases when the Chairperson is absent, he designates one of the Board members to act as the Chair during this period.

Article 14

Technical staff and Board advisors

1. The technical staff shall assist the Board in performing its duties. The staff shall be selected, appointed, promoted and dismissed according to the procedures provided on the regulation approved by the board.

2. In addition to permanent technical staff, the Board, when it is reasonable, may be assisted by the advisors or experts in fulfilling its functions.

3. Costs for the advisors or the experts, according to point 2 of this Article shall be covered by ERE budget.

Article 15

Conflict of interest

1. The chairperson, the Board members or ERE technical staff of ERE may not be:
 - a) owner, shareholder or holder of assets, or any part thereof, of a licensee holding a license under the terms and conditions of this Law;
 - b) employed or subcontractors of a licensee holding a license under the terms and conditions of this Law;
 - c) member of supervisory board or other relevant governing bodies of a licensee holding a license according to the conditions of this Law;
 - ç) director, administrator or any other management position of any licensee;
2. If, during the application procedures for granting a license under this Law, or during a procedure in which there are involved the financial interests of a licensee, including but not being limited to the tariffs issue, the chairperson, the board member and/ or the technical staff are in a conflict of interest situation, other than those defined on point 1 of this Article, but included on the definitions of Law no. 9376 dated 7.4.2005 “On the prevention of conflict of interest in exercising the public functions”, as amended, he/she shall not participate on the respective decisions.
3. The chairperson of the board, any Board member and/or technical staff member may be a customer of the licensee, but neither the licensee offers to the Board member or the technical staff any favorable service, different from the general service provided for the public.
4. The Chairperson, the Board member and/or technical staff must exercise their operations in conformity with the legislation in force for the conflict of interest.

Article 16

Board meetings and decisions

1. The Board meeting and the hearing sessions are open for public. In specific cases, regarding the handle of internal issues, the Board may hold closed meetings in conformity with the definitions of the regulation on ERE organization, operation and procedure.
2. The Board meetings are held with the participation of not less than three members and the decision are taken with the majority of all Board members.
3. All Board decisions are accompanied with a on of the board shall be accompanied with a argumentative report.
4. All Board decisions, excluding those related to ERE internal organizational issues, shall be published in the Official Journal. ERE shall publish on its official website the approved decisions and the press release for each decision.
5. Any of parties involved in a procedure may request to ERE within 7 (seven) calendar days from the date of receiving the decision regarding that procedure, to review the ERE Board decision in case there are obtained new evidences that may lead to a different decision from the previous one or for observed errors.
6. All ERE Board decisions may be complained to Tirana Administrative Court, within 30 (thirty) calendar days, from the date this decision is published in the “Official Journal”.

Article 17

Financing of ERE

1. ERE budget is approved by the board. ERE has full autonomy to use its budget.
2. ERE financial sources are composed of the regulatory fees and license fees approved by ERE.
3. ERE hold full accounts of the executed expenses, in conformitz with the legislation in force for accounting.
4. ERE determines and approves the regulatory fee to be paid from the licensees, in accordance with the respective regulation. The fee should be proportionate with the annual

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incomes generated from the licensed activity.

5. ERE shall inform the licensee on the amount and terms of the regulatory payment. If the licensee fail to execute the payment within 30 (thirty) days from receiving the notification, ERE shall be entitled to apply the administrative measures according to Article 107 of this Law.

6. Regulatory fees shall be deposited in a specific account opened in one of the banks that operate according to Albanian legislation in force. Any fund on ERE account that is not expensed in one year shall be carried forward to the next year, proportionally reducing the regulatory fees for the next year.

7. The audit of ERE financial activity shall be performed by approved accounting experts, which are selected and perform their activity in conformity the legislation in force.

SECTION II ERE - OBJECTIVES, RIGHTS AND RESPONSIBILITIES

Article 18

ERE general objectives

1. The objectives of ERE during the performance of their regulatory functions defined in this law are the following:

a) promotion of establishing of an internal competitive secure and friendly market to the environment for all the customers and suppliers ensuring the appropriate conditions for the secure and stable operation of electricity grids in close cooperation with the Energy Communities and the regulatory authorities of the other countries;

b) establishment of the facilitating conditions for access to the grid for new generation capacity, as well as the removal of barriers that could prevent access of the new participants in the market and of those generating electricity from renewable sources;

c) commitment on the development and operation of a competitive regional market in the Energy Community;

ç) elimination of restrictions in electricity trading with member countries of Energy Community, including development of cross-border capacities of transmission.

d) commitment in the development of a secured, sustainable, non- discriminatory and customer protection system, in compliance with the objectives of the power system development, electricity efficiency as well as integration in a large scale of power generation from renewable sources.

dh) ensuring that customers benefit through internal market operation promoting competition and customer protection;

e) the guarantee of high standards on the compliance of public service obligations in electricity supply, protection of vulnerable customers and ensuring the compatibility during the data exchange process, regarding the switch of the supplier.

2. ERE cooperates with other Government institutions and with other independent institutions to comply its objectives provided on the point 1 of this article.

Article 19

ERE responsibilities

In exercising its activity ERE has these responsibilities:

a) approves the electricity market rules;

b) approves and publish, pursuant to the transparency principle, the methodologies for calculating the transmission, distribution, as well as other applicable methodologies;

c) approves and publish, pursuant to the transparency principle and taking into consideration the costs of the provided service, the tariffs for:

i) connections and access to the national networks, including tariffs for the transmission and distribution;

*Red color are reflected the amendments on Law no. 7/2018 “On some amendments and Additions on Law no. 43/2015, “On Power Sector”

- ii) performing the balancing services, which provide appropriate incentives to the users of the network to balance the energy entered in the grid and the energy consumed from the grid;
- iii) licensed activities about which it is decided public service obligation;
- ç) ensure access to the cross border infrastructure, including the procedures on the capacity allocation and the management of limited capacities;
- d) sets to the licensee the public service obligation, including the universal service of supply, according to articles 47 and 85 of this Law;
- dh) ensures unbundling of the obligations for the transmission and distribution system operators, in conformity with the provisions of this Law.
- e) cooperates with the regulatory authorities of adjacent countries, as well as with the Energy Community Regulatory Board to harmonize the regulatory framework for the development of the regional electricity market, including the cross-border exchanges of electricity and the rules for managing the interconnection capacities;
- ë) takes measures to avoid cross-subsidies between the transmission, distribution, and supply activities as well as between customer categories;
- f) ensures, in cooperation with other institutions, the effective implementation of the protection measures to the end use consumers, including those provided on Articles 86, 88 and 96 of this Law;
- g) cooperates with the Competition Authority and market surveillance body to review the conducts or possible anti-competition acts of the market participants;
- gj) ensures the customers the access to consumption data, in an understandable form, prepared by the system operator;
- h) publishes the conditions on the quality of services provided by the system operators;
- i) contributes to the main data exchange of the regional market;
- j) takes the measures to promote energy efficiency and demand management, as well as to improve the quality of service in the power sector;
- k) publishes on its website quarterly data for electricity market operation;
- l) approves with the proposal of the licensee the rules for:
 - i) the electricity sale, purchase and exchange, performed from the producers and the suppliers charged with public service obligation;
 - ii) ensuring electricity to cover the losses in the distribution and transmission grid.

Article 20 ERE rights

ERE has the following rights:

- a) takes binding decisions to be implemented by the licensees operating in the power sector;
- b) defines the rules and requests for license issue, modification, transferring, renewal and license removal in the power sector;
- c) approves temporary transmission tariffs, when the transmission and distribution operators create delays in tariffs amendments. In this case, if the approved tariffs result different from the temporary tariffs, ERE sets appropriate compensation measures;
- ç) monitors and controls electricity market operation and obliges the licensee to undertake the necessary measures for promoting effective competition and market operation security;
- d) requires any information from the licensees, in performing their tasks;
- dh) imposes effective, proportionate and dissuasive administrative sanctions on licensees;
- e) reviews and approves in conformity with the planification principle on lowest costs the the investment plans of transmission and distribution system operators and monitors their implementation;
- ë) settles the disputes, regarding the complaints submitted from the customers and the disagreements between the licensees according to the provisions of this Law;
- f) monitors the implementation of the contracts signed between the licensee by exercising

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the access right on the documentation and the information of the licensee and maintaining the confidentiality of the received information;

g) monitors the performance of the services in conformity with the requirements defined on the conditions of the license or the regulations approved by ERE;

gj) reports in conformity with the requirements of the Albanian legislation in force, to the Energy Community institutions, and any other appropriate international institutions;

h) approves the standard contracts or the general conditions of the contracts on the regulated services provided by market participants, charged with the public service obligation.

Article 21

Tariff principles for grid operation and services

1. Applicable tariffs for grid access, shall be applicable on non- discriminatory basis to all grid users and shall be transparent, reflect the real costs and the need to guarantee grid security.

2. The tariff level of grid access shall not be affected from the distance of the electricity grid user. The set of grid access tariffs according to this article, shall be independently of the obligations for declared exports and imports, resulting from the management of limited capacity of the interconnections, referring article 67 of this Law.

3. The tariffs level about the connection with the grid of the producers and consumers shall be determined taking into account the level of losses in the grid, limited capacity that may be caused by such connection and the necessary infrastructure investment costs enabling the connection with the grid.

4. The approved tariffs and the methodologies of their calculation shall enable the performance of necessary investments in the grid, to guarantee that these investments shall ensure the system sustainability. In defining the access tariffs in the grid shall be taken into account even the:

a. payments and receipts resulting from the cross-border transmission system operator compensation mechanism;

b. executed and received payments, including the payments expected for future periods of time, accessed according to the previous periods.

5. There shall not be applied grid access tariffs for individual transactions of declared export and/or transits.

6. In approving the access tariffs in the grid or their methodologies, ERE shall ensure the appropriate short -term and long - term incentives to the Transmission and Distribution System Operators for the effectiveness increase, increase of market integration, security of supply and support of the research activities.

Article 22

Monitoring by ERE

ERE monitors:

- a) the implementation of the electricity market rules;
- b) implementation of the transparency obligation from the licensees;
- c) market competition effectiveness in retail and wholesale sale level, the exchanges, supplier switching rules, grid disconnection rules, payments for maintenance services, customer complaints and any distort or limitation of competition, informing the Competition Authority for the ascertained cases;
- ç) signing the conditional contracts, including even contracts with specific exclusion conditions, which may impede large non-household customers to simultaneously contract with more than one supplier or to condition the selection of this opportunity from them. In this case shall inform the Competition Authority;
- d) the terms within which the transmission and distribution system operators shall complete the connection to the grid of new customers or perform repairs to the grid;
- dh) the implementation of rules relating to the roles and responsibilities of the Transmission System Operator, Distribution System Operator, suppliers, customers and other market participants;
- e) investments in new generation capacities in relation to security of supply;
- ë) the implementation of safeguards measures as referred to in Article 6 of this law;
- f) grid security and stability
- g) cooperation of the Transmission System Operator with adjacent TSO-s or European Network of Transmission System Operators for electricity (ENTSO-E), including the monitoring the implementation of the inter-transmission of the Transmission System Operator compensation mechanism, established in the framework of this cooperation;
- gj) the implementation of the rules on the management and allocation of interconnection capacity, in cooperation with the regulatory authorities or other competent authorities of the neighboring countries with which it is decided interconnection;
- h) management of limited capacity in transmission grid including interconnections and the implementation of limited capacities management;
- i) publication of appropriate information from the Transmission System Operator concerning interconnectors, grid usage and capacity allocation to interested parties, maintaining the confidentiality of the received information;
- j) the effective unbundling of accounts, in conformity with the provisions of this Law, to avoid cross- subventions between generation, transmission, distribution and supply activities;
- k) the conditions and tariffs for connecting new electricity generators.

Article 23

Regulatory regime for cross-border issues

1. ERE shall cooperate with other adjacent regulatory authorities of the region and with Energy Community Regulatory Board to:
 - a) draft and sign of operational agreements for optimal management of the grid, promote mutual exchanges and the allocation of cross-border capacities, as well as the increase of interconnection capacities through new interconnections, enabling the increase of effective competition, improve of security of supply without discriminating the licensees and traders of different countries, parties of Energy Community;
 - b) coordinate the draft and implementation of the Network Codes from the transmission network operator and other stakeholders of the market;
 - c) coordinate the draft of the rules governing the management of limited capacities.
2. ERE shall have the right to sign cooperating agreement with the regulatory authorities of the regional countries to strengthen regional regulatory cooperation.

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Article 24

Settling the disputes from ERE

1. ERE acts as an authority in settling the disputes regarding between the licensees in compliance with the respective regulation to review the disputes and handle the complaints.
2. Any interested party having a complaint to the transmission or distribution system operator as well as to other licensees, regarding the implementation of their obligations, in conformity with the definitions of this law or the by-laws of the Power Sector, may submit these complaints for settlement to ERE. ERE decides on the dispute within 30 days from the registration date of the complaint. Such period may be extended to additional 30 days, in case ERE needs additional information.
3. ERE may decide not to accept the complaint if, in accordance with the law in force, observes that the review of the complaint is not on ERE authority.
4. The submission of the complaint, according to the provisions of this article does not impede the Interested Party to address to the other competent bodies, in compliance with the legislation in force.

Article 25

Reporting of ERE

1. Within 31 March of each year, ERE shall submit to the Parliament the annual report on power sector situation and ERE activities for the previous year. After this report is submitted and approved from the Assembly, this report shall be published on ERE official website.
2. On the report prepared by ERE, in compliance with paragraph 1 of this Article, it is described the general situation of the power sector, including in particular:
 - a) security of the operational grid;
 - b) the foreseen balance of electricity supply and demand in the internal market for a five year period;
 - c) the expected level of the demand and the security of supply prospects for a five to fifteen year period from the date of the report;
 - ç) the additional proposed, planned generating capacity, or under construction capacity;
 - d) the foreseen of investments, for not less than five next years, planned to be realized by the Transmission System Operator or any other party, regarding the increase of cross-border interconnection capacity;
 - dh) the quality and level of maintenance of the grids;
 - e) masat për menaxhimin e kërkesës në pik dhe ndërprerjeve në furnizimin me energji elektrike;
 - f) measures to manage the peak demand and the interruptions in electricity supply;
 - ë) appropriate measures, if needed to increase the security of supply;
3. The Information of the annual report referred to letter “d” point 2, of this article, shall be based on:
 - a) capacity limitation management principles for the existing and planned transmission lines;
 - b) expected samples of generation, supply, cross-border exchanges and consumption, enabling for demand management measures;
 - c) sustainable development objectives in national, regional and European level.

ç) Detailed information of the Transmission System Operator, on foreseen investments on interconnection lines and for the construction of internal grid transmission lines, which directly affect the cross - border interconnection lines.

FIFTH PART POWER SYSTEM

SECTION I

GENERAL PROVISIONS

Article 26

Integrated operation of the power system

The power system shall operate as an integrated system with continuous processes of electricity generation, transmission, distribution and electricity consumption.

Article 27

Connection to the grid

1. Transmission and distribution system operators shall ensure connection to the transmission and distribution system based on non-discriminatory conditions. ERE in cooperation with grid operators, approves the rules that define the costs to be charged to the user related to specific conditions of the connection point.

2. Transmission System Operator shall not be entitled to refuse the connection to the grid of a grid user with the justification of future possible current capacity limitation of the grid or the establishment of limited capacity for the distant parts of the transmission system. Transmission system operator shall not be entitled to refuse a new connection point, on the justification that it will lead to additional costs linked with need to establish additional capacity of the system elements in the area around to the connection point.

3. ERE shall approve the new connections rules and procedures, proposed by the licensee where it is included the methodology of calculating the costs and the standard connection agreement, that are transparent and efficient to ensure the non- discriminatory connection of every user to the transmission and distribution system. These rules and procedures specify the mutual rights and obligations of the respective system operator and the party requesting the connection, in particular the conditions for the connection, deadlines, metering points, ownership limits between the system and the system user.

4. The regulation consider the costs and benefits accompanying the connection to the grid of the users, as well as the special circumstances of the producers located in remote areas and areas with low density of the population

5. Transmission and distribution system operators shall provide any new user wishing to be connected to the grid full information, including:

- a) a comprehensive and detailed assessment of the costs to realize the required connection;
- b) the necessary time period needed to process the request and realize the connection with the grid;

6. New users wishing to be connected in the grid, upon the approval of the request for their connection by the respective system operator, may contract licensed operators from competent authorities to perform the necessary works for the grid connection, in compliance with the provisions or specifications stipulated in the connection agreement between the new user and the system operator. The system operator shall define the criteria and technical conditions to be fulfilled for the grid connection.

Article 28

Fees for connection to the grid

1. Full fees for connection to the existing grid shall be covered by the party requesting the connection to the grid.

2. In calculating the connection fees shall take into account the connection point and its capacity, the intended purpose, consumption sample, costs related to the strengthening or improvement of existing infrastructure or improvement on the grid operation which may be needed for the connection, status of the grid user as well as other features of connection.

3. When the connection is realized by the system operator, the connection fees are prepaid by the party requesting a connection, in accordance with the rules on the new connections procedures.

4. The Transmission or Distribution System Operator, in cases of lack of the necessary capacities for the connection of new users, can sign an agreement with the requesting party to improve the system, to enable the requested connection, on the condition that the fees shall be faced by the requesting party. This agreement is approved by ERE, after the proposal by the grid operators.

5. In case of connection of new grid users, the asset ownership of the connection added to the existing grid is of the user, until complete depreciation of the assets or at the end of the issued authorization, based on the connection agreement signed by the parties. After the full depreciation of the connection assets, their ownership shall be transferred to the grid operator. The connections are operated by grid operators, which are responsible for their maintenance. The maintenance fee is paid by the user.

6. The Transmission System Operator pursuant to the grid technical conditions authorizes the connection of the new user in the transmission system through the new connection assets realized by the previous user. The new user is responsible for the fair compensation of the fees to the user that performed the investment pursuant to the new connections regulation;

7. Transmission System Operator or Distribution System Operator shall have the right to receive the a part or full ownership of the connection constructed by the user, according to the civil legislation to full compensation of the fees calculated in conformity with this law and the regulation for new connections, when accessing the importance of the connection assets, in the development of the transmission or distribution system, or when these assets serve for more than one customer.

Article 29

Third party access

1. Transmission and Distribution System Operators shall ensure access to the grid for all the system customers and users, on transparent, non-discriminatory basis and with tariffs approved and published by ERE. Producers generating electricity from renewable resources, shall have priority to access to the electricity grids.

2. Transmission System Operator and Distribution System Operator may refuse the access to the grid, in case of lack of necessary capacity. The decision on the refusal of access to grid should be justified, based on the objective technical and economic conditions and shall take into consideration the public service obligation as well as the obligations for the protection of the end users, as defined in this law. The Decision on the refusal of access shall be notified to the interested party.

3. In case an interested party has been refused access to the grid, it can require opening the dispute settlement procedure, at ERE.

4. In case of refusal of access, ERE through the grid operator ensures to the interested party relevant additional information.

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Article 30

Interconnections with other power systems

1. The national transmission system shall be connected to the transmission system of other countries through the existing interconnection lines, those to be constructed by the Transmission System Operator, in compliance with the grid investment plan, approved by ERE, or that shall be constructed from third parties, according to the provisions of this law.

2. Operation of the transmission system in parallel to other countries interconnected systems shall be carried out in accordance with multi-lateral or bi-lateral agreements between the operators of interconnected transmission systems complying the technical requirements, safe operation requirements and other interconnection standards established by the ERE.

Article 31

Construction of new interconnectors

1. The new interconnection lines constructed by Transmission System Operator or private investors, shall be approved with Council of Ministers Decision, with the proposal of the responsible minister for energy.

2. The conditions and procedures for the construction of the new interconnection lines, according to the provisions of this article, shall be approved with Council of Ministers Decision.

Article 32

Exemption from the obligation for access

1. New continuous current interconnectors and any considerable increase in capacity of existing continuous current interconnectors that will be constructed after the entry into force of this law, on the request of the investor may be exempted upon ERE's decision partially or fully, from obligation to provide access right to the third party on this line, according to the provisions of article 29 of this law, if there are fulfilled the following conditions:

- a) the investment will improve competition in electricity supply;
- b) the risk level, regarding the investment, is such that the investment may not be performed unless an exemption from the obligation to provide the access right to the third-parties;
- c) the interconnector must be owned by a person, which is legally unbundled from the Transmission System Operator;
- d) to the interconnector users shall be applied fees for the utilization of its capacity;
- e) any part of the capital or operating costs of the interconnector is not covered from any tariff component, applied to the use of transmission or distribution grids connected by the interconnector;
- dh) the exemption from the obligation to ensure the access right to the third parties does not affect competition or efficient operation of the internal market or the market of another country to which the interconnector is connected.

2. In special cases, point (1) shall be applied even for alternative current interconnectors, on the condition that the costs and risks of the investment in question are particularly high, compared to the costs and risks normally encountered for the connection with the transmission grid of a neighbouring country through an alternating current interconnector.

3. The exemption may include all or part of the new interconnector capacity or of the additional capacity of the existing interconnector, in conformity with the conditions defined on point 1 of this article.

4. ERE decision to grant the exemption, is taken on case-by-case basis and in compliance with the decision of the Regulatory Authorities of the involved countries. In the decision are set the conditions regarding the duration of the exemption and non-discriminatory access to the interconnector, as well as the operation of the interconnector during and after the

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exemption period. In setting these conditions shall be taken in account, in particular, the new transmission capacities to be constructed, the increase of existing capacities, the time-schedule of the project and national circumstances of the concerned countries. The exemption decision shall be taken in coordination with the Regulatory Authorities of the concerned countries.

5. Before granting the exemption, ERE defines the mechanisms for the management and allocation of the capacities, in mutual agreement with the regulatory authority of the concerned country, where it is provided the obligation for providing unused capacity to the market. In assessing the criteria referred in letters (a), (b) and (dh) point 1, of this article, are taken into account the results of the capacity allocation procedure.

6. When ERE together with the regulatory authorities of the concerned countries have reached an agreement on the exemption decision, within six months, they shall inform the Energy Community Secretariat, regarding the:

a) the reasons bases on which it is granted or refused the exemption, including the financial information which justifies the need for exemption;

b) the analysis made for the competition and effective operation of the internal market resulting from the grant of the exemption;

c) the reasons for the time period and the capacity for which it is granted the exemption

ç) the results of the ERE consultation process.

7. Before ERE takes the respective decision send this decision for opinion to the Energy Community Secretariat. ERE expects for the Energy Community Secretariat opinion not more than 2 months from the date of sending the decision. This term may be extended on ERE consent, in case the Energy Community Secretariat requires additional information.

8. In taking this decision, ERE shall take into account the Energy Community Secretariat opinion. If the ERE final decision is different from the Energy Community Secretariat opinion, ERE shall inform the Secretariat for the taken decision and the reasons where this decision is supported.

9. The Energy Community Secretariat shall decide for exemption when:

a) the regulatory authorities involved fail to decide within 6 months from the latest date of depositing the request for exemption to the respective regulatory authorities;

b) according to the request of the concerned regulatory authorities.

10. The exemption decision, including any imposed condition, shall be reasoned and shall be published.

11. After the exemption period, if the owner does not want to use the interconnector line in an open access regime to the third parties, according to the rules and requirements regulating the national grid operation, he firstly offers the right of purchase for the accounted remaining value of the asset for the part located within the national territory, to the Transmission System Operator. In case the Transmission System Operator refuses such offer, than the owner, respecting rules provided on the Council of Minister decision according to article 31, of this law, may offer the sale of the asset located within the national territory to third parties, which shall use the line in conformity with the rules and requirements regulating the activity of the national transmission grid.

Article 33

Direct Lines

1. All electricity producers and suppliers within a given territory may supply their facilities, branches and customers, through a direct line.

2. Direct lines constructed for electricity export by domestic generators to a customer outside the country, are subject to Council of Ministers' approval, after the given opinion from ERE.

3. Direct lines, constructed for the connection of a generator within the market with a customer within the country or a supply company supplying its facilities or qualified
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customers, are subject to the responsible Ministry for energy approval, after the given opinion from ERE.

4. The Council of Ministers shall approve the conditions and procedures for the construction of the direct lines.

5. The Minister approves the construction of a direct line, even if the applicant is refused the access to the grid for cases provided in article 29 of this law, or if it is initiated a procedure for dispute settlement, according to the provisions of article 24 of this law;

6. The Minister may refuse the construction of a direct line if the granting of such authorization impede the compliance of the public service obligations and customer protection, defined according to the provisions of this Law. The justifications for such refusal shall be justified and notified to the applicant.

7. The possibility of electricity supply through a direct line as referred to in point (2) of this article shall not limit the right of a customer to sign electricity supply agreements from another supplier chosen from him.

8. The expenses for the construction and operation of direct lines shall be covered by the holder of the authorization.

9. Regarding the establishment, exercise and termination of the rights related to the construction and operation of direct lines passing through the third party property the provisions of the Civil Code shall be applied.

Article 34

Technical and safety standards in power sector

1. Technical rules for the design, construction and operation of the plants generating electricity, the transmission system, distribution system, interconnection lines or direct lines in Republic of Albania, including the rules of technical safety, are drafted by the ministry responsible for energy in cooperation with General Directory of Standardizations and are approved with Council of Ministers decision.

2. The rules referred to in point 1, of this article shall be objective, non- discriminatory, and they shall ensure a reliable and secure operation of the power system, including the interaction with the adjacent countries power systems, as well as shall ensure the free and efficient competition in the market.

3. Design, construction and operation of power generation plants, the transmission system, distribution system, interconnection lines or direct lines shall be in conformity with the technical rules defined on point 1 of this article and in conformity with the technical harmonized Albanian standards in force.

4. The control of implementation and observation of technical rules provided on point 1, of this article, for the power sector shall be performed by the responsible inspectorate under the responsibility of the minister responsible for energy, in conformity with the legislation in force.

Article 35

Unbundling of accounts for the power sector companies

1. Any licensee shall keep separate accounts for each of the exercised licensed activities, as well as for any other activity that is not related to the power sector, to avoid discrimination, cross-subsidization and violation of competition. These accounts may be submitted consolidated, except of the case when the performed activities relate to electricity distribution or transmission.

2. The revenues that the licensee obtains from any right over the transmission or distribution system shall be specified on the accounts of the licensee.

3. Any licensee shall submit for audit and publishes the annual financial statements, in conformity with the effective accounting standards. The audit shall verify even if it is

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respected the obligation to avoid avoid cross-subsidies between the licensed activities.

4. Licensees shall make available for the interested parties their annual financial statements.

Article 36

Protection area

Regarding the protection and normal operation of the electricity facilities and their ancillary assets, as well as to avoid the risk to people, wealth and environment, the Council of Ministers approves the conditions for the safety areas, as well as the applicable limitations for these areas.

SECTION II

LICENSING

Article 37

Licensed activities and exceptions

1. Any legal person, who performs an activity in power sector, according to point 2 of this article shall be equipped with the respective license, issued by ERE in conformity with the definitions of this law.

2. ERE shall issue licenses for the following activities:

- a) electricity generation;
- b) electricity transmission system operation;
- c) electricity distribution system operation;
- ç) electricity supply;
- d) electricity trading;
- dh) electricity market operation.

3. To perform each of the activity, subject of ERE licensing, are issued special licenses even when they are issued for the same company. In setting the licenses conditions ERE shall avoid possible discrepancies between the licenses conditions, issued for different activities performed by the same company.

4. Local government units may perform each of the activities defined on point 2, of this article if they are equipped with the respective license from ERE, despite of the activity defined on point 2 letters “b” and “dh”.

5. For the operation of a direct line it is not needed the transmission or distribution license.

6. There are not obliged to be equipped with a license in electricity generation:

- a) self-producers which are not connected to the national grid, or when the connection to the national grid is related to the maintenance of its generation unit;
- b) the generators, including even the self producers connected to the national grid, with installed capacity up to 1 MW;

7. Entities provided on point 6 of this article, in any case are obliged to respect the market rules and the Network Codes.

Article 38

The licensing conditions

1. ERE shall define the conditions to be fulfilled for obtaining any license, taking into consideration, among other things:

- a) the license validity term, which cannot be more than 30 (thirty) years for the generation, transmission and distribution activities;
- b) the locations and areas, on which the licensed electricity activities shall be performed;
- c) operating safety and reliability of the facilities, equipments or the grid, in accordance with the technical rules defined in the article 34 of this law;
- ç) requirements about the nature of primary energy resources;

- d) requirements connected with national security, protection of citizens life, property and health and public order;
- dh) financial requirements;
- e) environmental protection;
- ë) promotion of energy efficiency in the power sector;
- f) public service obligations as provided on this law;
- g) promotion of energy efficiency in the power sector;
- h) promotion of a competitive electricity market;
- gj) whether the applicant is organized in conformity with the unbundling principle of the activities and the structural unbundling, defined on this Law.

The license for the operation of the transmission system is issued only to an entity that is certified in conformity with the provisions of Article 58 of this law.

Article 39

Licensing procedures

1. ERE approves the regulation on the procedures and terms for license issue, modification, transferring or license termination, license application fees, as well as any information that shall be submitted in the application request for each license.

2. ERE may approve simple licensing procedures for the generators connected to the distribution grid and the electricity trading activity.

3. ERE takes the decision to issue or not an electricity generation license, within 60 day from the application date and within 30 days from its application date for the other licenses, except of the case when it decides to prolong the term of taking the decision, in conformity with the regulation on ERE organization and operation. In any case, the prolongation of the term to take the decision shall be not more than 30 days.

4. ERE may issue the license on the condition when it judges that any of the incompleting conditions is not essential and the licensee is committed to fulfill that within a specific period defined on the decision.

Article 40

Publication for license application

1. ERE shall publish, within 14 days from the date of the application to take a license, the notification for the made application, in conformity with the procedure defined on the regulation on Licensing Procedures.

2. When making a decision, the ERE's decision will take into account and assess any reasonable and grounded comment or objection submitted by the public institutions or other stakeholders with respect to the license application, by giving the reasons for their approval or denial in the decision.

Article 41

License refusal

1. ERE may refuse the issue of a license if:

- a) the applicant fails to comply with any of the conditions defined on article 38 of this law ;
- b) the applicant is under bankruptcy or liquidation process, as provided on the effective legislation on bankruptcy;
- c) to the applicant it has been revoked or terminated the license and has not terminated the period, within which it is prohibited the license re-application, as defined on the respective ERE decision for license termination.

2. ERE decision shall include the reasons of such refusal

Article 42

License removal

1. The ERE may remove a license when the licensee:

- a) fails to complete the essential conditions of the issued license according to this law;

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- b) in performing its activity, violates the legal provisions on environmental protection;
- c) endangers the health, life and property of people;
- ç) fails to pay regulatory fees, set by ERE as determined from article 17 of this law;
- d) becomes insolvent or declares bankruptcy;
- dh) upon request of the licensee;
- e) ceased to perform the functions required under the license.

2. In the case of license removal according to letters “a”, “b”, “c”, “ç” and “d” point 1 of this Article, ERE shall:

- a) informs by writing the licensee to open the procedures for license removal. The notification shall clearly state the reasons for the license removal;
- b) give the opportunity to the licensee to reply in writing within 30 (thirty) from the day the notification to open the procedure for license removal;
- c) when in the public interest, ERE may give the licensee a period of 30 (thirty) days after the written, to act in conformity with the license conditions and avoid the reason for the license removal.

3. When ERE takes the decision for license removal of the licensee that exercises the electricity generation, transmission, distribution or electricity supply activities , subject to public service obligation, in order the assets owned by the licensee, to continue to be utilized to ensure the electricity supply to the customers, ERE according to the respective regulation on license removal procedures, decides one of the temporary measures defined as follows:

- a) takes the decision to set under limited administration for a specific time period, the company to which it is removed the license, to ensure the exercise of this activity and operation of its assets, until the taken of the measures according to point 7 of this article;
- b) appoints another company, to perform the activity of the company, to which it is removed the license, that shall comply with the relevant licensing conditions;
- c) takes the decision to appoint a temporary administrator for the company, to which it is removed the license, to ensure the exercise of the activity and operation of its assets until the taken of the measures according to point 6 of this article. In this case, ERE, upon proposal of the responsible minister for energy, appoints an administrator, who is responsible to ensure a normal activity, including the assets operation of the company to which it is removed the license according to the relevant conditions.

4. For cases provided on point 3 of this article, ERE defines the conditions and obligations that shall be implemented from the company to which it is removed the license, during the temporary measures implementation period.

5. The Council of Ministers with the proposal of the responsible minister for energy shall approve the procedure and the criteria for appointing the administration, whom shall be responsible for the temporary administration of the company, according to letter “c” point 3 of this article.

6. Until the license is transferred to another company, shall be applied the temporary measures defined on point 3 of this article for a period not longer than 12 months from the date of license removal, the implementation of which shall be monitored by ERE.

7. The rules, procedures and criteria for the requirements implementation according to points 1, 2 and 3 of this article, are set by ERE on the respective regulation for license removal procedures.

8. When the ERE removes an electricity generation, transmission, distribution or supply license, for the cases provided on letter “b” point 3, of this article, the Council of Ministers within 12 months from the date of license removal, shall perform the expropriation procedure, according to a reasonable compensation of the licensee assets according to the legislation in force.

Article 43

Modification of the license conditions

1. ERE may modify the license, on its own initiative, according to a final court decision in cases when the concession agreement conditions are amended or on the request of the licensee. ERE shall take into consideration the expected effects that the initiated or proposed modifications shall have to the obligations of the licensee in conformity with this law and the license conditions.

2. Before approving the license modification, ERE shall publish the proposed modifications and reviews the possible objections and the complaints, submitted from the interested parties regarding this process.

Article 44

Transfer of a license or assets

1. The transfer of a license or the licensee assets, serving to perform the licensed activities, is done upon ERE prior approval, according to the regulations approved by ERE. ERE approval is not necessary in cases of asset transfer on minimal value, or the assets that are not closely connected with the licensed activity, according to the regulation defined on point 2 of this article.

2. ERE approves the regulation on the procedures of assets transfer from the sale, lease, transfer, mortgage, pledge or any other disposition of the licensee facilities or fix assets used to perform the electricity generation, transmission and distribution activities including the exemptions from the approval of minimal value assets.

Article 45

Unified accounting standards

1. ERE shall draft and approve a unified and standardized system of the accounts for all the licensees that operate on the electricity market, supported on the legislation in force and the internationally accepted standards on accounting.

2. The annual financial reporting of the licensees to ERE is made according to this system.

Article 46

Access of the licensee accounts

1. The licensees that operate in the electricity market, shall submit to the ERE the complete financial statements for every exercising year. Such financial statements are deposited at ERE within January 31 of the next exercising year. The licensees that operate in the electricity market are also obliged to deposit the audited copy of the financial statements, within June 31 of the next year.

2. In performing its duties, ERE has the access right to the data, according to which are drafted the financial statements of the companies operating in the electricity market.

3. ERE shall preserve the confidentiality of any commercially sensitive information obtained from the licensed companies that operate on the electricity market. ERE may disclose such commercially sensitive information when required from the competent authorities, in conformity with their functions, as stipulated by the legislation in force.

Article 47

Public service obligation

1. The Council of Ministers, taking into account the public interest, determines the conditions for setting public service obligations that will be implemented to the licensees on power sector that perform the electricity generation, transmission, distribution and electricity supply activity, which relate to:

a) security of supply;

- b) quality of service;
- c) the fees to perform the public service obligation;
- ç) environmental protection;
- d) protection of competition;
- dh) energy renewable resources;
- e) energy efficiency;
- ë) any other circumstance affecting the public interest;
- f) climatic changes.

2. ERE shall decide about a licensee, exercising its activity on the power sector, on the public service obligation, in accordance to the conditions defined according to Council of Ministers decision, provided on point 1 of this article. Any public service obligation imposed by ERE shall be incorporated in the license of the licensee, following the procedure for issuing a new license or a modification of the existing license of the licensee.

3. The establishment of a public service obligation to a licensee, according to point 2 of this article, is performed in a transparent, non discriminatory way not preventing the opening of the electricity market.

4. In imposing the public service obligation to a licensee, ERE takes into account the technical, financial and organizational capacities of the licensee and if the latter has provided a public service for the same area or category of customers, before this obligation is imposed.

5. To the licensee shall not be imposed as public service obligation the construction of a specific network or area, on which there is no network before the date of imposing this obligation, except of the areas object of regulation plan approved according to the legislation for the territory planning and development.

6. ERE decisions by which it is imposed public service obligation to the licensee shall:

- a) clearly define the public service obligation;
- b) clearly define the electricity the licensee on the power sector, that shall be in charge with public service obligation;
- c) taking into account the cover of the licensee costs charged with this obligation;
- ç) specify the nature of any exclusive or special rights assigned to the licensee in question;
- d) define the category of customers, the area and the period about which it is imposed the public service obligation;
- dh) clearly define the way of financing and calculating the compensation that shall be granted to the licensee, to which it is charged the public service obligation;
- e) clearly define and justify that the imposed obligation composes the smallest limitation and it is proportional and essential to ensure the public service in question.

7. The costs to realize the public service obligation from the licensee shall be submitted at ERE in approving the fees for the realized services, in compliance with the provisions of this law. ERE shall in a transparent and non-discriminatory way, define the allocation of costs to fulfill the public service obligation to end use customers.

8. Any additional costs caused to the licensee, in realizing the public service obligation, that are not included on the tariff defined by ERE, according to point 7, of this article shall be financially compensated or in other forms of compensation, which shall be determined in a transparent and non- discriminatory way. Compensation for these additional costs includes the costs caused for the public service obligation, about which to the licensee are decreased the expected revenues. Any compensation for the licensee to realize the public service obligation, according to this point, is accessed be the state assistance commission in cooperation with the ERE, the Ministry of Finance and the Competition Authority and is approved with Council of Ministers decision.

9. If a market participant in charge of public service obligation, refuses to sign a contract approved by ERE, than ERE decides the enter into force of this contract and the obligation of the parties to implement it within 30 days.

10. The licensees, on whom it is imposed the public service obligation, are monitored during the performance of their activities by ERE to comply with the defined obligations.

11. ERE, upon the impose of the public service obligation to a licensee on power sector informs the Energy Community Secretariat regarding the measures to fulfil public service obligations, on the interest of the customers and of the environment, as well as the possible effects of these measures on competition.

12. ERE shall inform the Energy Community Secretariat periodically every two years on any amendment to the measures taken in accordance with point 10 of this article.

SECTION III ELECTRICITY GENERATION

Article 48

Licensees in electricity generation

1. Power generation may be performed only by natural or legal persons holding a power generation license for electricity, unless it is provided otherwise from other provision of this law.

2. When the electricity generator is a company fully or partially controlled by the state, the Council of Ministers appoints the public authority representing the state as the owner of his shares, which shall be independent from the owner of the transmission system within the meaning of article 54 of this law.

Article 49

Construction of new generating capacities

1. The construction of new generating capacities which are not subject of a concession, or every new generating capacity up to 2 MW, is approved by the minister responsible for energy. The construction of new generating capacities above 2 MW which are not subject of concession is approved by the Council of Ministers with proposal from the responsible minister for energy.

2. The Council of Ministers, with proposal from responsible minister for energy, approves the rules and procedures for the construction of new generating capacities, in a transparent and non discriminatory way, based on the following:

- a) sigurinë e sistemit të energjisë elektrike, instalimeve dhe pajisjeve të lidhura me to;
- b) the safety of the electricity system, the installations and associated equipments;
- b) the protection of public health and safety;
- c) environmental protection;
- ç) land use and location;
- d) energy efficiency;
- dh) the nature of primary energy resources;
- e) the particular characteristics of the applicant, such as technical, economic and financial capacities;
- ë) comply with the measures for the public service and customer protection;
- f) the contribution of the generation capacity to comply the target for the energy that shall be generated from the renewable sources, according to the legislation in force;
- g) the contribution of the generation capacity to reduce greenhouse gas emissions.
- gj) sale of electricity

h) The fee that shall be paid by the authorization recipient to the state.

3. In case of refusal to issue the authorisation, the reasons for refusal shall be justified, objective and non-discriminatory and shall be notified to the interested party.

4. The provision of point 1 of this article is not implemented for the self producers connected with the national grid, with installed capacity to 1 MW.

Article 50

The construction of new generating capacity to manage demand and energy efficiency

1. To meet the national objectives for demand management and energy efficiency, when the installed capacity is insufficient to guarantee the security of energy supply, the responsible minister for energy, opens the procedures for the construction of new generation capacities.

2. The construction of new generation capacities, according to point 1 of this article, shall be through a competitive procedure according to the legislation in force.

3. The Council of Ministers shall approve the rules and the procedures for the construction of new generation capacities for demand management and energy efficiency, according to the provisions of point 2 article 49, of this law.

Article 51

Generator rights and responsibilities

1. The generators shall be entitled to :

a) use in their power plants the primary energy sources in compliance with the generation technology, technical characteristics and environmental protection conditions defined on their licenses and the legislation in force;

b) to sale electricity and ensure the ancillary and balancing services in the electricity market, according to market rules and other ERE regulations;

c) to ensure the real-time communications with their generation facilities, the customers or operational levels of control;

ç) have access to the transmission and distribution grids, by paying the respective fees, approved by ERE.

2. The generators shall be obliged to:

a) shall comply with the license conditions, the definitions of this law and by-laws on its implementation;

b) shall act in conformity with the orders issued by the system operator;

c) provide ancillary services to the system operator in conformity with the market rules;

ç) notify the system operator immediately for any situation that endanger or may endanger the security of supply or the complz of any other contractual obligation;

d) to provide their capacity, according to the market principles, to all customers of the wholesale and retail market of electricity, including those who are charged with public service obligation;

e) provide data in conformity with the transparency and market monitoring obligation.

Article 52

Reserves of fuel or generating capacity

1. Energy producers shall be obliged to keep specific reserves of fuel or specific reserve generating capacity for electricity to ensure a sustainable supply of the customers.

2. The type and amount of reserve of fuel or reserve capacity for different types of generation plants determined with Council of Minister's decision in conformity with the legislation in force.

3. The costs of the fuel reserve and those of the reserve capacity of a generator shall be considered operational costs.

SECTION IV ELECTRICITY TRANSMISSION

Article 53

Transmission System Operator

1. The Transmission System Operator shall be a legal person licensed to perform the electricity transmission system activity, which owns the transmission system and respects the independence principle defined on article 54 of this law.

2. ERE shall issue the new license for Transmission System Operator not later than 1 June 2016.

3. The Council of Ministers shall appoint the public authority representing the state as owner of the Transmission System Operator shares, which shall be independent from the production or supply activities, according to article 54 of this Law.

Article 54

Ownership unbundling of the Transmission System Operator

1. The Transmission System Operator exercise its own activity independent of other activities in the power sector, namely electricity generation, distribution, trade and electricity supply in conformity with the principles and requirements described on this law.

2. The Transmission System Operator owns the transmission system for electricity, which includes 400 kV, 220 kV and 110 kV lines, electricity transformation substations with high voltage transformation levels of 400 kV, 220 kV and 110 kV bus bars in all 110/TM kV substations, to the energy metering point on the 110 kV side of 110/MV kV transformers, including switching equipment of 110 kV lines. The Transmission System Operator operates other similar infrastructure of this voltage level which are not on its ownership, serving for electricity delivery to the distribution system operator and/or customers directly connected to the transmission system.

3. Starting from January 1, 2016, the same person shall not be entitled that at the same time to:

a) exercise direct/indirect control on a licensee performing any of the electricity and natural gas generation or supply activities, and exercise control or any other right to the Transmission System Operator or the transmission grid;

b) exercise direct/indirect control over the Transmission System Operator or the transmission grid and exercise control or exercise any right over a licensee performing any of the electricity and gas generation or supply activities;

c) appoint members of the supervisory board, the management board or other bodies legally representing the Transmission System Operator or the grid operator and directly/indirectly exercise control or any right over a licensee performing any of the electricity and gas generation or supply activities;

ç) be a member of the supervisory board, the management board or other bodies representing the licensee at the licensees performing any of the electricity and natural gas generation or supply activities and the Transmission System Operator or the transmission grid.

4. The prohibitions in letter “a”, “b”, and “c” point 3, of this article shall apply in particular to:

a) the ability to exercise voting rights;

b) the power to appoint the members of the supervisory board, the management board or other bodies representing the licensee;

c) the right to hold the majority of shares.

5. The obligation provided on point 3, of this article, is considered completed if two or more companies that have their transmission grids, have established a joint venture, which operates as a transmission system operator in two or more countries. No other company may be part of this joint venture, unless the company is defined as independent transmission system operator and is certified according to the conditions provided on this law.

6. In case the person mentioned in point 3 of this Article, is a public body controlled by the state, then two separate public bodies exercising the control, one over the Transmission System Operator or the transmission grid and the other over the licensee performing the electricity generation or supply activities shall be considered as they are not the same person.

7. The Transmission System Operator, who has been part of a vertically integrated company, according to the requirements of this law, shall take the measures not to disclose or transfer commercial sensitive information to other units of the previous vertically integrated company, performing any of the electricity or natural gas generation or supply activities.

Article 55

Rights of the Transmission System Operator

1. The transmission system operator is entitled to charge and collect the transmission fee previously approved by ERE, according to the tariff methodology.

2. The Transmission System Operator is not entitled to purchase and sell electricity, except to cover the energy losses in the transmission grid and providing ancillary and balancing services.

3. The Transmission System Operator shall exchange or share the balancing services with transmission system operators of adjacent countries to regulate the frequency within the grid, according to the operational agreements between the transmission system operator of the region and the provisions of this law for the promotion of regional cooperation.

4. The Transmission System Operator installs and processes all types of information, communications and systems, including also the *wireless* system necessary for the transmission system. Depending on the possibilities, a part of fibre optic infrastructure and/or network capacities of the high speed communication may be given for usage without damaging and endangering the activities and other grids within the respective legal framework, according to ERE opinion.

Article 56

Obligations of the Transmission System Operator

1. The Transmission System Operator shall complete the following obligations:

a) provide long-term ability of the system to fulfill the reasonable requirement for the electricity transmission, by operating, maintaining and developing in a secure, reliable and efficient way the transmission system, according to the environmental protection requirements;

b) contribute to security of supply through the system security and sustainable transmission capacities;

c) use the transmission grid in conformity with technical rules and standards;

ç) ensure the provision of the system services in a transparent and non-discriminatory way, according to cost principle and the lowest environmental impact;

- d) manage electricity flows in the transmission grid, taking into account the electricity exchanges with other interconnected systems and ensures all the necessary ancillary services;
 - dh) provide to system users all the information necessary for efficient use of the grid;
 - e) ensure connection to the system users with the transmission grid according to the provisions of this law and the by –legal acts regulating the grid connection process;
 - è) drafts and publish transparent, effective and non-discriminatory procedures for the connection of the users and new power generation plants to the transmission system;
 - f) sign the contracts to ensure electricity to cover the losses in the transmission grid as well as energy reserve and other ancillary services required for the safe operation of the system, according to the transparency and non discriminatory principles, the market laws and minimum costs;
 - g) draft and publish the Transmission Code;
 - gj) performs the balancing of the system, being supported on objective, transparent, non-discriminatory principles, according to the Transmission Code and the market rules;
 - h) implements objective transparent and non-discriminatory rules on allocation of cross-border transmission capacities;
 - i) exchange the required information with the transmission system operators of the adjacent systems to ensure the secure and efficient operation, coordinated development and interaction of the systems;
 - j) establish a complaints handling mechanism for the issues regarding the access and the use of the transmission grid;
 - k) manage the limited capacity with the adjacent operators of the transmission grids, according to the objective, transparent and non - discriminatory criteria and publishes the information regarding the cross-border capacities, according to the provisions of article 67 of this law;
 - l) maintains the necessary information, to access the electricity quality of supply parameters in the transmission system, according to the rules on electricity quality of supply, including the information on the security of supply, voltage quality the quality of service and other information defined by ERE;
 - ll) performs an annual analysis of transmission network losses as well as drafts and implements the reduction of the losses and other measures of energy efficiency;
 - m) collect the fees regarding the limited capacities and the fees regarding the compensation mechanism between the adjacent countries TSO-s;
 - n) reports every quarter to ERE on the following:
 - i) planned interruptions, necessary for the maintenance of the transmission grid;
 - ii) requirements of the Transmission System Operator and the system users for the development of the transmission grid;
 - iii) operation of the transmission system;
 - iv) allocation and use of cross-border capacities, according to the contractual obligations with adjacent TSO's;
 - v) use of revenues ensured from limitations to cross-border capacities;
 - vi) contracts on provision of ancillary services signed with this service providers;
 - vii) contracts of electricity to cover the losses in the transmission network.
2. The Transmission System Operator submit annual reports to ERE, according to the regulation on electricity quality of supply.

Article 57

Market Operation

1. The electricity market operation is performed by the market operator, licensed by ERE.

“The Market Operator is the responsible structure for the management and administration of the organized market between the market platform, according to the day in advance and intraday market

*Red color are reflected the amendments on Law no. 7/2018 “On some amendments and Additions on Law no. 43/2015, “On Power Sector”

and for the activities connected with it, including the clearing activity between the market participants, in conformity with the market rules and market model. The Market Operator shall be the Albanian Power Exchange.”

“1/1. Market operator is established as a joint stock company from TSO company or from TSO company and other legal persons, according to the provisions of point ½ of this article. The establishment, the legal form, the capital ownership structure of the market operator is approved with Council of Minister’s decision, with the proposal of the minister responsible for energy and the minister performing the ownership rights at the TSO company within 6 months from the entry into force of this Law.

1/2. The legal persons that participate on the shareholder capital of the market operator shall be operators with internacional activity and a good reputation and experience in the operation of the organized electricity markets in Europe, which operate in conformity with the rules and the Albanian Market Model, international financial institutions and/or operators of the electricity transmission systems. The procedures for the selection of this undertaking or these undertakings, as well as the special criteria that these entities shall fulfill, are approved with Council of Minister’s decision with the proposal of the responsible minister for energy, within 6 months from the entry into force of this Law.

1/3. The Market Operator without restriction, may subcontract third parties to provide the services for the operation of the electronic platform for the day in advance and the intraday market as well as for providing the services interconnected with it, including services for the payments and the financial compensation (clearing) of the market participants. These third parties shall be international operators with a good reputation, long experience in the international markets for providing similar services, in conformity with the Albanian Market Model and the Electricity Rules. When one or more institutions in the Republic of Albania, or entities/ public companies established according to the Republic of Albania legislation do not own more than half of the registered capital of the market operator and/or do not control more than half of the voting rights connected to the shares of the market operator capital and/ or do not appoint more than half of administration council or supervisory board members of the market operator, the market operator is not a contractual authority, within the meaning of point 14, article 3, Law no. 9643, dated 20.11.2006, “ On public procurement” as amended and as consequence are not subject to the scope of this Law.

2. Market Operator is operating in accordance with the electricity market rules and the provisions of this law. Within 31.12.2017, the Council of Ministers decides on the legal and financial unbundling of the Market Operator from the Transmission System Operator.

Article 58

Certification of Transmission System Operator

1. The transmission system operator, before being licensed to perform the transmission system operation activity, shall be certified according to the procedure defined on this article.
2. ERE, defines the application requirements for the certification of the Transmission System Operator, including the necessary documentation evidencing the fulfilment of the conditions, according to article 54 of this law. The application for certification is submitted from the Transmission System Operator, according to the requirements approved by ERE.
3. ERE shall take the decision on the certification of the Transmission System Operator within a four months period from the application date and the submission of all the required documents and information.

*Red color are reflected the amendments on Law no. 7/2018 “On some amendments and Additions on Law no. 43/2015, “On Power Sector”

4. ERE may require to the Transmission System Operator any necessary information to comply this obligation. ERE shall preserve the confidentiality of commercially sensitive information.

5. ERE shall inform the Energy Community Secretariat on the opening of the procedures for the certification of the Transmission System Operator and takes the decision that within 2 months from the date of informing the Secretariat, taking into account the Energy Community Secretariat recommendations.

6. If the final decision of the ERE, is different from the Secretariat recommendations, ERE shall publish and explain the reasons for not accepting them and shall inform the Secretariat about this decision.

7. ERE final decision on the certification of the Transmission System Operator and the relevant report shall be published on ERE website.

8. The Transmission System Operator shall inform ERE about any planned action about which may be required a reassessment, regarding its compliance with the conditions provided on article 54 of this law.

9. ERE shall monitor the compliance of the Transmission System Operator activity with the requirements defined on this law. ERE shall review the certification procedure referred to in point 1, of this article on the following cases:

a) after the inform from the Transmission System Operator in conformity with point 8 of this article;

b) on its own initiative, upon a reasonable doubt that the planned change affects the rights or control of the Transmission System Operator and may lead to an infringement of the provisions of article 64, or where such an infringement may have occurred;

Article 59

Certification regarding third countries

1. The Transmission System Operator shall inform ERE, when one entity or some entities of a third country, which is not a member of Energy Community, take control of this operator.

2. ERE shall inform the Energy Community Secretariat in the following cases:

a) when the certification of the Transmission System Operator, which is controlled by one entity or entities from a third country, is required;

b) about any resulting circumstance, if one entity or entities from a third country take control of the Transmission System Operator.

3. ERE review the application for certification, within 4 months from the informing date of the Transmission System Operator. ERE shall have the right to refuse the certification if:

a) The Transmission System Operator does not comply the independence requirements and allocation defined on this law;

b) The issue of the certification would endanger the security of electricity supply of the country or member countries of the Energy Community. When ERE judges on this basis it shall take into account:

i) the rights and obligations of the Energy Community regarding to that third country arising according to the international right, including all signed agreements with one or more third countries, where Energy Community is a party and directs energy supply security issues;

ii) rights and obligations of Albania in relation to that third country arising from the signed agreements with the country, insofar they are in compliance with the Energy Community Treaty;

iii) other specific facts and circumstances related to the third country in question.

4. Before taking the decision ERE shall require the opinion of the Energy Community Secretariat, if:

a) the concerned entity fulfills the independence requirements;

*Red color are reflected the amendments on Law no. 7/2018 “On some amendments and Additions on Law no. 43/2015, “On Power Sector”

b) the issue of the certification would endanger the security of electricity supply for the Energy Community member countries.

5. In drafting the opinion, the Secretariat may require the attitude of ERE, of the ministry responsible for energy and of the interested parties. The Secretariat shall give its opinion within 4 months from receiving the request according to point 4 of this article. In the lack of the Secretariat opinion, within this period, ERE continues with the procedures of taking the decision.

6. The relevant ERE decision for certification of the Transmission System Operator or refusal to issue the certification, shall immediately inform the Energy Community Secretariat, together with all necessary information.

7. The final decision on certification of the Transmission System Operator, whose control is taken by one entity or entities of a third country, are approved and published according to article 58 of this law.

Article 60

Transmission network development

1. The Transmission System Operator drafts a ten-year network development plan in consultation with the stakeholders and submits it for approval at ERE.

2. The network development plan should take in consideration:

- a) the demand and existing and foreseen capacity;
- b) urban and regional planning of the area where the transmission installations shall be located;
- c) investment plans for the regional networks of the Energy Community;
- ç) legislation on the environmental protection;

3. The network development should contain:

- a) efficient measures in order to guarantee the system adequacy and security of supply;
- b) financial sources foreseen for the investment in the transmission system;
- c) all the approved investments and shall identify new investments which shall be implemented for the next three years;
- ç) defined timeframe on all projects and investment;
- d) information on the market participants for the main transmission infrastructure that shall be constructed or updated during the next ten years;

4. ERE shall review the ten-year network development plan and if observes that there are not fulfilled the conditions defined on points 1,2 and 3 of this article, requires from Transmission System Operator to complete and/or change the ten –years network development plan.

5. The Transmission system operator shall submit at ERE, together with the tariff approval application, the updated investment plan for the next year. If the Transmission System Operator applies for a tariff for the regulatory period longer than 1 year, the investment program shall contain an analysis of the planned investments for the respective regulatory period.

6. When ERE observes that the Transmission System Operator has not realized for the three years, the investment foreseen according to the 10 - year plan and judges that the investment is necessary and may be financed without preventing the normal operation of the grid, then ERE requires to take at least one of the following measures:

- a) realize the investment in question;
- b) organize a competitive procedure to realize the investment in question, open to any investor;
- c) require to accept the capital increase to finance the necessary investments.

7. When ERE takes the measures, according to letter “b” point 6, of this article, it may oblige the Transmission System Operator to implement one or more of the following:

*Red color are reflected the amendments on Law no. 7/2018 “On some amendments and Additions on Law no. 43/2015, “On Power Sector”

- a) assure financing by any third party;
- b) require construction by any third party;
- c) manage new assets after construction. In these cases the respective fee shall cover the costs for the questioned investments

8. ERE on exercising its competences provided on points 1, 6 and 7 of this article shall take the opinion from the responsible minister on energy.

9. ERE shall draft and approve the regulation on the submission and approval procedures of the development plans.

Article 61

Electricity Dispatch

1. The transmission system operator shall be responsible for the electricity dispatch from the generation plants and the use of interconnection lines, without affecting the contractual obligations of the electricity supply.

2. The electricity dispatch from the generation plants and the use of the interconnection lines shall be based on the Transmission Code, the market rules and other effective regulations approved by ERE.

3. The Transmission System Operator shall give priority to electricity generated from plants using renewable energy sources, in so far the secure operation of the national electricity system permits, based on transparent and non-discriminatory criteria. In cases when the Transmission or Distribution System Operator take measures to reduce the generated capacity from renewable energy sources, to guarantee the operational security of the power system and the security of the electricity supply for the customers, shall inform the Energy Regulatory Entity regarding the measures taken and shall propose other corrective measures it shall undertake in the future, to prevent unnecessary reduction of the produced capacities.

4. The Transmission System Operator shall comply with requirements for the maintenance and development of the transmission system, including interconnection capacity, in accordance with the provisions of the Grid Code.

Article 62

Procuring of transmission network energy losses, balancing and ancillary services

1. Transmission System Operator shall procure electricity to cover the network losses, balancing or ancillary services necessary for the system operation by a competitive non-discriminatory and transparent procedure.

2. The procedures referred to in point 1, of this article shall be approved by ERE upon the proposal of the Transmission System Operator.

3. For a period, but not longer than 12 months from the entry into force of this law, the Transmission System Operator may ensure electricity to cover network losses, balancing and ancillary services through bilateral contracts approved by the ERE.

4. ERE shall be responsible for the monitoring and implementation of the procedure referred to in points 1, 2 and 3 of this article.

Article 63

Transmission Code

1. The Transmission Operation System is performed in compliance with the provisions of the Transmission Code, which is drafted from the Transmission System Operator, in compliance with the ENTSO-E Grid Code requirements, and shall be approved by ERE.

2. The Transmission Code provides:

*Red color are reflected the amendments on Law no. 7/2018 “On some amendments and Additions on Law no. 43/2015, “On Power Sector”

- a) the methods and criteria for planning and development of the system;
- b) the necessary conditions and documentation for access application to the transmission system;
- c) the minimum technical and functional specifications in order to provide access and connection to the Transmission System of the generation plants, distribution companies, end users as well as interconnection lines;
- ç) the term on which the Transmission System Operator is obliged to respond to the submitted application, as well as the consequences of non-response within the provided term
- d) balancing and ancillary services;
- dh) operational planning and scheduling rules;
- e) system management and control in normal and emergency operation conditions;
- ë) metering rules;
- f) the criteria applied by the Transmission System Operator for dispatch of available generation installations, as well as the use of the interconnection lines;
- g) the way, term, conditions and obligations according to which the Transmission System Operator dispatches electricity generated from renewable energy sources.
- gj) any other activity necessary for the sustainable and secure administration of the Transmission System.
- h) The way of functioning and operation of market operator.

Article 64

Confidentiality of Transmission System Operator

1. The transmission system operator, respecting in any case the definitions of article 47, of this law, or any other legal obligation regarding the issue of the information, shall preserve the confidentiality of commercial sensitive information, ensured during the exercise of the activity and shall prevent discriminatory disclosure of information on its activities, to establish commercial advantage of another party.

2. TSO shall not disclose any commercially sensitive information to any other licensee, unless this is necessary to perform a commercial transaction. To ensure full compliance of the rules on information disclosure and the allocation of the activities, ERE shall ensure that the Transmission System Operator and any other licensee shall not use common services, such as common legal services, apart from the simple administrative operations, or IT operations.

3. The Transmission System Operator during performing its activity shall not misuse the commercial sensitive information ensured from the third parties, in the context of providing or negotiating the access to the system.

4. The necessary information that guarantees competition and the normal operation of the market shall be made public.

Article 65

Allocation of Interconnection Capacities

1. Transmission System Operator shall draft the regulation for interconnection capacity allocation, which shall be approved by ERE.

2. The regulation on allocation of interconnection capacities provides:

- a) publication of information on interconnection capacities;
- b) exchange of information on interconnection capacities with neighbouring operators;
- c) management and allocation of available interconnection transmission capacities;
- ç) data on the secondary market of interconnection trading capacities;
- d) general principles and procedures for managing limited capacities;
- dh) use of incomes from the capacities allocation of the interconnection lines and from the management of the limited capacities.

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e) the obligation of the market participants to prior inform the Transmission System Operator, if they will use the allocated capacity and the period of its use;

ë) any allocated capacity which shall not be used by the market participant, shall be re-allocated in a transparent and non-discriminatory way.

3. Capacity allocation shall not discriminate the market participants that wish to exercise their rights to implement the bilateral supply contracts or to bid in the free electricity market.

4. The Transmission System Operator, together with the respective operators of neighbouring countries shall publish the available capacities to be allocated, including also the capacities released by the transmission rights ensured earlier, as well as the time period during which the capacity will be reduced or will not be available.

5. All potential market participants may participate at the capacities allocation procedures. To avoid the problems in the market related to the establishment or strengthening the dominant position of the market players, ERE and/or the Competition Authority, where appropriate, may impose general or particular restrictions to a market player, because of its market dominance.

6. At the capacities allocation procedures it is not permitted the set of the base price, except of the new interconnection lines, which are exempted under article 33 of this Law.

7. Transmission System Operator shall accept all potential commercial transactions, including those deriving from the trade with cross-border countries.

8. The Transmission System Operator shall not implement the measures that restrict the access of the market participants at the interconnection lines, except in the case of limited capacity.

9. The procedure of allocating the available transmission capacities is developed on reasonable terms, before the moment of commencement of capacity utilization.

10. Access rights for allocations of capacity shall be considered as earned rights, based on the principles defined on the regulation for capacity allocations.

Article 66

Use of revenues from allocation of interconnection capacities

1. Any revenues resulting from the allocation of interconnection shall be used for the following purposes:

- a) ensuring the availability of the current capacity; and/or
- b) maintenance and increase of interconnection capacity, by realizing the investments in the network, in particular in adding the new interconnection capacities.

2. When such income cannot be used effectively for the purposes provided in point 1 of this article, then by prior approval of ERE, they can be regarded as profit up to a certain value and be taken into account in network fee calculation in conformity with the relevant methodologies.

Article 67

Managing the limited capacities

1. Transmission System Operator shall draft the regulation for the limited capacity management, which shall be approved by ERE.

2. The network limited capacity cases shall be handled in a non-discriminatory way by ensuring to the market participants and the Transmission System Operator their handling being supported on the market principles.

3. The regulation on limited capacity management, shall be based on the following principles:

- a) the limited capacity procedures shall be performed in case of emergency situations where the Transmission System Operator shall act in a fast way and where the re-dispatch or exchange of energy flows is not possible. Any such procedure shall be applied in a non-discriminatory way;

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- b) Except of the force majeure cases, the market participants shall be compensated for any applied restriction by the Transmission System Operator regarding the allocated capacities;
- c) maximum capacity of interconnection lines and/or transmission network, which affects cross-border flows, is available to the market participants, in conformity with the safety standards of system operation;
- ç) The Transmission System Operator, to the extent technically feasible, balances the energy upstream flows, to use its maximum capacity;
- d) In view of network security, the Transmission System Operator shall not impede the transactions, which reduce the possibility of limited capacity.

SECTION V ELECTRICITY DISTRIBUTION

Article 68

Electricity distribution

1. Electricity distribution shall be performed by the distribution system operators, which are legal entities licensed by ERE according to the provisions of this law.
2. The Distribution System Operator owns the distribution system of high, medium and low voltage of electricity, to deliver to its customers, where the limit with the transmission system is the one defined on point 2, article 54, of this law.
3. The Distribution System Operator is responsible for:
 - a) ensuring a safe and sustainable development of the distribution system;
 - b) comply of the requirements for electricity distribution,
 - c) maintenance and safe operation of the electricity distribution system in its licensed area.
4. The Distribution System Operator shall provide in a non-discriminatory way the electricity distribution service to all network users that fulfill the requirements defined on this Law and other by legal acts. The Distribution System Operator respects the quality of service indicators and the requirements provided from the technical regulations.
5. The electricity distribution network shall be developed on lowest cost principle, in conformity with the legislation on urban planning, the ownership right, environmental protection, protection of people's life and health, and the efficient use of electricity.
6. The Distribution System Operator installs and produces all types of information, communications and technology systems. Depending on the opportunities, part of communication infrastructure and/or telecommunication network capacities of high speed, may be used without damaging and endangering the activity and its networks within the respective legal framework and in conformity with ERE opinion.

Article 69

Obligations of the Distribution System Operator

The Distribution System Operator:

- a) operates a safe, sustainable and efficient distribution system;
- b) develops the distribution network, in conformity with the economic development and the demand provisions for the electricit distribution;
- c) connects to the distribution network all the customers and /or producers based in non-discriminatory, transparent conditions, provided in the effective regulations;
- ç) ensures non-discriminatory access to the customers in the distribution network, in compliance with the provisions of effective legislation;

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- d) provide system users with the access information and the effective use of the distribution network;
- dh) Collect and submit the necessary data to the Transmission System Operator for electricity market operation in conformity with this law, the market rules and the rules for switching the supplier;
- e) preserves the confidentiality of the commercial sensitive information, ensured during the performance of its activity;
- ë) procures electricity to cover the losses in the distribution network, in conformity with the non discriminatory transparent procedures; The electricity purchase procedure shall be approved by ERE upon the proposal of the Distribution System Operator.
- f) drafts standardised load profiles for specific customer categories, in case the measurement data, necessary for the calculation of the imbalances are not available;
- g) keep the records of the licensed companies that supply electricity, at all of the connection points and the metering points of the respective distribution network ;
- gj) provides, free of charge and on the basis of an agreement, to any electricity supplier, the access to the metering data for the customers, with which the supplier has signed a supply contract. ERE shall define the data form and the procedure for the supplier access to these data;
- h) provide other necessary services to comply with the obligations according to this article.

Article 70

DSO rights associated with secondary sources of energy (backup Sources)

1. The Distribution System Operator shall draft the technical conditions, which shall be approved by ERE, for installing a backup source of electricity supply for the customers requiring this service, including the conditions that shall be met by the backup source, to prevent the network disarrangements.
2. Any customer that want to install its own backup source, shall prior send the written notification to the Distribution System Operator and at the same time shall ensure to the supplier representatives, with whom have signed a supply contract, the access to the backup source to inspect this installation.
3. The Distribution System Operator shall be entitled to interrupt the electricity for a customer, in case not fulfilling the obligations provided on points 1 and 2 of this article.

Article 71

The rights regarding the closed distribution systems

1. ERE may classify as closed distribution system, the system that distributes electricity within a geographically limited industrial area, commercial area or shared services area, from which it is not distributed electricity for small household and non household customers and if:
 - a) for specific technical or safety reasons, the operations or the production process of that system users are integrated; or
 - b) this system distributes electricity mainly to the owner or the closed system operator or companies associated with it.
2. ERE may exempt the operator of a closed distribution system from:
 - a) the obligation defined on article 69, to procure the energy it uses to cover the network losses and the reserve capacity in its system, according to transparent, non-discriminatory, competitive and market based procedures;
 - b) the obligation that the fees or their calculation methodologies shall be according to the provisions of article 21, of this Law, approved by ERE before their entry into force.

3. When it is issued an exemption, according to point 2, of this article, the applicable tariffs or the methodologies for calculating them, on the request of a closed distribution system user, shall be reviewed and approved by ERE in conformity with this article 21 of this Law.

4. The exemption, according to point 2, of this article, may be issued in cases when electricity is used by a small number of small household and non household customers, located within the covered area from a closed distribution system and comes as consequence of the employed relations or similar reports with the distribution system owner.

5. The System Operator of a closed Distribution system exercise its activity in accordance with the issued license for the closed distribution system and respective rules for its operation approved by ERE.

Article 72

Unbundling of Distribution System Operator

1. The distribution system operator shall be unbundled and independent from other activities not relating to the electricity distribution. The Distribution System Operator who carries out this function before the entry into force of this law, shall fulfil the unbundling obligation, not later than 31.12.2017.

2. When the Distribution System Operator is part of a vertically integrated company, in order to prove the separate legal organization and operation, allocated from other activities, it shall maintain a trade name and trademark, different from other names and trademarks of other activities not related to the electricity distribution.

3. When the Distribution System Operator is part of a vertically integrated undertaking, in order to be independent in terms of organization and decision making from other activities not related to electricity distribution, the following conditions shall apply:

a) shall have full decision making rights, independent from the integrated company regarding the necessary assets for the operation, maintenance or the development of the distribution network. To fulfill these conditions, the Distribution System Operator shall have the necessary resources including the human, technical, physical and financial ones. The controlling company (parent company), in conformity with the legislation in force, has the rights regarding the economic, managing and decision making supervision, on issues under its competence. The controlling (parent) company may not issue guidelines for the day to day operational activity of the electricity distribution system neither take specific decisions regarding the construction or the reconstruction of the distribution lines, the investment value of which does not exceed the levels of the approved financial plans or the values defined on the company statute or the legislation in force;

b) shall draft and submit at ERE an annual program, which defines the taken measures to ensure the prevention of discriminatory conduct, as well as the realization of the company main obligations, which directly affect on its financial and economic activity, including even the mechanisms for the supervision of their implementation. This program defines the specific duties of the employees in order to fulfil these objectives;

c) the persons responsible for the management of the Distribution System Operator must not participate in responsible structures of the integrated company, directly or indirectly, for the day-to-day operation activity of electricity generation, transmission and electricity supply;

ç) persons responsible for the management of the Distribution System Operator are professionally capable and operate independently to fulfill the obligations and objectives of the company. The financial treatment of the persons responsible for the management and the persons responsible for the supervisory board of the Distribution System Operator that is controlled by the state, shall be approved with Council of Ministers Decision.

d) in the vertically integrated company, the Distribution System Operator shall take the measures to avoid uncertainty between the interested parties regarding the used name and trademark, in order to demonstrate its unique identity, in relation to the supply company,

dh) the activities of the Distribution System Operator shall be monitored by ERE, which in cooperation with the Competition Authority shall ensure the avoidance of the potential benefits from the operator that violates competition.

Article 73

Distribution Code

1. The Distribution Code shall define the technical requirements for the planning, expansion, operation, control and maintenance of the distribution network and the specific rules for the connection and access to the distribution network as well as the metering rules.

2. The Distribution Code shall be approved by the ERE, upon the proposal of the Distribution System Operator, which cooperates with all power sector participants, to draft, review and adopt it.

3. The operation of the distribution network shall be in compliance with the provisions of the Distribution Code.

Article 74

Confidentiality of Distribution System Operator

The Distribution System Operator, while in compliance in any case with the definitions of this law or any other legal obligation regarding the issue of the information, shall preserve the confidentiality of commercially sensitive information, provided during the exercise of the activity and shall prevent discriminatory disclosure of information for its own activity, to gain commercial advantage of another party.

Article 75

Distribution network development

1. The Distribution System Operator shall draft the investment plan for the distribution network development for the next 5 (five) calendar years and shall submit it to ERE for approval.

2. The distribution network development plan, shall consider the measures that the Distribution System Operator plans to undertake:

a) energy efficiency;

b) demand management;

c) the development or improvement of the distribution system;

d) information on the financial means ensured for the investments in the distribution system.

3. The Distribution System Operator during the draft of their plans shall consider the development of the transmission network and the urban and regional planning for the area where shall be developed the distribution system.

4. The Distribution System Operator shall submit to the ERE, when applying for the fees an updated investment plan corresponding to the respective regulatory period.

5. When ERE finds out that the Distribution System Operator does not realize the investment for the following three years, pursuant to 5 years plan and considers that the investment is necessary and may be financed without impeding the normal operation of the network, requires to take one of the following measures:

a) to perform the investment in question;

b) to organize an open a competitive bidding procedure to carry out the investment in question, open to any investor.

6. When ERE shall take the measures according to letter (b) point 5, of this article, may

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oblige the Distribution System Operator to implement one or more of the following alternatives:

- a) to ensure financing from any third party;
- b) require the construction from any third party;
- c) to administer new assets after construction. The respective fee shall cover the costs for the investment in question.

7. The ERE in exercising its competences provided on points 1, 5 and 6 of this article, shall take the opinion of the responsible minister for energy.

8. ERE shall draft and approves a regulation on the procedures of submission and approval of the investment plans.

SECTION VI ELECTRICITY METERING

Article 76

Electricity metering

1. Transmission and distribution system operators are responsible for the metering activity and the meter reading services in their respective networks.

2. Subject of ERE approval, in conformity with the Metering Code, the transmission and distribution system operators may contract independent operators to perform the metering activity and /or meter reading services in their respective networks.

3. The electricity fed into the network or supplied to end use customers shall be measured through the metering equipment, in conformity with the provisions of the Network Code and the Metering Code as well as the legislation in force for metrology. The customers have the right to install additional metering units with their own request and expenses.

4. In case the metering data are temporally unavailable or inaccessible for a period of up to 1 month, the network operators shall calculate substitute reference values, according to the methodology approved by ERE. The period to implement the reference values shall not last more than 3 months.

5. The metering and/or the metering system shall be in conformity with the requests of the legislation on metrology and after the installation shall be co-sealed from the system operator and the General Directorate of Metrology, or from its authorized legal person. The seal is approved from the General Directorate of Metrology. The accuracy of the electricity meters is defined in the Metering Code.

Article 77

Meters verification

1. Verification of electricity meters shall be performed by the General Directorate of Metrology (GDM) or its legal person authorized/licensed. The authorized legal person for this purpose is accredited according to the legislation in force.

2. Metering equipments shall be verified before they are set in use, through the sample method, according to the random selection and periodically.

3. Verification of the meters may be realized upon the request of the system operator. The verification may be realized on site, where the meter is installed or at the GDM laboratory or authorized legal person. The frequency of the installed meter verification of the customer is defined on the Metering Code. In any case, shall be present even the system operator representative.

4. During the verification process of electricity meters from the GDM or the authorized legal person, the system operator representative shall be present. The GDM shall approve the respective procedures of electricity meters verification, in conformity with the legislation in force and international standards.

5. The financial costs for verification before being set into use and for periodic

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verification of meters or verifications initiated from the system operator shall be covered from this latter. ERE takes into account these costs incurred by the operator during the approval of the respective fees.

6. When the Customer doubts on the accuracy of the metering equipment, shall submit a written request to the network operator as well as any other responsible institution responsible for the verification of the metering equipment. The procedure for submitting a request, its review and the term to inform the complainer are approved with ERE Board decision. When the meter verification is on the request of the customer and during the meter verification are not evidenced inaccuracies, the verification expenses are paid by the customer submitting the complaint.

7. When after verification, there are observed inaccuracies in the metering and there is no evidence of intentional damage caused by the customer, are done the respective calculations for the invoiced electricity quantity more or less, as result of the meter inaccuracies and the reimbursement method, according to the rules and procedures provided in the Metering Code.

8. Ceiling tariffs for the meter verifications are approved with joint guideline of the Finance Minister and the Minister responsible for electricity.

9. If unlawful interferences are observed, the system operator shall take immediate steps to repair and replace the equipments on which it is intervened, calculates the economic damage caused from unlawful interference and implements appropriate procedures according to the legislation in force. ERE approves the regulation and the respective methodology and calculates the economic damage by the system operator.

10. ERE shall approve the standard contract between the system operator and the GDM or its authorized subject for meters verification.

Article 78

Intelligent metering systems

1. In electricity metering activity may be implemented the the intelligent metering systems of the end use customers.

2. Distribution system operator, within 1 (one) year from the entry into force of this law, shall prepare economic assessment, which shall take into consideration all long-term costs and benefits for the market and customers, including also the form of intelligent metering to be selected, which shall be more economically efficient and with the most appropriate time for implementing this metering system.

3. Subject to that assessment, defined in point 2, the distribution system operator shall prepare a timetable for the implementation within 10 years of the intelligent metering systems, which is approved from the responsible minister on energy.

4. ERE shall ensure the interoperability of different metering systems to be implemented in the entire territory of the country.

PART SIX ELECTRICITY SUPPLY

SECTION I

Article 79 **Supply activities**

1. Supply of electricity of the end use customers may be carried out by any licensee, which is supplied with an electricity supply license, issued by ERE.

2. The suppliers shall purchase electricity for the supply of the end use customers in the internal market and/or through imports.

3. Electricity supply of the end use customers shall be at unregulated prices, determined

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based on negotiated contracts between the supplier and the end use customer.

4. Except of the provisions of point 2 and 3, of this Law, according to the provision of article 109 point 1, of this Law, ERE may define regulated prices for certain categories of customers, in the context of setting the public service obligation to the licensees, as defined on Articles 47 and 83 of this law.

Article 80

Electricity supply contract

1. The rights and the obligations of the supplier and the electricity customer are defined on the contract signed by both parties.

2. The contract apart from the conditions defined on the civil legislation may contain even other conditions depending on the specific character and the type of service provided from the supplier as follows:

a) the time of customer connection to the network as well as the provided quality of service levels;

b) the provisions regarding the compensation and reimbursement, in case non compliance of the contracted quality of service level, including inaccurate and delayed invoicing;

c) the price and method of of informing the price changes and the change of other conditions regarding the electricity supply;

ç) the way to handle and settle the disputes;

3. These conditions shall be fair and shall balance the interests of the parties. The contract shall contain the conditions limiting the customer right or that define the financial fees to switch the electricity supplier

4. Before signing the contract, to the customers should be provided a written detailed and transparent information on the general terms of the contract.

Article 81

Obligations of suppliers

1. The Supplier, implementing this law is obliged to supply the customers with electricity, in conformity with the contract signed on a secure, reliable and efficient way.

2. The supplier is responsible to the transmission system operator for any caused imbalance. The end use customers are responsible to the supplier for the caused imbalances. ERE imposes the exemption from the imbalances responsibility, for specific categories of end use customers, who are supplied according to the universal service of supply, as a public service obligation.

3. The Supplier, except from the general obligations defined in the contract, shall inform its customers on the following:

a) on their right to choose and switch the supplier for free, after having executed all previous electricity liabilities.

b) the current electricity consumption and costs, to enable electricity consumption management from the customers;

c) different ways of payment, which shall not be discriminatory between the customers. The prepayment systems, if applied shall be fair and shall reflect the expected consumption.

ç) the possibility to use simple procedures for following their complaints;

d) amending the contract conditions at least 15 days prior to their implementation, including the information regarding the right of the customers to unilaterally settle the supply contract, upon issuing the notice;

dh) about its consumption data, enabling any customer the access to the metering data, according to a clear and free agreement;

e) their rights, in conformity with the guideline approved by Energy Community

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4. The Suppliers through the electricity consumption invoice and/or promotional materials, shall clearly inform the customers for the:

- a) data on any energy source ensured from the supplier during the previous year;
- b) main components of the price and respective costs;
- c) data on the environmental impact of the carbon dioxide and the reactive waste emitted during the electricity production, ensured from the supplier in the previous year;

Article 82

The rights of the supplier

The supplier, except of the rights defined in the contract, according to article 80, of this law has these rights:

- a) to use, under regulated conditions, the services of the market operator, the Transmission System Operator, the Distribution System Operator, according to the market rules, the Network Codes and the respective contracts;
- b) access the transmission and the distribution system, in conformity with provisions for third party access defined on article 29 of this law.
- c) to request electricity supply termination from the Transmission System Operator or the Distribution System Operator, when the customer does not comply with his/her contractual obligations and electricity reconnection, when the customer complied the obligations, which caused the supply termination.

Article 83

Universal supply service as public service obligation

1. The suppliers charged with universal service obligation of supply, as a public service obligation, shall supply only the end use customers within the Albanian territory, on regulated prices, easily and clearly comparable, transparent and non-discriminatory, according to the conditions determined by ERE. The supplier as the universal service obligation of the supply, as a public service obligation, does not supply the end use customers arising in the liberalized market, as provided on point 1, article 109 of this Law.

2. Suppliers charged with universal service obligation of supply as a public service obligation, shall purchase electricity according to transparent, not discriminatory procedures, according to the market prices, if the purchase is on bilateral or organized market.

Article 84

General conditions of the universal service of supply contract as a public service obligation

1. ERE approves the general conditions of the electricity supply contract, connected by the end use customer and the supplier charged with the universal service of supply, as a public service obligation.

2. The Universal Supplier, except from the contract conditions, provided on article 80 of this law shall:

- a) inform the customers about their rights and the supply conditions according to the universal service;
- b) inform the customers on the supply terms and the electricity price, including the information on their right to choose another supplier;
- c) supply with electricity, in universal service conditions, specific categories of customers within the Albanian territory, for which they are licensed, to perform the universal service according to the provisions of articles 83 and 85 of this law;
- ç) inform the customer to take the measures for the compulsory execution of the pre-paid obligations;
- d) supply of vulnerable customers, respecting the conditions defined on article 96 of this

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law;

dh) pay for the delivered electricity, according to the universal service of supply, in conformity with the prices approved by ERE, according to the methodology defined in Article 21 of this Law.

e) publish on the website the supply prices in the conditions of the universal service, approved by ERE.

3. General conditions of the supply contract shall be published on ERE's and the supplier's websites.

Article 85

Conditions of the regulated prices

1. ERE sets the regulated prices only for end use customers supplied according to the universal service of supply, provision of article 83, point 1 of this law.

2. The electricity prices subject to regulation for the universal service of supply shall reflect the costs defined on the respective methodologies.

3. ERE defines the application term of the regulated prices for a specific customer categories and reviews on annual basis the approved level of the price.

Article 86

Supplier of last resort

1. The supplier of last resort, is obliged to supply the customers, which remain without a supplier in the following cases:

a) the previous supplier fails to pay or is on bankruptcy process.

b) furnizuesit të mëparshëm i është hequr ose i është pezulluar përkohësisht licenca;

c) the license of the previous supplier has been removed or is temporarily suspended.

d) The customer failed to find a supplier in the market.

2. When the supplier is not able to supply with electricity the end use customer, as provided in point 1, letter "a" of this Article, he/she is obliged to inform the supplier of last resort, the end use customer, the ERE and the transmission and distribution system operators, not later than 15 days before the date on which shall be terminated the electricity supply.

3. When the supplier fails to supply with electricity the end use customer, as provided in letter "b", point 1, of this article, ERE shall inform the supplier of last resort, the end use customer, the transmission and distribution system operators, not later than 15 days from the expiry date of the license validity or from the date the decision to remove or suspend the license enters into force.

4. The contract for the supply of the end use customer from the supplier of last resort, whether it is signed or not, shall be considered signed on the date about which it is notified that the electricity supply shall be terminated, according to the provisions of points 2 and 3 of this article, or on the date when the customer informs the supplier of last resort that it wants to be supplied from him, according to the provisions of letter "c", point 1 of this article.

5. If the end use customer, supplied from the supplier of last resort, is obliged to sign a supply contract with a new supplier, within 60 days from the beginning of the contract. With the termination of this period, the system operator shall terminate the electricity supply to this customer.

6. The end use customer is supplied from the supplier of last resort within the meaning of article 109, of this law, is for the first time in the liberalized market and is obliged to sign a supply contract with a new supplier, within 2 years from the beginning of the contract from the supplier of last resort. At the end of this period, the system operator terminates the electricity supply for this customer.

7. To define the beginning of the term, according to this provision, the calculation of the terms starts on the next day when the network operator informs the customer, in conformity with the

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provisions of article 109, of this Law, to fulfill the technical conditions of the metering system installation for the issue in the liberalized market

Article 87

Designation of a supplier of last resort

1. The Council of Ministers approves the conditions and procedures for the appointment of the supplier of last resort.
2. ERE, according to the conditions defined according to point 1, of this article, defines the supplier of last resort.
3. The supplier of last resort shall be appointed for a period of three years. The decision to appoint shall contain the conditions for the supply of last resort service, information regarding the set of the prices and its amendments as well as the contractual conditions.
4. The price, at which the supplier of last resort shall supply electricity, shall be determined according to the methodology approved by ERE in conformity with the definitions of article 21 of this law.
5. The supplier of last resort shall set available to the end use customer the electricity supply contract, within three years from the date of beginning the supply.
6. The supplier of last resort shall publish on its website at least once a year, the information on the number of customers supplied, total amount of electricity delivered, the average supply period, allocated according to customer categories.
7. The supplier of last resort, appointed before the entry into force of this law, shall perform this operation until the appointment of the new supplier from ERE, according to the provisions of this law.

Article 88

Switching the supplier

1. The switch of the suppliers is made on the request of the end use customer and without additional costs for it.
The current supplier is obliged to supply the end use customer until the end of the procedure for switching the supplier.
2. Rules for switching the electricity suppliers shall be adopted by ERE and shall include
 - a) maximum period, according to the rules defined on point 1 of this article;
 - b) conditions to be complied by the new supplier regarding the balancing rules;
 - c) obligations of the system operator to which the end use customer is connected;
 - ç) obligations of the end use customers having executed all the obligations in the report with the first supplier.
3. Any complaint, regarding the procedure for switching the supplier, is submitted at ERE. The complaint does not suspend the term for switching the supplier and/or the entry into force of the new supply contract.

Article 89

Record keeping

1. The licensees for electricity supply shall be required to keep the data for their electricity supply contracts, for the contracts with the wholesale purchase operators and the transmission, distribution system operators, for at least a five year period. These data, if required, may be made available to ERE and/or the Competition Authority.
2. The data shall include details on the transactions characteristics, such as duration, delivery and settlement rules, the quantity, the execution details, the transaction prices, the identification equipments of the wholesale purchase operator concerned, the specific details for all the unsettled contracts of electricity supply, as well as the electricity derivatives.

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3. ERE may make available to market participants parts of this information, maintaining the confidentiality of the commercial sensitive information.

Article 90

Emergency situations in electricity supply

1. The Council of Ministers may declare the emergency situation in the supply of electricity only in case of:

a) force majeure event, including a drought, which reduces hydropower production in Albania;

b) measures taken from the government bodies to guarantee the national security and the protection of the country;

c) accidents and breakdowns in the production, transmission and distribution equipments of the electricity system;

ç) long-term shortages of primary energy resources for electricity production.

2. During the emergency situations, the licensees and the consumers shall respect the restrictions for using electricity. The responsible Minister for energy shall define the extent and the way to restrict the electricity supply.

3. The limitations of supply in emergency situations shall be based on predefined criteria relating to the management of imbalances by the Transmission System Operator. Any safeguard measures shall be taken in close consultation with transmission system operators of the neighbouring countries, respecting relevant bilateral agreements, including agreements on the exchange of information.

4. Licensees shall not be liable for sanctions as a result of the restriction or interruption of electricity in cases under paragraph 1 of this Article except for emergency situations occurring as the direct result of the licensee's or supplier's fault.

5. In emergency situations, upon the proposal of the Minister responsible for energy and after the opinion of the Civil Emergency Committee, the Council of Ministers, may decide upon the public service obligation of the licensee regarding the security of supply, including the obligation for electricity imports, the supply obligation to certain categories of customers only or other special conditions for performing the licensed activities. This obligation shall in proportion with the emergency and shall not extend beyond the period needed to overcome this situation.

6. Any additional costs incurred by the licensee because of the public service obligation, as assessed by the Ministry of Finance and ERE, upon the proposal of the Minister responsible for energy and the Civil Emergency Committee, shall be compensated from the State Budget. Such compensation shall be in conformity with article 47 of this law and with the legislation in force on state aid.

SECTION II

PAYMENT OF ELECTRICITY LIABILITIES TO THE SUPPLIER CHARGED WITH UNIVERSAL SERVICE OF SUPPLY AS A PUBLIC SERVICE SERVICE

Article 91

Payment of electricity liabilities to the supplier charged with universal service of supply as a public service obligation

The electricity end use customer is obliged to pay the electricity liabilities, according to the definitions of the supply contract. If the customer fails to pay the electricity liability, the electricity supplier, charged with the universal service of supply, as public service obligation, shall inform in the written form the customer on the measures to be taken for

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the collection of liabilities, pursuant to the contract definitions and/or this law.

Article 92

Compulsory execution measures of unpaid liabilities

The Supplier, to ensure the execution of the unpaid liability, in conformity with the provisions of the contract, shall take the following measures:

- a) initiate the procedure for the electricity interruption;
- b) opens the obligatory execution procedures, requiring the issue of the execution order, according to the definitions of the Civil Procedure Code and Law no. 8662, dated 18.09.2000, "On handling as the executive title of the electricity consumption invoice";
- c) imposes the mortgage burden over the immovable property that is supplied with electricity, if the unpaid liability coming from the electricity supply contract is over 1 500 000 ALL for the non – household customer.

Article 93

Impose of the mortgage burden

1. For the non-executed electricity liabilities, defined on letter “c” article 92 of this law, the supplier shall inform the customer for opening the procedure to impose the mortgage burden. The notification shall be in writing and shall be send to the customer by post announcement reception.

2. Within 30 calendar days from receiving the notification, the Customer has the right to complaint about the opening of the procedures for imposing the mortgage burden to the supplier. The Supplier examines the complaint within 15 days from the date of depositing the complaint.

3. When the customer’s complaint is deemed eligible by the supplier and / or it is observed that the customer has liquidated the non – paid obligations within the term of the complaint, the supplier does not follows with the procedure for imposing the mortgage burden.

4. The request to impose the mortgage burden over the immovable property, shall be in writing from the supplier and is addressed to the local registration office of the immovable property, where this immovable property is located. The request shall be notified by post announcement reception to the end use customer. The request to impose the mortgage burden shall contain the necessary data to identify the customer, the unpaid obligation and the property subject of the mortgage burden.

5. Upon imposing the mortgage burden, the supplier opens the procedures for obligatory execution through the bailiff office, according to the provisions of the Civil Procedure Code and Law no. 8662, dated 18.09.2000, "On handling as an executive title of the electricity consumption invoice”, as amended.

6. The customer shall have the right to complaint about the mortgage burden at the court.

PART SEVEN

CUSTOMERS AND CUSTOMER PROTECTION

Article 94

Rights and obligations of the customers

1. All customers shall have a right to choose their domestic or foreign electricity supplier, with unregulated prices according to a supply agreement in accordance with the market rules and general conditions of supply, approved by ERE.

2. The end use customer has the right to:

- a) be supplied with electricity in accordance with the conditions set on the contract;
- b) submit a complaint to ERE if not supplied according to the conditions set on the contract;

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- c) benefit from the supplier a non-discriminatory treatment;
 - ç) receive all relevant information from the suppliers, in conformity with article 81 of this law;
 - d) receive full information about the prices, tariffs, terms and standard conditions, regarding the access and use of electricity services;
 - dh) use different payment mechanisms and be protected from unfair methods of invoicing;
 - e) not to pay any additional cost regarding the switch of the supplier;
 - ë) benefit from the transparent and simple procedures of handling their complaints, which when possible, foresee a reimbursement system and/or compensation;
 - f) be informed for its right regarding the universal service of supply in conformity with article 83 of this law;
 - g) be informed about its electricity consumption and respective costs depending on the metering equipments, with which the customer is supplied. This service is provided without additional costs for the customer;
 - gj) be informed for the consumption and the financial situation of the closure, after any switch of the electricity supplier, no later than 20 days from this switch.
3. The end use customer is obliged:
- a) pay for electricity, according to the contract conditions;
 - b) shall enable to the Transmission or Distribution System Operator, the installation, maintenance and reading of the equipments for metering the electricity consumption,
 - c) shall respect the conditions of the supply contract.
4. Non-households customers connected to high voltage and middle voltage grids shall have the right to contract several suppliers simultaneously.

Article 95

Vulnerable customers

1. The Ministry responsible for social affairs, shall in cooperation with the ministry responsible for energy, the Finance Ministry and in consultation with ERE and the stakeholders, shall draft the criteria, the procedures to obtain the vulnerable customers status and the way to handle them, which are approved with Council of Ministers decision.
2. The criteria to benefit from the vulnerable customer status shall take into account:
 - a) customers with low income, which use electricity to supply their permanent residence;
 - b) customers whose electricity consumption is connected to the single-phase grid with maximum power of about 16 ampere;
 - c) maximum level of energy consumption per person, depending on the season;
 - ç) direct support from the State Budget;
3. Vulnerable customers, who benefit financial support from the State Budget, are registered on a specific register from the corresponding structures at the ministry responsible for the social welfare. This information shall be submitted to the Distribution System Operator and the electricity supplier.
4. Vulnerable customers who benefit financial support from the State Budget, shall use the benefited funds to pay the electricity liabilities.
5. The financing and the support of the vulnerable consumers shall be in a non-discriminatory way, not permitting financing from other categories of electricity customers.
6. If, due to the change of circumstances, the customer loses the vulnerable customer status, the respective structure at the ministry responsible for social welfare, shall remove it from the customer register and shall inform the Distribution System Operator and the supplier. The customer's data removed from the vulnerable customers register shall be maintained for a 5 years period from the de- registration.
7. On the basis of the transmitted data, the Distribution System Operator and the supplier

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establish and maintain a register of vulnerable customer data. The register data may be available to the vulnerable customer, at any time as required by this latter.

Article 96

The supply of the vulnerable customers

1. Household customers, who received the vulnerable customer status, in accordance with the conditions defined on article 95 of this law, are entitled to benefit the universal supply service according to the provisions of this law.

2. The contract for the supply of vulnerable customers shall begin on the day the users is registered by the Distribution System Operator as a vulnerable customer. The Distribution System Operator shall submit the information to the universal service supplier for the vulnerable customers, within 5 days of their registration.

3. The supplier of the vulnerable customer, shall submit the contract to the later and informs him/her about the rights and conditions of supply according to the universal service.

4. The vulnerable customer is supplied with electricity according to the tariffs approved by ERE and in accordance to article 85 of this law.

5. The supplier, that supplies with electricity the vulnerable customer, may terminate the service according to the specific conditions for this category of customers, approved by ERE.

6. The supply contract of the vulnerable customers terminates at the end of the second month, from the moment of the customer de – registration as a vulnerable customer from the Distribution System Operator. It shall submit the information to the supplier for the de-registered customers according to the notification for exit from the vulnerable customer category, at the end of each month.

PART EIGHT THE ELECTRICITY MARKET

Article 97

The electricity market

1. The electricity market is the market where electricity is sold and purchased directly between the market participants, based on the bilateral contracts and/or the market organized through the electricity sale and purchase platform based on the day ahead and/or intraday market.

2. The provisions of this law shall not impede the entrance into mutual relations with other countries for the establishment and operation of the Albanian electricity market as part of an integrated market.

3. The minister responsible for energy in collaboration with other stakeholders in power sector and after the opinion from Competition Authority, shall draft the electricity market model, which is approved by Council of Ministers decision, where at least there are defined:

- a) the cooperation ways between electricity market participants;
- b) the necessary contractual relations;
- c) the main required information and data exchange between market participants.

4. The participants of the electricity market, shall contribute to better operation and transparency of the wholesale and retail markets.

5. The Transmission System Operator is responsible for regional cooperation, in the framework of the Energy Community.

6. The traders and electricity suppliers, registered in another Member State of the Energy Community Treaty, shall have the right to participate in the electricity market, based on the reciprocity principles and in conformity with the legislation in force.

Article 98

Market rules

*Red color are reflected the amendments on Law no. 7/2018 “On some amendments and Additions on Law no. 43/2015, “On Power Sector”

1. ERE, upon the proposal of the Transmission System Operator and in cooperation with all the participants of the power sector, shall approve the electricity market rules, in conformity with this law and the electricity market model, including the rules for the planning, dispatch, balancing, disputes settlement and the requests to manage the reserve.

2. The market rules are approved by ERE.

Article 99

Balance responsibility of electricity market participants

1. Each electricity market participant is responsible for the electricity balancing.

2. Electricity market participants may regulate the balancing responsibility through a contract with the Transmission System Operator, acquiring the status of the balancing responsible party, or by signing a contract for transferring the balancing responsibility to another balance responsible party, becoming a member of the balancing group, in conformity with the market rules.

3. **TSO company** is responsible for preparing financial statements to settle the mutual obligations for the imbalances caused by market participants.

4. The way to handle the imbalances caused by the electricity priority producers and the respective costs to cover them, shall be approved with Council of Ministers' decision.

Article 100

Electricity balancing market

1. The Transmission System Operator shall ensure the system balancing services from this balancing service providers in the balancing market in conformity with the balancing rules approved by ERE.

2. The balancing rules shall define the conditions regarding:

a) balancing service providers, ensure of the balancing services, determination of the electricity quantities to be used by the balancing service providers and financial settlement to the balancing service providers;

b) balancing group responsible members, including the establishment and managing of the balancing group accounts, determination of energy amounts to be used for imbalance and financial responsibilities of the balancing group responsible parties.

3. To the establishment of the balancing market, the tariffs to realize the balancing service shall be set according to the methodology approved by ERE. This methodology shall reflect the costs and shall be made public.

4. The Transmission System Operator shall cooperate with other adjacent TSOs to ensure the balancing market in a regional level, to guarantee the operational security and effective operation of the balancing market, according to the effective competition principle, non discrimination and transparency.

PART NINE PROPERTY RIGHTS

Article 101

Property rights of the licensee

1. Regarding the ensure of the electricity service, the licensee may require the use of one or some of the following rights over the property:

a) the right for the connections;

b) usage right;

c) easement right;

ç) expropriation.

2. When exercising the rights according to point 1, of this law, the damages caused by:

a) the set of the signs, meters or tests;

b) the installation of equipments, access or performing the work to them;

c) the impede or restriction to use the property, shall be reimbursed to the owner or the user of the property by the licensee according to the Civil Code and the legislation for expropriation and taking in temporary use of the private property for public interest.

3. In protected nature areas, the rights provided on point 1, of this article, may be issued with a prior approval of the competent environmental protection authority, in compliance with the legislation in force for the protected areas. In areas under local government management, prior consent of the competent municipality is needed.

4. In case of the termination of the rights according to point 1 of this article, the licensee shall take the measures for full rehabilitation of the used property.

5. When the end use customer residences in a building with many apartments or a multi – business, the licensee shall have the right to exercise all the rights provided on point 1, of this article, which are necessary for the security of supply of this customer.

Article 102

Legal easement

1. Based on the provisions of articles 53 and 68, of this law the legal easement right is guaranteed to the TSO or the DSO for the installation and operation of the distribution and transmission grid on the third party property, guaranteeing the use of the property in conformity with the civil legislation.

2. In conformity with the legal easement right, the licensee for the transmission or distribution activity may performed on the third party property the following actions:

a) shall install and locate underground and/or on the ground the electricity connections and the electronic communication connections;

b) install supporting structures, the transformation and switching equipments set on them;

c) shall install and utilize the third party property suspended connections (operate, on third party property, (cableway and lines) used for the construction purposes and for the utilization of the power plant, the substations, transmission lines and its supporting structures;

ç) shall utilize, maintain, repair, transform and removes the installed equipments, defined on letters “a” and “b” of this point;

d) shall remove the trees, bushes, their branches and roots located within the connections security area which violate their operational security;

dh) may approach and cross the transport tracks, the rivers, water flows, lakes, canals and buildings, according to the procedures provided on technical regulations and the legislation in force.

3. Any easement right set forth according to this article shall be issued in conformity with the Civil Code of Albania.

4. The Transmission System Operator and the Distribution System Operators are exempted from the application of any tax or fee set by the local government on the assets, the grids and respective installations belonging to these operators.

Article 103

The obligations of the operators to their grids

1. The Transmission System Operator and the Distribution System Operator shall manage the grids and take measures that during their construction and operation to comply with all the requirements and the technical safety conditions, including even the respect of the grid safety distances in relation to other facilities belonging to third parties.

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2. The Transmission System Operator and the Distribution System Operator, have no liability to the claims of natural or legal persons for the incurred damages, as result of the distance of the transmission or distribution grids in relation to any facility or structure, in their property or possession, if the facility or the structure or part of it are constructed or placed in such distance after the construction of the distribution or transmission grid.

Article 104

Right of temporary usage

1. Parts of the generating plants, equipment of transmission, distribution systems and auxiliary systems may be installed, operate and maintain on third party property on the basis of the temporary usage right.

2. The temporary usage right shall be regulated according to the legislation on expropriations and taking for temporary use of the property, private property for public interest.

Article 105

Expropriation

1. To set power plants, the substations of the electricity cabins or the electricity transmission lines, the licensee may require to open the ownership expropriation procedure of a third person, in conformity with the legislation for the expropriations and temporary usage of the ownership, private ownership, for the public interest.

2. The initiation of the expropriation procedure, for the installation and operation of transmission and distribution networks and their supporting structures may be required only if the easement right according to article 102, of this Law, may impede or terminate the essential way to appropriately use property.

3. The expropriation procedure for the installation and operation of the transformation equipments and the switching equipments that are not set on the supporting structures, belonging to the power production plants, may be initiated only if the parties does not agree for the right to use, according to articles 101 and 102 of this Law, or if the competent territorial authorities for the planning and the regulation has not approved it.

PART TEN OTHER PROVISIONS

Article 106

Administrative Investigations

1. ERE, in compliance with its responsibilities according to article 19 of this law may, based on evidences obtained for the violation of this law provisions, may decide to initiate the administrative investigation for the evidenced violations.

2. Such administrative investigations shall be in conformity with the Administrative Procedures Code and the procedures for imposing and reducing the fines, approved by ERE.

Article 107

Administrative offences

1. The following offences, performed by licensees, when they do not constitute a criminal offence, shall be considered administrative offences and shall be sanctioned by ERE with fines from 0.1% up to 3% of the annual revenues of the licensee for the previous year:

- a) failure to comply with ERE's decisions;
- b) refusal to submit periodic data and reports or delayed deliver of them or submission of inaccurate data by a licensee;
- c) failure to comply with the obligations regarding the calculation and application of the

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costs and tariffs;

c) failure to comply with the public service obligations, according to article 47 of this law;

d) failure to implement the obligations for the unbundling of the licensed activities;

dh) failure to comply with the obligations of keeping unbundled accounts according to articles 35, 54 and 72 of this law;

e) failure to comply with the obligations regarding third party access to the grid, as required by the provisions of this law and other secondary legislation implementing it;

è) failure to implement the obligations defined in the regulated contracts;

f) failure to publish the information regarding the fees and the general conditions of the grid access, as well as the use of the grid services;

g) failure to submit the investment programs and/or failure to perform the planned investments according to the requirements of articles 20, letter “f”, 60 and 75, of this law and the respective ERE regulation.

g) violation of the conditions and terms for the quality of supply approved by ERE;

h) failure to implement with ERE decisions for settling the disputes;

i) violation of the license obligations and terms as well as ERE regulations which are not mentioned on the above points;

j) refusal of market participants to sign regulated contracts within 15 calendar days;

k) failure of the regulatory payment by the licensee within the defined period. In this case, ERE, except of the fine, has the right to apply an overdue payment on the regulatory payment value, for each day of delay in payment thereof. The value of the overdue payment is determined according to law 48/2014 "On delayed payments in commercial contractual obligations", as amended.

2. ERE shall apply the progressive fine, for each day of violation by a licensee for the following cases:

a) when the licensee fails to comply with ERE decision for correcting the violation within its defined period. In this case, the licensee shall be fined by 0.1% of the average daily turnover for the previous year, for each day of delay from the day of the deadline specified in the respective ERE decision;

b) when a licensee does not comply with the obligation to pay to the ERE the regulatory fee, it shall be sanctioned with a fine of 0.2% of average daily turnover for the previous financial year for each day of delay from the day defined for the payment.

3. The amount of the fines, defined on point 1 of this article, may be reduced by ERE, to the following extent and cases:

a) by 50%, when the violation, for which it is provided the fine, is notified by the licensee itself;

b) by 1/3, when the licensee collaborates actively in the process of ERE administrative investigation that observes the questioned offence;

c) by 40%, in cases when the licensee evidences that it has taken concrete actions to improve or eliminate the consequences that caused the violation, before or while ERE observes the offence.

4. ERE shall draft and approve a specific regulation regarding the conditions and procedures to impose and reduce the fines.

5. ERE decision to observe and impose the fine to the licensee is an executive title and is executed in conformity with the Civil Procedures Code.

6. The fines imposed according to this article shall be deposited to the State Budget.

Article 108

By-legal acts

1. Within 12 months from entering into force of this law, the Council of Ministers is charged to adopt the by-legal acts according to articles 4, point 2, letters “a” and “b”; 6, point 1; 31, point 2; 33, point 4; 34, point 1; 36; 42, point 5; 47, point 1; 48, point 2; 49, point 2; 50,

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point 3; 52, point 2; 53, point 3; 72, point 3, letter “ç”; 87, point 1; 95, point 1; 97, point 3; and 99 point 4, of this law.

2. The responsible ministry for energy is charged that within 12 months from the entry into force of this law, to approve the by – legal act implementing article 5, point 2.

3. ERE is charged to adopt the by-legal acts within 12 months from entering into force of this law according to articles 7, point 1; 9, point 2; 11, point 7; 14, point 1; 16, point 1; 17; 19; 20; 21, point 6; 24, point 1; 27, point 3; 38, point 1; 39, point 1; 42, point 3; 44, point 2; 45, point 1; 58, point 2; 60, point 9; 61, point 2; 62, point 2; 63, point 1; 65, point 1; 67, point 1; 69, point 8; 69 point 11; 70, point 1; 71, point 5; 73, point 2; 75, point 8; 76, point 4; 77, point 6; 77, point 10; 83, point 1; 84, point 1; 87, point 4; 88, point 2; 96, point 5; 98 point 1; 98 point 2; 100, point 1; 100, point 3; and 106, point 2.

Article 109

Transitory provisions

1. The electricity customers with a 110 kV voltage and above as well as any other customer that despite of the grid voltage level of electricity to which it is connected has an annual consumption of electricity of more than 50 million kWh, from the entry into force of this law, it is considered to have entered in the liberalized market. The customers connected to the 35 kV voltage level are obliged to enter in the liberalized market no later than June 30 2016, the customers connected in voltage 20 kV, not later than December 31, 2016, and the customers connected to the level of voltage 10 kV and 0.6 kV, no later than December 31, 2017. The Customers connected to 0,4 kV voltage have the right to freely choose their supplier.

2. The License of the Transmission System Operator, issued before the entry into force of this law, shall be valid to perform the licensed activities until its certification according to the procedure defined in this law and the issuance of a the new license.

3. The Chairman and the Board members performing their duties at the time of entering into force of this law, shall continue to perform it by the end of their mandate.

4. Up to the impose of the public service obligation for the licensee, according to the definitions of article 47 of this Law, the comply of these functions shall continue to be performed by the licensee exercising these functions when this law enters into force.

5. The existing rights and obligations of market participants shall continue to be complied by them until the adoption of the by laws, according to the provisions of this law.

Article 110

Abrogation of the legal acts

1. Law no. 9072, dated 22.05.2003 "On the Power Sector", as amended, as well as any other legal provision that contradicts with this Law is abrogated.

2. The by-legal acts regulating the power sector activity, approved before the enter into force of this Law, shall be implemented as they do not contradict with this law, until their review and the issue of new legal acts, in conformity with the requirements and terms set on this law.

Article 111

Entry into force

This law enters into force 15 days after its publication in the Official Gazette.

Approved on 30.4.2015

Promulgated by decree no. 9115, dated 25.5.2015, of the Albanian President, Bujar Nishani

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