REPUBLIKA E SHQIPËRISË

ENERGY REGULATORY AUTHORITY

DECISION

No. 126, dated 06.05.2026

ON

ON THE INITIATION OF THE PROCEDURE FOR APPROVING THE STANDARD LICENCE FOR THE OPERATION OF SMALL-SCALE CNG PLANTS

Pursuant to Article 16, of Law no. 43/2015 "*On Power Sector*", as amended; Articles 16, 22, point 2, letter "f" and 23 of Law no. 102/2015, "*On Natural Gas Sector*", as amended; as well as Articles 15 and 26 of the *Regulation on ERE organization, operation and procedures* approved with ERE Board Decision no. 96, of date 17.06.2016; the ERE Board, at its meeting held on 06.05.2026, after reviewing the Report no. 1527 of date 06.05.2026, prepared by the Technical Directorates, *"On the initiation of the procedure to approve the Standard license for operation of small – scale CNG plants activity";*

Considering that:

- Pursuant to Articles 16 (11), 22 (2), (f) and Article 23 of Law no. 102/2015, "*On Natural Gas Sector*" as amended, ERE is vested with the authority to approve licenses and license conditions for the small-scale CNG plants, as well as to establish the licensing conditions and the criteria applicable to activities carried out in the natural gas sector.
- The Standard Licence drafted by ERE requires the Licensee to design, construct, operate and maintain small-scale CNG plants in accordance with applicable national and international technical standards to design, construct, operate and maintain small - scale CNG plants in accordance with applicable national and international technical standards, including ISO standards, European norms (EN), as well as technical rules for pressure equipment, protection to explosion (ATEX), fire protection and industrial safety, ensuring the availability of compressors, pressure storages, pipeline system, safety valves and other technology equipments certified according to European Union standards and Albanian Legislation.
- The Standard Licence Conditions establish the Licensee's obligation to ensure that small – scale CNG plants are equipped with automatic emergency shutdown systems – ESD, gas leak detection systems, fire and explosion protection systems, adequate technical ventilation, safety signage and classified areas according to ATEX requirements, as well as with trained staff for operations with natural gas and pressure equipment.
- The Standard Licence requires the Licensee to prepare and implement emergency response plans, evacuation procedures and incident response measures, and reaction measures to industrial incidents, guaranteeing immediate reporting to ERE and competent institutions for any technical incident, gas leak, explosion or high-risk situation, as well as carrying out periodic technical checks for all equipment and infrastructure of the plant.

- The Type License provides the obligation of the licensee to maintain separate accounts for the

licensed activity and any other activity, and to submit annual financial statements to ERE by 31 March of each year, and to periodically report operational, financial and quantitative data, including the operating costs and revenues, cash flow statements, CNG transported quantities, the number of customers served, as well as the complaints received and their resolution, pursuant to Article 30 and the reporting requirements pursuant to Article 16 (24) of Law no. 102/2015.

- The Conditions of the Standard License ensure the objective and non-discriminatory third-party access to the services provided by the licensee, preventing any form of discrimination between the users or groups of users, specifically when this discrimination favors the related companies, as well as providing the obligation of the licensee to protect commercially sensitive information that is obtained during the performance of the activity.
- The Standard License provides clear mechanisms for the application of administrative measures and licence revocation by ERE, where the licensee fails to comply with the essential licence conditions, endangers the life, health and property of citizens, breaches environmental protection requirements, or fails to pay the regulatory fees imposed by ERE, in accordance with Articles 27 and 106 of Law no. 102/2015 "On Natural Gas Sector", as amended, as well as the relevant regulations approved by ERE.
- In this context, the Standard License aims to regulate this activity under a uniform regulatory framework, ensuring the compliance with the legal requirements, technical and safety standards.

Decides:

1. To initiate the procedure for approving the Standard Licence for the operation of small-scale CNG plants (attached document).

2. The Natural Gas Regulation Directorate shall notify stakeholders of this Decision.

This Decision shall enter into force immediately.

Any party to this procedure may request a review of this Decision within 7 (seven) calendar days from the date of receipt of this decision, in the presence of new evidence that may lead the Board to issue a different decision or in cases of identified material errors. An appeal against this decision may be filed with the Administrative Court of Tirana within 45 calendar days from the date of its publication in the Official Gazette.

This Decision shall be published in the Official Gazette.

ERE CHAIRMAN

Petrit AHMETI

Approved with ERE Board Decision No. 126, dated 06.05.2026

REPUBLIKA E SHQIPËRISË

ENERGY REGULATORY AUTHORITY

LICENSE FOR THE OPERATION OF SMALL-SCALE CNG PLANTS

License: _____
NUIS: _____
Licence Number: _____
Series: _____
Effective Date: _____
Duration: _____

Pursuant to the powers conferred by Law No. 102/2015 "On the Natural Gas Sector", as amended, the Energy Regulatory Authority (ERE) hereby grants this Licence (the "Licence") to the above-mentioned legal person (hereinafter referred to as the "Licensee") for the operation of small-scale CNG plants, subject to the Licence Conditions attached hereto and forming an integral part of this Licence, as well as to any conditions established by the relevant ERE Board Decision.

This Licence shall enter into force on the date specified above and shall remain valid for the period for which it is granted, unless earlier revoked, suspended or terminated by ERE in accordance with the Licence Conditions, the relevant ERE Board Decision, or the provisions of Law No. 102/2015 "On the Natural Gas Sector", as amended.

ERE CHAIRMAN

LICENSE CONDITIONS FOR THE OPERATION OF SMALL-SCALE CNG PLANTS ACTIVITY

Article 1
General Provisions

ERE is the competent authority in the Republic of Albania, designated under Chapter III, Section I of Law No. 102/2015 "*On Natural Gas Sector*", as amended, for issuing licences and declaring their effectiveness.

1. If any condition of this License becomes void or cancelled or ceases to be effective, this condition shall be removed from the License and the remaining Conditions of the License shall continue to be fully effective.
2. In cases of License transfer, the Licensee is obliged to immediately inform ERE.
3. ERE has the exclusive right to modify this License, if the conditions or circumstances have changed and to comply the provisions of the Rules for Natural Gas Market Organization; Law no. 102/2015 "*On Natural Gas Sector*", as amended, the General Conditions for the Supply with Natural Gas; Transmission Network Code; Distribution Network Code; the Metering Code; and/or the effective by-laws approved by ERE implementing Law no. 102/2015 "*On Natural Gas Sector*", as amended.

Definitions of the terms defined to:

- Law no. 102/2015, "*On Natural Gas Sector*" as amended;
- "Regulation on the procedures and terms on license issue, modification, transferring or license removal on natural gas sector", approved by ERE Board decision no. 97 dated 04.07.2017;
- "Regulation on the procedures of license removal in power and natural gas sectors", approved with ERE Board Decision no. 58 dated 18.04.2017;
- "Regulation for ERE Organization, Operation and Procedures approved by ERE Board decision no. 96 dated 17.6.2016;
- The Regulations and Rules belonging to Natural Gas Sector (the Legislation in force), including this License for any purpose.

Other words and phrases used on this License and the License Conditions, which are not included on the above regulations and laws, shall have the meaning as follows:

- **"Compressed Natural Gas" (CNG)** Compressed Natural Gas (CNG)" means natural gas consisting primarily of methane (CH_4), compressed to high pressure for storage and transportation purposes.
- **"Small scale plant"** means a facility used for the production, storage, transportation and/or distribution of small quantities of CNG.

- **"Cross-Subsidies"**, means the transfer of the funds or costs allocation between the Licensee accounts, or the accounts for financial support of an activity or business except of the supply, production and/or natural gas trading from the incomes gained from the Licensee that conducts the Licensed Activity, or transfering the caused costs from the Licensee during conducting the Licensed Activity to another activity or business except of the supply, production, and/or natural gas trading activity.
- **"Licensed Activity"**, means the activities directly related and necessary to conduct the the operation of small-scale CNG plants, in conformity with Law no. 102/2015 "On Natural Gas Sector", as amended, the Rules for the Operation of Natural Gas Market, the General Conditions for the Supply with Natural Gas, as well as other Rules and Regulations that are applied.
- **"Licensee",** as used on this document shall mean a Person mentioned on the first page of this License, that holds a license issued by ERE to perform the Licensed Activities.
- **"Licensing procedures in natural gas sector"**, means the procedure provided on the "*Regulation for the procedures and terms of license issue, modification, transfering or license removal in natural gas sector*", approved with ERE Board Decision no. 97, dated 04.07.2017.
- **"Legislation in force"**, means the entire standards, codes, rules, regulations, methodologies and other effective decision or act, approved by ERE and other competent authorities according to Law no. 102/2015 "*On Natural Gas Sector*", as amended.
- **"Commercial Sensitive Information",** means the data regarding the business or of commercial nature of the System Users, that are owned from the Licensee during the process of conducting the Licensed Activity, which shall be kept confidential.
- **"Commercial Advantage Information",** means the information related to the Licensee activity itself, which shall be kept confidential and not be given or disclosed to others in a discriminatory approach.
- **"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.
- **"Regulatory Fee"** means an annual fee that all the entities licensed in natural gas sector shall pay at ERE to cover the costs of its regulatory activity, according to a methodology approved by ERE.

Article 2
Performance of the Licensed Activity

1. The Licensee is authorised by this Licence to carry out the licensed activity of operating small-scale CNG plants according to the effective legislation in the Republic of Albania. In the event that the entity intends to carry out other regulated activities in the natural gas sector, such as transmission, distribution or storage, it shall obtain the respective licences for each of them, in accordance with Article 22, (f), of Law No. 102/2015. In any case, the Licensee shall maintain allocated accounts for each licensed activity, pursuant to Article 30 of this Law.

2. The Licensee shall not impede, prevent or attempt to prevent other Licensees or potential participants or competitors from engaging in or entering the business of operating small-scale CNG plants or other activities in the Natural Gas sector in the Republic of Albania;
3. The Licensee shall not engage in any form of monopoly or anti-competitive activity prohibited by the Legislation in force or the Regulations and Rules approved by ERE and from the Competition Authority.
4. The Licensee may not conduct other regulated activities in the natural gas sector, including transmission, distribution or storage of natural gas, without obtaining the respective licence from ERE.
5. By 31 January of each year, the Licensee shall submit to ERE the information and a written declaration regarding the performance of the activity during the previous year and compliance with the legal framework in the natural gas sector, in accordance with the reporting requirements established by ERE pursuant to Article 16, point 24 of Law No. 102/2015 "On the Natural Gas Sector", as amended.
6. The Licensee shall not cooperate with other persons to violate the interests of Licensees or Natural Gas customers.
7. The Licensee shall carry out the Licensed Activity in accordance with the principles of transparency established by the legislation in force.
8. A Licensee that aims to engage in activities other than the Activity for which it is Licensed shall inform ERE in cases where it intends to:
   a) engage in an activity other than the Licensed Activity; or
   b) establish an Affiliated Business.
9. ERE may impede engagement in another activity or impose specific conditions for the establishment of Affiliated Businesses where necessary to protect the interests of customers.
10. The Licensee is not responsible for the failure to comply with the Licence Conditions in the event of Force Majeure, to the extent that the Force Majeure is the cause of such failure to comply with the Licence Conditions. In such case, the Licensee shall immediately inform ERE and the other Licensees or customers with whom the Licensee has signed agreements.

Article 3
Obligations of the Licensee

1. The Licensee is obliged to comply with the Legislation in force and all Council of Minister Decisions and the Regulations and Rules approved by ERE as well as the specific rules regarding the performance of the activity from the Institutions designated to issue certifications.

2. The Licensee is obliged to design, construct, operate and maintain the small-scale CNG plants in accordance with applicable national and international ISO standards, European Norms EN and the technical rules for pressure equipment, protection to explosion (ATEX), fire protection and industrial safety.
3. The Licensee, in the operational activity of small-scale CNG plants, implementing this License, shall:

   a) take the necessary measures to guarantee the technical and financial capabilities to carry out the licensed activity. Submit a project summary, including the type of plant and its intended operation.

   b) register as Albanian natural gas market participant at the natural gas market operator, according to the registration procedures, and shall comply with the legislation in force and ERE decisions. The legal name of the individual or entity, partnership deed and CNIC/identification documents, and specific type of license. Detailed address, topographical maps showing surrounding areas within 100 meters, and proof of land purchase.

   c) undertake all necessary measures for the improvement of the operational and economic efficiency of the licensed activity, to ensure the quality and continuity of the services provided by it for the benefit of customers and the natural gas sector;

   d) carry out the operation of small-scale CNG plants, in safe, sustainable and efficient conditions, taking the necessary measures to protect the environment, as well as guaranteeing sufficient means to fulfill service obligations;

   e) ensure objective and non-discriminatory conditions for access to the operation service in small-scale CNG plants;

   f) limit discrimination between users or groups of users of the operation of small-scale CNG plant service, especially where such discrimination favours affiliated undertakings;

   g) protect commercially sensitive information obtained in the course of carrying out the Licensed Activity, obtained during the carry out of its activity;

   i) possess compressors, pressure storages, pipeline systems, safety valves and other technological equipments certified according to European Union standards and the Albanian legislation for pressure equipment;

   j) ensure that the plant is equipped with:

   - automatic emergency shutdown systems – ESD;
   - gas leak detection systems;
   - fire and explosion protection systems;
   - adequate technical ventilation;
   - safety signage and areas classified according to ATEX requirements;

   k) ensure that the operation of the plant is carried out only by trained and certified staff for operations with natural gas and pressure equipment;

   l) develop and implement emergency plans, evacuation procedures and response measures to industrial incidents;

m) to carry out periodic technical control.
n) The Licensee guarantees that small-scale CNG plants are built and operated in a safe manner, minimizing the risk to life, health, property and the environment.
o) The Licensee is responsible for:
   a) implementing technical and industrial safety requirements;
   b) checking the integrity of pressure equipment;
   c) monitoring gas leaks and emissions;
   d) managing waste and hazardous substances;
   e) respecting safety distances from surrounding facilities according to the legislation in force.
p) The Licensee carries out its activity in reference to and implementation of the relevant approval acts, equipment conformity certificates, environmental and fire permits; standard operating procedures and safety manuals.

Any technical incident, gas leak, explosion or high-risk situation must be immediately reported to the ERE and competent institutions.

Article 4
Accounts and Reporting

1. The Licensee shall keep accounting records and prepare financial statements, which shall be maintained separately for the Licensed Activity and any other activity (including other Licensed activities) in which the Licensee is engaged, in accordance with the accounting rules and procedures approved by ERE and in accordance with Article 30 of Law No. 102/2015 "On Natural Gas Sector". Where necessary and under the conditions specified in the applicable Rules and Regulations, these accounts may be provided in a consolidated form. The Licensee shall submit annual financial statements to ERE by 31 March of each year. If the Licensee carries out more than one activity, the expense invoices for each activity carried out shall be easily distinguishable as to which activity they belong, through clear identifying marks according to the licensed activity for which they have been used.
2. In any such case, the Licensee shall declare to ERE the method of identification for each invoice.
3. The data shall include details on the characteristics of the relevant transactions, such as:

   a) duration,
   b) bidding rules and the rules for settling the disputes,
   c) the quantities, dates,
   d) time for execution of the contract,
   e) transaction prices,
   f) means for identification of involved identification customers, details regarding not-paid contracts

4. ERE may make available to market participants certain data reported by the Licensee, provided that information constituting a commercial secret is not disclosed.

5. The Licensee shall immediately notify ERE of any emergency situation affecting the operation of the plant, describing the taken measures.
6. The Licensee shall allocate common costs between its Licensed Activity and other types of activities, in accordance with ERE Regulations and Rules.
   The Licensee shall submit to ERE, upon its request, in the form and within the deadline established by ERE, the documentation establishing the basis for the allocation of common costs among the carried out activities, as well as the results achieved following such allocation.
7. The Licensee shall notify ERE within 10 days of any change of:
   a) the address;
   b) the statute of the Licensee;
   c) the registration certificate;
   d) the NUIS
   e) the main governing bodies; or
   f) the structure of the Licensed business.
8. All official notifications, applications, petitions, claims or other correspondence with ERE related to the Licence shall be in the written form and signed respectively by an authorised officer or designated legal representative of the Licensee or ERE, and shall be sent by courier or registered mail, requesting confirmation of receipt. The addresses of the Parties shall be placed on the envelope. All notifications or other correspondence shall be deemed effective upon delivery, or, if not delivered due to the sender's fault, from the moment of presentation.
9. The Licensee shall submit to ERE Periodic information relating to:
   a) Operational expenses and revenues (monthly, and on a 3-month progressive basis);
   b) Cash-Flow statements (monthly and progressive);
   c) Table with the data on the transported quantities of small-scale CNG (monthly and progressive);
   d) Any information requested on a case-by-case basis by ERE;
   e) The number of Customers to whom it has provided the transportation service (monthly and progressive);
   f) Load curves;
   g) Metering systems;
   h) Data on registered complaints, their handling and corrections in the respective billings subject to complaint (monthly and progressive);
   i) Any other information pursuant to Law No. 102/2015 "On Natural Gas Sector" and the reporting requirements approved by ERE pursuant to Article 16, (24) of Law No. 102/2015 "On Natural Gas Sector".

Article 5
Use of Information

1. The Licensee shall ensure that any information obtained as a result of its Licensed Activity shall not be provided to any person, except where:
   a) Prior written consent given by the Person to whom the information relates
   b) The information has become public;

c) The Licensee is required or permitted to disclose the information in order to comply with the Conditions of this Licence pursuant to ERE order, or any applicable legal provision;

d) The information shall be disclosed for the purpose of carrying out the Licensed Activity.

2. The Licensee shall ensure that any Affiliate Business shall not use any information of the Licensee to gain an unjustified competitive advantage and shall ensure that it does not disclose any information to any other Person (including other Affiliate Businesses) that may enable such Person to gain any kind of unjustified commercial benefit.
3. Any Commercially Advantageous Information in the possession of the Licensee shall be disclosed in a transparent and non-discriminatory way and shall be easily and equally accessible to existing and potential consumers and other stakeholders. The disclosure of Commercially Advantageous Information shall be processed so as to prevent preferential handling of individual consumers, other participants in the natural gas market or other stakeholders, with regard to the scope, content and/or form of the disclosed information and/or the time at which it is disclosed.
4. The Licensee shall take all necessary steps to keep confidential the information in its possession and to report to ERE in accordance with the Legal obligations under the requirements set out on Law No. 102/2015 "On Natural Gas Sector", as amended, the General Conditions for Natural Gas Supply and the natural gas supply contract.
5. Information submitted to ERE by the Licensee shall be considered public, except where, upon a specific request of the Licensee, ERE approves by decision that such information is of ownership nature and its disclosure does not serve the public interest.
6. ERE shall preserve the confidentiality of Commercially Sensitive Information received from the Licensee in accordance with the conditions and deadlines set out in the Regulations and Rules applicable according to Articles 16, (15) and 20 of Law No. 102/2015 "On Natural Gas Sector", as amended.
7. The Licensee shall not enter into agreements which the Licensee knows or shall know that violate the Licence Conditions.
8. The Licensee shall comply with the Laws and Decisions of the Albanian Government and ERE Regulations and Rules.

Article 6
Regulatory fees

1. The Licensee shall pay regulatory fees to ERE on a regular and continuous basis throughout the term of this Licence as determined by ERE in the Regulation on Regulatory Fees as well as Article 14 of Law No. 102/2015 "*On Natural Gas Sector*".

2. If the Licensee fails to pay the regulatory fees to ERE within the deadline determined by ERE, the Licensee shall be penalised in accordance with Law No. 102/2015 "*On Natural Gas Sector*" and the "Regulation on the Conditions and Procedures for the Imposition of Fines and the Specific Measure for each Violation", approved by ERE Board Decision No. 95, dated 04.07.2017.

Article 7
Control on the Performance of the Licensed Activity

1. ERE shall monitor the Licensee's compliance with the Licence Conditions, shall review the reports received from the Licensee and is authorised to inspect at any time the financial records of the Licensee and may require a technical and/or financial audit of the Licensee's activities. For this purpose, ERE shall, among other things, have unrestricted access to the accounts of the Licensee pursuant to Articles 30 and 31 of Law No. 102/2015 "*On Natural Gas Sector*".
2. Authorised representatives of ERE may enter the premises, equipment and documents of the Licensee to inspect the Licensed Activity in accordance with ERE Rules. The Licensee shall provide any assistance requested by ERE during such inspection.
3. Based on a confirmed complaint of any third party or on its own initiative, ERE may initiate an administrative investigation regarding the Licensee's compliance with the Licence Conditions or ERE Rules.
4. If, following the investigation, ERE concludes that the Licensee has failed to comply with the Licence Conditions, ERE may undertake other measures within its authority in order to ensure compliance with the terms and conditions of this Licence.
5. The Licensee shall inform and explain to ERE any breach of the Licence Conditions no later than one week after such breach is notified to the Licensee.
6. The Licensee shall comply with decisions issued by ERE, including the payment of fines imposed by ERE, in accordance with the Legislation in force.

Article 8
Amendment of the License

1. ERE may amend or revoke the Licence Conditions in the event that they are not in compliance with:

   a) The legislation in force and the Albanian Government Decisions that are in compliance with the legislation in force.
   b) Decisions issued by a competent Albanian Court.
2. At any time, the Licensee may propose to ERE other amendments to the Conditions of this Licence by submitting a written proposal together with supporting documents. ERE may propose amendments to the conditions of this Licence and consult them with the stakeholders before approval.
3. ERE shall make the final decision only after taking into consideration the interests of customers and other licensees. The stakeholders shall be informed in writing of any proposed amendment. If ERE and the Licensee reach an agreement on such amendments, the Licence Conditions shall be amended. If no agreement is reached, the Licensee may appeal to the Administrative Court of Tirana.

4. All amendments to the Licence Conditions shall be carried out by ERE in accordance with the conditions and deadlines set out in Law No. 102/2015 "On Natural Gas Sector", the Licensing Procedure for the Natural Gas Sector and other applicable Regulations and Rules.
5. Amendments made to the Licence Conditions shall be published in the Official Gazette of the Republic of Albania.

Article 9
Imposition of Administrative Measures and Licence Revocation

1. If the Licensee fails to comply with the conditions of this Licence, ERE may apply administrative measures pursuant to Article 106 of Law No. 102/2015 "On Natural Gas Sector", and the Regulation on the conditions and procedures for the imposition of fines and the specific measure for each violation".

2. ERE may revoke the Licence in accordance with Article 27 of Law No. 102/2015 "On Natural Gas Sector" and the Regulation on the procedures for license removal in the power and natural gas sectors".

Article 10
Revocation of the Licence

1. ERE shall revoke a licence where the Licensee:
   a) no longer fulfils the essential conditions of the Licence;
   b) violates the legal provisions for environmental protection during the conduct of its activity;
   c) endangers the life, health and property of citizens;
   d) fails to make the regulatory payments imposed by ERE;
   e) becomes financially insolvent or applies for bankruptcy;
   f) upon the request of the licensee;
   g) has ceased carrying out the functions assigned under the Licence.

2. The Licence may be revoked by ERE in accordance with the conditions and deadlines set out in Law No. 102/2015 "On Natural Gas Sector", the Licensing Procedures for the Natural Gas Sector, the Regulation on the procedures for refusal of licences in the Power and Natural Gas Sectors, as well as other applicable Rules and Regulations.

Article11
Settling the Disputes and the Right to Appeal

1. Any dispute or claim between the Licensee and a Market Participant shall, where possible, be settled amicably in accordance with the applicable legislation and ERE Rules and Regulations.
2. Where an amicable settlement cannot be reached, ERE shall, upon the request of any party to the dispute, resolve the dispute and issue a decision in accordance with Article 98 of Law No. 102/2015 "On the Natural Gas Sector" and the Regulation on

Handling Consumer Complaints and the Settlement of Disputes between Licensees in the Electricity and Natural Gas Sectors..

3. The Licensee may appeal ERE decisions before the Administrative Court of First Instance of General Jurisdiction in Tirana.