ENERGY REGULATOR AUTHORITY

ANNUAL REPORT

The Situation of Power Sector and ERE activity during 2023

Tirana, 2024

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OVERVIEW ON THE POWER SECTOR IN OUR COUNTRY FOR 2023

Energy Regulator Authority (ERE) is the regulatory authority of Power and Natural Gas Sectors in Albania, which operates pursuant to Law no. 43/2015 "On Power Sector", as amended, Law no. 102/2015 "On Natural Gas Sector", as amended, Law no. 7/2017 Law no. 7/2017 "On the promotion for the Use of Energy from Renewable Sources" as well as other approved legal acts implementing them.

ERE Board, is the decision-taking body for all issues under ERE jurisdiction and competence and with the effectiveness of Law no. 43/2015 "On Power Sector", as amended, is composed of the Chairman and 4 Board Members, which are appointed by the Parliament for a 5-year period.

Above ERE objectives could be mentioned, (i) the promotion for establishing an internal competitive market reliable and friendly to the environments for all the customers and the suppliers, ensuring the appropriate conditions for a secure and stable operation of the electricity network, (ii) cooperation with Energy Community and the regulatory authorities of the other countries, (iii) establishing facilitation conditions for the introduction of of new production capacities, as well as removing the barriers that may impede the introduction of new participants to the market and those that produce from renewable resources (iv) the engagement in developing a safe, sustainable, not-discriminatory and for customer protection system, according to the power sector development objectives, energy efficiency as well as the integration to a wide range of energy production from the renewable energy sources

ERE scope is the licensing of the entities that perform the activities in the sector, the monitoring of electricity market, the draft of the reguloatory framework, reviews according to the respective methodologies the application of the tariffs and prices, and through its decision-taking authority and implementing the law, acts case by case expressing its will through Board Decisions.

The Report on the "Power Sector and ERE activity during 2023", is prepared according to the requirements of Law no. 43/5015 "On Power Sector" as amended and Law no. 102/2015 "On Natural Gas Sector" as amended.

The Report submits in details the data on the progress of Power and Natural Gas Project for 2023, as well as the comparisons of some of the main indicators of this year with those of previous years.

Electricity production is realized from the public company KESH s.a and Lanabregas HPP which are companies with 100% of state shares, as well as from private entities licensed in such activity.

Total electricity production capacity that is installed in our country until on 31 Dhjetor 2023 is about **2,675** MW. This capacity is increased on 2023 with about **26 MW.**

Regarding electricity production they are connected to the electricity transmission and distribution networks. The installed capacity of the plants connected to transmission networks during 2023 is about 2,288 MW, and the installed capacity of the plants that are connected to the distribution network during 2023 is about 382 MW.

Total net domestic electricity production realized for 2023 is about **8,795,637** MWh, from which **5,131,482** MWh is produced from the plants owned by the public company KESH s.a, and **3,664,155** MWh is produced from the other plants.

Electricity production realized for 2023, from KESH s.a occupies **58.3 %** of all electricity production in our country and the electricity production from other producers is about **41.7 %.**

From the analytical history of electricity production registered in the country, during 2023 with a produced quantity of about 8,796 GWh, results over the average of electricity production for 2009 – 2023 period. The electricity production average for 2009 – 2023 period resulted 6,770 GWh. The production realized for 2023 is about 2,026 GWh, or 30 % higher than the electricity production average for 2009 – 2023 period.

2023 is considered a good hydrological year from the view of electricity production, that for this year resulted in **8,796** GWh, so **2,026** GWh more than the average electricity production for the 2009 – 2023 period.

The Electricity Transmission in Albania is performed by TSO company, through the transmission system that includes the high 400 kV, 220 kV, 150 kV, and 110 kV voltage level. Total transmitted energy in the transmission system for 2023 results 10,148 GWh, with a slight increase compared to 2022 that resulted in 9, 547 GWh.

The transmission network in all voltage levels 400 kV, 220 kV, 150 kV owns 3, 478.5 Km transforming lines and 15 sub-stations with total installed capacity of about 4621 MW.

The level of the losses in the transmission netwok for 2023 is 220 GWh or 2.17 % of the transmitted electricity.

Electricity distribution in our country is performed by the Distribution System Operator that owns the assets of electriciy distribution system, to deliver the electricity to the customers.

DSO company is organized in 11 distribution areas and 42 agencies. According to the data of DSO company, the total enegy introduced in the distribution system for 2023 is **7,084,213 MWh**, from which **1,434,274 MWh** are the losses in the distribution system.

Total number of electricity cabins in the distribution network for 2023 is 26,151, and the total length of medium voltage connections in the distribution system is 17,505 km. The total length of the electricity distribution network in medium and low voltage results to be 65, 764 km.

The losses of electricity in the distribution network reported from OSHEE Group during 2023 are 18.93 %, with a difference of about 0.7 % lower than the target decided with Council o0f Minister Decision no. 758, dated 09.12.2021,“On an amendment on Decision no. 253, dated 24.4.2019, of the Council of Ministers, “On approving the financial consolidation plan of the public sector for the power sector”.

The total level of collections for 2023 is 99.4 % to the total invoiced electricity. This level of collections for 2023 resulted to be increased, compared with the collection level realized for 2022 that results to be 98 %. These values of the collections include the arrears, which are realized for the respective year.

Total electricity consumption that is realized for 2023 results 7,875,861 MWh, with the approximately same values of the consumption for 2022. The electricity consumption for 2023 compared with the consumption of 2021, that is the total reached consumption, results with a decrease of about 538,975 MWh. The decrease of total electricity consumption in the country for 2023, compared to max consumption for 2021, is about 6.4 %. At the same time, the total electricity consumption for 2023 is about 9.2 % higher than the average yearly consumption for 2004 – 2023 period.

This decrease of total electricity consumption is reflected for all categories of consumers, but especially for consumers supplied in the irregulated market, that for 2021 consumed approximately 1,361 GWh of electricity, while in 2022 these consumers consumed around 929 GWh of electricity while for 2023 is about 858 GWh. This decrese of consumtion is as consequence of the electricity crisis during which the businesses installed alternative electricity generation plants as self-producers.

The total customer number for 2023 is 1,334,091 and the majority part of customers for this year is occupied by household customers, that compose 77.1 % of the total customer number of FSHU company. To the demographic distribution of customers even for 2023 the majority part is in Tirana with about 27.4 % of all FSHU company customers.

The consumption of household customers occupies about 39.5% of total consumption, a higher figure, compared to the consumption for the same category for 2022, that is in 38.8% measure.

The structure of FSHU customers is reflected even on the structure of electricity invoicing realized for 2023. The household customers occupy the majority and as consequence the majority of electricity invoiced for 2023, or 44.5 % of all invoicing realized for 2023.

The peak of the load for 2023 is reached on 08.02.2023, hour 19:00, 1542 MW value, while the minimum load is registeref on 02.01.2023, hour 05:00, 439 MW value.

The Albanian Power Exchange (ALPEX), initiated the operation on hour 00:00 of date 12.04.2023. With the initiation of operation of Albanian Power Exchange (ALPEX), followed with the registration of the members on the exchange. During 2023 the number of registered members to the exchange is 17 (seventeen). Also the General Clearing member of the Exchange is Raiffeisen Bank Albania. Tirana Bank, applied to become General Member of Clearing at ALPEX.

The total trading volume on the exchange for 2023 results to be 827,541 MWh and the reached average price from ALPEX company resulted to be 106,5 Eur/MWh.

Throughhout ERE activity an important part of the work is focused on settling the complaints of electricity customers by collecting and processing the data for their number and their nature. Especially during the last years and concretely during 2022-2023 period, ERE took a very active role regarding the communication channels with the customers finding contemporary ways with the public communication not only directly but also through social media,as a fast,

accessible communication way to orient information to the targeted destination, the end use customer.
According to the effective legal acts, the Regulator undertakes the settlement of a complaint, after verifying tha the submitted request shall fulfill the minimum criteria to be handled, and as consequence after observing that the issue submitted for review includes a licensed company in one of the activities in power or natural gas sectors.
At ERE during 2023 are submitted in total 164 complaints/requests from which, 56 of them are submitted through the format on ERE website "make a complaint", 10 others through the email and 98 by traditional post or at ERE offices.

During 2023 there result that 99 complaints and 65 requests for orientation or information regarding the handle of an issue or the handle of a complaint to the customers. From the total number of the complaints / requests handled at ERE about 66 of them are handled through the electronic means of communication, ERE website and the applicable form to submit a complaint. So during 2023 it is seen a trend of the increase of digital practices of communication with ERE, leading to a facilitation of administrative practices, the decrease of processing period for a complaint and the decrease of the customer costs in reaching the target for finding a solution.

In Natural Gas Sector, ERE even during 2023 continued the work in approving the regulatory acts on this sector. Also during 2023 the global markets of natural gas moved to gradual rebalancing mainly during the warming session. This ribalancing of the prices during 2023 comes as the result of the crisis established from February 2022 when initiated the war in Ukraine. On 2023 the European prices of natural gas continued to decrease. The average price of the spot quarter was 53.32 €/MWh. This represents a decrease of about 44% from the same last year period (95.15 €/MWh), and of a decrease of 45% from year to year (97 €/MWh).

Regarding ERE activity in tariff and prices area during 2023 results as follows:

TSO company continued to perform its activity in electricity transmission based on an average electricity transmission tariff for a 3 year period 2022 – 2024 of about 0.85 ALL/kWh, approved with ERE Board Decision no. 72, dated 13.04.2022, decided to approve the electricity transmission service tariff for 1 May 2022 – 31 December 2024, of about 0.85 ALL/kWh.

Regarding the electricity distribution tariff, on the absence of the DSO company application, in defining the electricity distribution tariffs for 2023, ERE Board with Decision no. 324, dated 14.12.2022, decided to postpone the legal power of Decision no. 73, dated 13.04.2022, to the approval of a decision supported on the application of DSO company for 2023 or observing the amendment of the costs based on the effective legal and bylegal acts. The service tariffs for electricity distribution that are in force for 2023, remained as follows: (i) *The electricity distribution tariff for the customers connected in 35 kV voltage level is 1.55 Lekë/Kwh*, (ii) *the electricity distribution tariff for the customers connected in 0.6 to 20 kV voltage level is 3.99 ALL /Kwh,* (iii) *the electricity distribution tariff for the customers connected in 0.4 kV voltage level is 6.42 ALL/Kwh,* (iv) *the applicable price for reactive electricity invoice is 1.92 ALL /kVArh.*

FSHU company did not apply for tariffs at ERE for the year 2023 and consequently, ERE, in order that FSHU company to continue exercising the activity for which it is licensed also for 2023, according to Law no. 43/2015, "On Power Sector" as amended, with ERE Board

Decision no. 325, dated 14.12.2022, approved the extension of the legal power of ERE Board Decision no. 74, dated 13.04.2022, until the approval of a Decision based on the application of FSHU company for 2023.

From the periodic reports of the analysis for 2023, it is evidenced the quantity of electricity sold for FMF customers, connected in 35 kV voltage level, has been 21.2 GWh, with an invoiced value of about 250 milion ALL, resulting in an average annual price of about 11.83 ALL/kWh.

Regarding the electricity supply price for customers connected at 20/10/6 kV voltage level, who are supplied by the Supplier of Last Resort, ERE Board, by decision no. 29, dated 16.02.2023, decided to approve the price 18.26 ALL/kWh for 2023 period. For the Water Supply and Sewerage companies supplied by the Supplier of Last Resort, ERE Board, by decision no.16, dated 06.02.2023, decided to approve for 2023 period the price 9.33 ALL/kWh for the Water Supply and Sewerage companies connected at the 35 kV voltage level and the price of 11.77 Lek/kWh for the Water Supply and Sewerage companies connected at the 20/10/6 kV voltage levels.

Refering to the power balance it results that electricity quantity consumed from the customers connected in 20/10/6 kV voltage level for 2023 period is 1,070 GWh, with an invoiced valua of approximately 18,802 milion ALL, with the realized average price of about 17.56 ALL /kWh.

Regarding the electricity purchase price produced from the fotovoltaic plants with installed capacity upt to 2 MW, ERE with Board Decision no. 25, dated 22.02.2024 approved the price of about 95.04 Euro/MWh, for 2023 period.

ERE Board with Decision no. 327, dated 14.12.2022, decided to approve the annual electricity purchase price, that shall be paid to existing priority producers of about 8.5652 ALL/kWh for 2023 period. Following this Decision, the Council of Minsiters by Decision no. 67, dated 08.02.2023 “Regarding an amendment to Decision no. 687, dated 22.11.2017 “On approving the methodology for defining the electricity purchase annual price, that shall be paid to existing priority producers”, as amended, decided that the maximum level of the calculated electricity purchase, in any case shall not be higher than 10 ALL/kWh (without VAT). On these conditions being that the resulting price according to the calculations implementing Council of Minister Decision no. 687/2017 is over the maximum level of the price calculated for electricity purchase defined on letter “d” of Council of Minister Decision no. 687, dated 22.11.2017, as amended, of about 10 ALL/kWh, ERE Board by Decision no. 27, dated 16.02.2023 decided to approve the applicable price of electricity purchase that shall be paid to existing priority producers, of about 10 ALL/kWh, by defining also that the financial effects of this price shall initiate from 09.02.2023 with the publication on the Official Gazette of Council of Minister Decision no. 67/2023 until date 31.12.2023.

Also during 2023, with ERE Board Decision no. 364, dated 15.12.2023, ERE approved the annual price that shall be paid to to existing priority producers for 2024, of about 10 ALL/kWh.

Albgaz company, is licensed by ERE as a combined transmission and distributor operator. For 2023 period Albgaz company developed its activity according to the scope of the establishing activity and then its license, that includes the infrastructure transmission and distribution operation of natural gas in Albania.

One of the main obligations of Albgaz company is to comply the engagements to TAP AG Albania. For this purpose, it is established "Albanian Gas Service" company with its scope of activity the realization of the maintenance service of TAP pipeline. This is made possible with the partnership with the SNAM S.p.A in Italy, a leader company in natural gas infrastructure area and at the same time TAP AG shareholder. Also to realize the obligations deriving from the Maintenance Agreement, are financed from TAP AG and are realized by "Albgaz" company, the Maintenance Center in Korca and Fier. Both these centers currently operate according to the highest standards of the sector, defined by TAP AG. Albgaz company is the majority shareholder of "Albanian Gas Service" company that owns 75% of the shares.

In conformity with the market conditions, Albgaz company has Albpetrol company as the sole company that provides the natural gas transmission service, that with the initiation of COVID-19 pandemic significantly decreased the production of fuel and subsequently even the accompanied natural gas quantity for transmission, affecting the incomes from this activity.

Despite of the positive performance in Power and Natural Gas Sectors for 2023, where a specific role has been the draft of the secondary and regulatory legislation, it is worth mentioning and underlined that above the scopes whose main objective of ERE work for the next year is the electricity market monitoring as well as the approval of the regulatory acts to have a further development of this market in our country.

RECOMMENDATIONS OF EU PROGRESS RAPORT FOR 2023

The Recommendations of the European Union progress raport for Albania 2023 period regarding Chapter 15 “Energy” are as follows:

1. Shall be realized full access to the liberalized market for all the customers connected to 20 kV for 2022 period and shall be extended this access progressively for all the customers. Also the sale-purchase of electricity to cover the losses in the distribution system shall be realized through ALPEX (Albanian Power Exchange).

2. Shall be updated and implemented the National Plan of Energy and Climate 2020-2030 (NECP), as well as the guideline of decarbonization for 2030 and shall be provided that the Albanian renewable energy operator is operational until the end of 2023. Shall be strengthened the capacity of the Energy Efficiency Agency and shall be continued the draft and the approval of the applied legislation, including the establishment of enegy efficiency obligation and the approval of the naming regulation. Shall be continued with the comprehensive assessment of the co-generation potential with high efficiency and the central heating, according to its obligations according to Energy Efficiency Directive.

3. Shall be transposed and implemented the Electricity Integration Package that is approved by the Ministerial Council of Energy Community on December 2022.

Regarding the aforementioned, shall be informed that, regarding the point 1 of the recommendations, from January 1, 2024, all customers connected to 20 kV will be supplied in the liberalized market. Regarding point 2 of the recommendations, ERE has contributed to the draft of the National Energy and Climate Plan 2020-2030, approved by Council of Minister Decision no. 872, dated 29.12.2021, as part of the inter-institutional working group established by the Prime Minister's Order no. 52, dated 07.03.2019. Subsequently, with the commencement of the work for the revision of this plan by the Ministry of Infrastructure and Energy, ERE is in the phase of preparing comments regarding the necessary changes to the NECP.

Regarding the transposition and implementation of the Electricity Implementation package approved by the Ministerial Council of Energy Community on December 2022, ERE, as presented even at the bilateral meeting Chapter 15 “Energy” with the European Commission, held in Brussels during September 2023, has approved the regulatory acts which the effective legislation charges as an obligation and expects the approval of the necessary amendments of Law no. 43/2015 “On Power Sector”, as amended, that shall enable and approve the remaining part for transposition from the electricity integration package.

PROGRESS OF IMPLEMENTING ERE STRATEGIC OBJECTIVES FOR 2023 PERIOD AND IN CONTINUATION ACCORDING TO THE ACTION PLAN TO IMPLEMENT ERE STRATEGIC OBJECTIVES FOR 2021 – 2023 PERIOD AND THE APPROVAL OF THE ACTION PLAN FOR ERE STRATEGIC OBJECTIVES FOR 2023

With Board Decision no. 74 dated 12.03.2021, ERE approved the Strategic Objectives for 2021 – 2023 and the next period, approved the Updated Calendar of Measures to implement these Strategic Objectives.

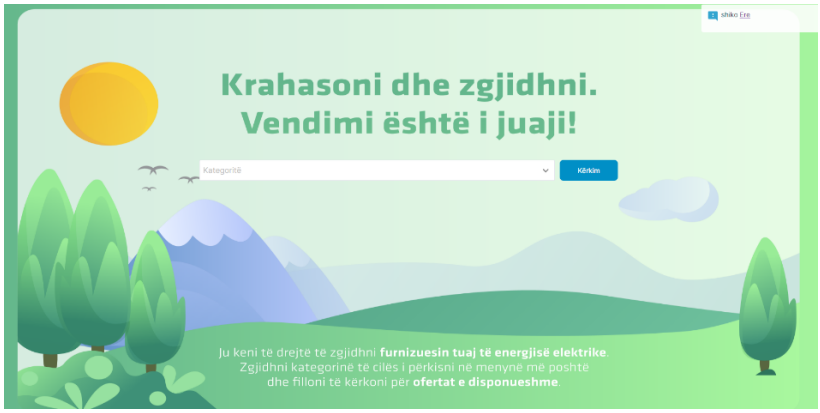
With ERE Board Decision no. 20, dated 04.02.2022, it is reviewed the progress of implementing the strategic objectives for 2021, according to the measures plan for implementing the strategic procedures of ERE for 2021 – 2023 period and it is approved regarding the update of the measures plan for the strategic objectives of ERE for 2022 – 2023 period.

On this document there are defined the strategic objectives that ERE aims to realize within the defined period to comply the legal obligations provided on Law no. 43/2015 "*On Power Sector"*, as amended and Law no. 102/2015 "*On Natural Gas Sector*", as amended.

The reviewed Calendar of Measures, resets on time some of the obligations and targes of the measures plans approved with ERE Board Decision no. 96/2021, to handle them within 2022-2023 period.

Realization of information session on the bids of electricity supply market (Price Comparison Tool)

Regarding **the customer awareness of the customers to become a capable customer in assessing the bids, appropriate understanding of the market mechanisms, to the oppertunity to actively participate to the services connected with electricity supply,**



Shall be clarified that this objective is allocated in some sub-obligations among which it is worth mentioning all the steps undertaken from ERE responsible structures to Implement the platform on the market bids for electricity supply (PCT).

The Platform is currently set into operation and ERE held several trainings with the staff but even with the free market suppliers, for their orientation on the modalities of using the Platform.

Figure 1. PCT Platform

PCT (https://pct.ere.gov.al/) shall serve as a showcase for the customers, on which shall be assessed according to their categories of consumption the best bids of the market regarding the guarantee of electricity supply.

This platform shall submit detailed information regarding its content permitting the suppliers to use it efficiently but even the customers to be oriented to the best bids for the supply in the free market.

Being that the number of the customers introduced to the free market, is currently low, we believe that the impact of this platform for the market liberalization but even the activation of the customers shall give the best result for the mid term plan.

1. **Incentive for the technology of electronic vehicle mobility.**

During 2022 ERE prepared and approved "*The assessment on the regulatory and legal framework to use the new technologies for the charging stations of the electrici vehicles, including the regulation and tariff of this service".*

The findings of this study are delivered to all the identified interested parties, and are held the meeting with World Bank Representatives regarding the findings of this study, to not only their information with the findings of this study but also the sensibilization of the interested parties regarding the impact if any or may have the integration of this technology in our lives.

2. **Sensibilisation of the customers regarding electricity rationalization.**

ERE carried out some correspondences with the Energy Efficiency Agency and required them to coordinate the work for a quick and efficient handling of the issues on customer interes or informing them regarding our common purpose, the protection of customer's interest as well as efficient use of electricity. Regarding the above, currently ERE is officially negotiating with the Energy Efficiency Agency for preparing the information brochures which aim to submit the information to the customer to jointly handle this common issue of interest. ERE shall make all efforts that the prepared brochure shall have a wide distribution among the customers.
Also, during 2023 there are performed continuous communications and are inserted to the online platform impactful messages fot the customers for their awareness in using electricity efficiently such as the information on how to reduce electricity consumption; how the cooling/heating system operates, how the smart metter affects the management of household consumption or even information regarding the efficient use of household devices and the information on their average consumption.

3. **Giving voice to the customer**.

Regarding the issuing voice to the customers, during 2023 it is realized and reached through some communications where the majority is occupied from the set into operation of the green phone number regarding the customer information.
Currently the customers regularly call to ask for the status of the complaint they have made at ERE, but also to receive general information regarding their interest issues.

From the respective structures to manage the green number are given the responses regarding the handle of the complaint as well as the orientation to follow ERE official website at the register of the complaints that is regularly updated.
This phone number is shown not only on ERE official website but also at the social media as well as the official letters of DMPKS directory.
Throughout 2023, several international activities have been organized by organizations to which ERE adheres, where the subject of discussion and focus has been precisely reaching the consumer with utilitarian information and their activation. The regulators, represented mainly by their highest leadership levels, as well as representatives of Consumer Protection structures, discussed among themselves and exchanged ideas regarding the best tools to be used to increase consumer engagement and participation in policymaking as an important actor in handling the issues of interest and the energy market. The new era of digitalization and its impact on the consumer has been a topic on which ERE Board Commissioner and also Vice Chair of MEDREG Consumer Working Group, Ms. Sadushi, presented her findings and analysis to the participants regarding regulator reports on approaching this process by the member countries.
The Communication through the social media by the complaints or utilitarian information foe the customers has been one of the most efficient modalities used by ERE to quickly reach to the customer easily.

4. Protection of vulnerable Customers

During 2023, ERE, with the establishment of the working group to achieve the tasks defined in this work objective, has conducted and approved an "*Assessment of regulatory policies for the protection of vulnerable customers in the power sector."* In conducting this study, the following data were considered: 1. Energy poverty and vulnerable consumers in the EU. 2. Energy poverty and vulnerable consumers in the Contracting Parties of the Energy Community Treaty, 3. Factors influencing the assessment of energy poverty, 4. Establishment of the European Union Energy Poverty Observatory and Energy Advisory Hub, 5. Monitoring Energy Poverty, 6. Energy Poverty Programs, 7. Energy Communities for alleviating energy poverty, 8. Albania and legislation for vulnerable consumers and energy poverty, 9. ERE recommendations.
The findings of this ERE assessment are submitted to the interested identified parties including the responsible ministry to draft the identification criteria of vulnerable customers or the associations whose object of their activity is the protection of this category.

5. Developmet of a Customer Portal

To comply this obligation, by ERE it is not realized a new website, but a specific item called Customer Services. This service includes the **Contracts** that are related to the agreements between the customer and the Supplier, as well as the customer and the Distribution Operator, the **Form of the Complaints** where the customer with one click may submit the complaint at ERE without printing it and physically participating to the customer protection office; the information regarding the **New connections** and on this item are reflected the costs, conditions, procedures that shall be followed for the new connection; the customer's survey, set as a

specific item for evaluating the satisfactory level of the customer connected to the service; **How to find your supplier in the free market**, an item by which are notified the end use customers, that fulfill the conditions for issuing to the liberalized market of electricity; **Information to raise** the awareness by which the customers are awared to show how to reduce electricity consumption; the register of the complaints by which the customers are oriented with the status of the complaint.

The register update is conducted at the beginning of every week or on each case when there are responses or are handled new complaints. On the Database there are updated data regarding the handling by ERE of the complaint, the protocol no of the official letter date that is handled by ERE, the status of the licensee response regarding the complaint as well as the status of the request regarding its acceptance or refusal by the licensee supported on the generated documentary evidences, or even the status of acceptance or refusal of the request when it is ERE that issues the settlement or the recommendation for a settlement to the licensee to whom it is exercised the complaint.

6. Defining the metering indicators and assessment the performance to the Customer service guaranteed to any licensee on the supply

Regarding surveillance of the quality of service standards to the customers, ERE surveyed periodically the official websites of the licensed operators that provide the service for the electricity customers, and brought to their attention all the cases that the service is not provided according to the standards. Shall be mentioned here, the bringing into attention of FSHU company to review the agreement terms with the Albanian Post, after taking some of the complaints from the customers regarding the failure of the regular service regarding the submission of the physical copy of the electricity invoice to their home address, it was drawn the attention of FSHU company and DSO company in speeding the terms and return into operation of the websites after observing the problems with them, and the bring into attention to all the licensees in the supply activity to comply the obligations for extensive information regarding the rights and obligations of the customer through the internet webpage.

7. Monitorings of the free market supplier regarding the implementation of the regulation.

ERE gives a high importance to the achievement and maintenance of the standards for a qualitative service to the electricity customers and for this reason required prior information regarding the compliance of the foreseen obligations shortly mentioned above, except of the regulation.

Regarding the above, some of the licensees reported at ERE, have submitted the first draft of the Management Code of the Requirements and Complaints for their future customers and based on this last one mentioned shall be prepared the standard form of the different complaints and requests. It resulds that from what is required according to the reports, the majority of the licensees being on the condition that they do not supply any end-user mention even Decision no. 23, dated 14.02.2022 “On the approval of the regulation on the measures of the licensees in the supply activity to achieve the metering and assessment indicators from ERE of the perfomance of service to the customer” article 8, point 1 if: *“This regulation is not applied to the suppliers that, during the calendar year, have not supplied any end-use customer. On each*

case, the suppliers that decide to exercise the supply activity shall inform ERE regarding the undertaken measures to guarantee the compliance of the conditions of this regulation, not later than 15 days from the initiation of the supply activity for the end-use customers."

During 2023, ERE continued its work in realizing a session dedicated to customer protection published on ERE website https://ere.gov.al/sq/, under the item Customer Services. The session issues detailed information for the customer and sets to its availability the effective legislation and the mechanisms of the complaint that are available to the customer. To take an good assessment of the performed work or that may improve for its service, ERE organized a survey on the level of customer satisfaction. The customers that have completed the survey, through which have expressed their satisfaction and opinions regarding the taken services or the ones they shall take. Some of the questions of the survey relate to the received services at ERE and how comprehensive was the information taken on ERE official website.

The survey is a right and not an obligation for the customer so a smaller number completed it. Although, during 2024 shall be followed the analysis of the data of the survey and the opportunity to improve the session and the continuation of the distribution of the survey, periodically twice in a month on social media or the traditional approaches of completing the survey.

Lastly, by the social media it is organized a poll on ERE website on Instagram, where are published several questions regarding the abovementioned aspects. Some of the generated questions on this poll are:

- How satisfied are you with the service received by ERE?
  The customer maily voted - "Very satisfied".

- How have you learned about ERE?
  The customer voted more the option; "Through the website - 46%".

- To whom it is addressed the complaint for the supplier:
  The customer voted to the Poll; The Supplier - 50% and ERE - 50%.

- What do you think about the legislation for the rights of the customer:
  The customer voted "complete" and "complete but is not implemented."

- How effective is the information you receive through ERE website?
  The customer mainly voted that the information is clear.

- The information for the customer on ERE website:
  The customer voted that it shall be more professional and more simple in 50/50 report.

- Do you want to receive more information on the rights of the customer:
  Mainly from the website, the news on email, and social media - 16%

- What type of information do you want to receive through ERE:

The Customer required to receive more information regarding the "the rights for the quality of service", "The rights to become self-producer."

8. Development of a tariff reform initiated from re-organization and the opening of the market:

Even during 2023, ERE continued to analyze the issues encountered not only in the methodologies but also in issues during the tariff review processes. ERE handled the need for assistance concerning other acts or various issues regarding overall regulation in meetings held between ERE, NARUC, and Expertise France. In the current energy market conditions, which remain highly volatile and have caused a crisis in the power sector across the European continent during 2023, the impact of which continued to be felt until the last months of 2023, we assess that changes to the methodologies regarding the regulatory model or regulatory principles, in general, should be carried out at a later time, after the stabilization of electricity prices. Currently, these acts can only be reviewed in determining some of their constituent elements.

As mentioned above, during 2024, the possibilities for improving the existing methodologies for the transmission and distribution of electricity, as well as the methodologies related to the determinations arising from the implementation of the new RES law and the NEMOS methodology, will be reassessed.

Most countries have experienced an extraordinary increase in electricity prices, leading to interventions in some cases by applying a price cap due to market dynamics or imposing a tax on extraordinary revenues to mitigate this effect on household consumers. Reducing the costs is now the focus of all countries, and one of the most critical issues remains the construction of new generation sources and their diversification to meet the demand for electricity and, consequently, reduce costs for end consumers, a need that has also been handled by the Albanian Government through respective Decisions. ERE, during 2024, aims to process the data published by regional associations.

9. Analysis of natural gas market

Regarding the identification of the needs and demands for gas as well as the analytical study of gas users in the region and the expectations for the Albanian market, ERE has focused on studying and evaluating the scenarios outlined in the strategic document "On the approval of the national energy strategy for the 2018-2033 period," approved by Decision No. 480 dated 31.07.2018, and "On the approval of the development plan for the natural gas sector in Albania and the identification of priority projects," approved by Decision No. 87 dated 14.2.2018, a task that continued during 2023. ERE remains committed to evaluating all possibilities to ensure its active involvement in joint projects of the Energy Community for natural gas, which depend on the developments of regional gas projects in Southeast Europe.

The study of scenarios for this target is an issue that shall continue even for 2024, as it is closely related to the development of the natural gas market in our country, as foreeseen in the National Energy Strategy (2018-2030), according to Recommendation 2018/01/MC-EnC of the Ministerial Council of the Energy Community.

Regarding the prices and tariffs policies study in the natural gas sector, are held work meetings and discussions focusing on the study of documents published by national and international actors operating in the natural gas sector, such as Albgaz and TAP AG companies.

Concerning the assessment of the existing gas network in Albania and providing recommendations for its possible integration into the future national gas system, ERE has undertaken several initiatives related to its correspondence with the two main operators in the natural gas sector in Albania, the combined operator Albgaz company, and also TAP AG, which is a Transmission System Operator (TSO) and an Independent Transmission Operator (ITO), allowing interested shippers to transport gas safely, reliably, and efficiently.

"Albgaz" company is the public authority responsible for the transmission, distribution, and storage of natural gas in the Republic of Albania, managing about 500 km of main gas pipelines built 40 years ago with outdated technology, where corrosion protection measures are minimal.

The gas pipeline network is distributed throughout the western part of Albania and ends at the ORC in Ballsh. The domestic gas network infrastructure in Albania has a greater extent than the oil infrastructure. The gas fields extend from Durrës to Delvinë, creating an opportunity for consumers to connect to the network. The limited domestic gas infrastructure in some places is out of operational condition and requires major rehabilitation work.

During 2023, ERE has continuous correspondence with Albgaz company in following the objective of establishing a complete and adequate network with the demands and conditions set by inter governmental agreement documents, aiming to quintuple the length of the pipelines and connect it to the international gas network in the region, which remains one of the main challenges for 2024 as well.

10. Strengthening access to information and correct operation of market processes.

With the licensing of ALPEX and subsequently with the operation of the day-ahead market in April 2023 by ERE it is provided the periodic (weekly) report on the progress of transactions in the exchange as well as processes related to the registration of operators in the exchange or other issues throughhout the operation of the exchange.

The submission of periodic reports has helped in understanding market processes as well as the needs for regulatory intervention to improve market processes with regard to the regulator.

Supervision of the level of implementation of the Regulation on Cybersecurity of Critical Infrastructures in the power sector by operators, as well as its extension to the natural gas sector.

In January 2023, the final draft of the document "Regulatory Assessments of Cyber Maturity in the Albanian Power Sector" prepared by NARUC was submitted to ERE. This document finalized and summarized the findings of the analysis of cybersecurity legislation and outlined an implementation plan for addressing the observations identified in the analysis. It also proposed a methodology for establishing a process that supports effective regulatory maturity assessments of the society, based on the premise that each company will implement ISO27001.

Following the above-mentioned USAID/NARUC agreement program, in April 2023, the second part of the web-based training for energy regulators of Southeast Europe and Eurasia was developed. The purpose of this webinar was to assess the maturity of Critical Information Infrastructures. In this webinar, ERE presented the main conclusions derived from the personalized technical assistance and shared the experience with other partner regulators. Among the most important conclusions, we assessed the following:

- Law no. 2/2017 is in compliance with ISO27001 standard.
- ISMS ISO27001 Certification is important for ERE, as the certification from an ascertained auditing organization establishes the faith to the company that the company follows all the ISO 27001 processes in continuation.
- Compliance with the security measures of Law No. 2/2017 is demonstrated through internal audits twice a year for the ISO 27001 standard by certified companies. This facilitates ERE since it will only need to evaluate the internal ISMS audit report, which will be significantly less complicated and shorter than the self-assessment reports required by Law No. 2/2017.

The above conclusions were implemented for the evaluation of the self-assessment reports of companies certified with the ISO 27001 standard starting from the second half of 2022.

Continuing the cooperation with USAID, representatives of ERE participated in the webinar on May 23, where the decision of the US Federal Energy Regulatory Commission (FERC) to encourage voluntary investments in cybersecurity was presented. Communication with USAID has also continued regarding the exchange of information on issues such as updates on the definitions of critical information infrastructure, reporting on progress in cybersecurity in the power sector, and more.

The Energy Community Secretariat, which monitors the progress of the power sector, addressed cybersecurity as an integral part of the supply security issue in the Annual Implementation Report for 2023 dated November 1, 2023, in the chapter on Albania. Overall, in terms of the level of acquis implementation, supply security is assessed at 75%, showing a significant increase compared to 2022, where this indicator was evaluated at 61%. The report noted that 'In accordance with national cybersecurity regulations in the power sector, electricity companies submitted cybersecurity self-assessments, which were reviewed by the regulator. The transmission system operator TSO company and the electricity generation company KESH have fulfilled their duties, while the distribution system operator OSSH failed to submit the required documentation'. Considering that this report was completed at the end of 2023 while the reporting obligation for the second half-year was at the end of January 2024, we believe that the above assessments do not reflect the situation for the second half of the year, which showed improvement regarding OSHEE sh.a. Additionally, this report highlights the fact that there were no serious cybersecurity attacks in the power sector during 2023."

In the framework of strengthening and maintaining cybersecurity standards for the regulator itself, ERE has developed the procedure entitled 'Improvement of ERE Network Defense and Implementation of Firewall' and has finalized the contract with the winning economic operator.

Additionally, during meetings with the AKCESK authority, emphasis has been placed on cooperation and joint work between the two institutions for necessary legal changes and the

inclusion of critical energy infrastructures, cooperation that will continue between our two institutions.

11. Establishment of the Guarantee of Origin

In May 2023, ERE signed a contract with Grexel company, selected by the Energy Community Secretariat in Vienna, to maintain the electronic register of guarantees of origin in the countries of the Energy Community of Southeast European countries. This marks an important step in the recognition of Guarantees of Origin in the region. In this context, throughout 2024, ERE shall also fully participate in the European Association of Issuing Bodies (AIB) for Guarantees of Origin. During 2023, the Certificates of Guarantee of Origin for the production of electricity from renewable sources were issued to licensed entities in electricity production activity, which shall be registered on Grexel platform during the first months of 2024. In this regard, ERE has initiated the procedure with Decision 379/2023 for the approval of the "Regulation on the Issuance, Transfer, Settlement, and Revocation/Cancellation of Guarantees of Origin for Electricity Produced from Renewable Sources" in accordance with the provisions of Law 24/2023 "On the Promotion of the Use of Energy from Renewable Sources," which is currently in the consultation phase with interested parties.

12. Operation of market processes

Periodic reporting of critical infrastructure for Cybersecurity by companies as part of the regulation and in collaboration with USAID/NARUC, which currently provides technical assistance to ERE regarding this regulation, it continues working on for data processing and the possibility of improvements in the regulation based on the gained experience.

On this context, it is important to emphasize that during meetings with USAID, emphasis has been placed on taking measures by regulators, in addition to analyzing and monitoring licensees, and maintaining Cybersecurity standards for the Regulator itself. In this regard, during 2023, work will be done to create an internal regulation and budgeting for the implementation of a Cybersecurity test in ERE's IT infrastructure.

Our Terms of Reference (TOR) regarding *Cybersecurity* were selected by NARUC for the first round of short-term technical assistance for cybersecurity. NARUC aims to support ERE in regulatory assessments and the preparation of critical infrastructure, to finalize the following documents:

- ✓ Personalized guideline for assessing cyber security investments using the results of a maturity model.
- ✓ Personalized risk assessment model and guideline.
- ✓ Personalized agenda and Planning for continuous updates of processes and incident reporting.

  Through this Technical Assistance provided by USAID, ERE staff shall gain experience and be better equipped to assess cyber readiness plans submitted by companies. They shall be better prepared to monitor the security and reliability of the Albanian power grid

network and advance best practices in cybersecurity. This will enable effective monitoring of critical infrastructure protection of the power network.

- Participation in working groups established by ECRB where discussions on issues arising from the implementation of the Cyber Security Regulation in the countries of the Secretariat and beyond have been held.
- ERE has continued communication with NARUC regarding the full implementation of the regulation for the cybersecurity of Critical Infrastructures in the Power Sector.
- Questionnaires sent by NARUC have been completed, indicating a seminar with extensive participation from ERE and operators owning critical infrastructure such as TSO company, DSO company, and KESH company.
- Seminars were conducted throughout 2023 with market participants and representatives from NARUC.
- Regarding the implementation of the REMIT regulation, active participation was taken in the working groups of the Secretariat as well as joint trainings between the Secretariat and ERRA regarding the implementation of the regulation and the responsibilities arising for the parties involved, including ERE for its implementation, as well as in the regulatory schools organized by the Secretariat on this topic. It has also been considered to organize a seminar with market participants with the assistance of the Secretariat to exchange experiences in this direction and to explain the functioning of the Regulation and the responsibilities arising from its implementation.
- A comprehensive training was conducted with representatives of CRE, France, as part of the cooperation program with the French Development Agency, during which experiences were exchanged with representatives of the French regulator regarding the measures taken for market monitoring, the conditions that licensees must meet, and the investigation methods both in the domestic market and in cases of investigations in common markets. At the end of the training, a report was prepared by the French party, which will serve ERE specialists in improving work in the direction of market monitoring.

- In this context, it was deemed necessary to explore the possibility of automation through online platforms from ERE website or its link, where market participants could complete registration forms for REMIT or provide necessary data for the implementation of regulations and other information required for periodic reports conducted in the Assembly and closely related to the monitoring of the electricity and natural gas market. To achieve this function, it is necessary to adapt the ERE website or create a *database* for market monitoring.

During 2023, significant progress has been made towards the realization of this platform, which is currently nearing completion.

13. Realization of market coupling between Albania and Kosovo

Regarding this obligation, it is aimed that during 2023, work with the secretariat shall continue for the implementation of CACM in the countries of the region. Through the training platform shall be handled through the Balkan Energy School, established with the participation of Italy, Montenegro, North Macedonia, and Bosnia, the possibility of controlling national legislation for potential barriers shall be examined.

14. Transparency and integrity in administrative activity

In terms of involving stakeholders in determining strategies and regulatory policies, ERE has shown increased care by consulting with an increased number of stakeholders. This extensive involvement has been practiced by the regulator and through notifications of ERE decisions on social networks, aiming to reach a larger number of stakeholders who may not be easily identifiable through conventional written consultation methods.

Regarding this by the end of 2022 it is approved the Analytical ethodology for influence of the regulatory acts of the Energy Regulatory Entity.

This methodology contains several general guidelines on how ERE aims to implement regulatory impact analysis in accordance with its area of responsibility, as provided on laws no. 43/2015 and no. 105/2015. In the context of these laws, ERE exercises supervisory and regulatory functions (issuance of regulatory acts, methodologies) in setting tariffs, licensing entities. The methodology serves the purpose of evaluating a regulatory decision, in relation to the parties addressed by these acts, to verify whether a regulatory operation is necessary and effective, through the description of objectives, identification of issues, comparison between alternative options; assessment of benefits and costs for market participants; positive and negative effects on regulatory processes.

At the methodology it is provided that the regulatory stimulation analysis shall be subject mainly to the regulatory acts regarding:

- Setting the prices for the end use customers for a new regulatory period;
- Defining the quality of service for the new regulatory period;
- Amending the universal service conditions;
- Total expenses of the regulation;
- Access to energy market.

Regarding the Publication of decisions, reports, and applications, it is published that all decisions of ERE for the year 2023 have been published on the ERE website, as well as reports of applications or applications for tariff determination by the Regulator.

Regarding the Establishment of permanent consultative structures such as joint committees of stakeholders to serve decision-making, work was carried out during 2023 on drafting rules for the selection of consultative structures, and it is aimed that this document shall be approved during 2024 to pave the way for the selection of permanent commissions that shall serve as independent opinions in defense of the interests of third parties with the aim on decisions supported on the inclusion of these last one mentioned.

Regarding the task that is connected to the Study of the best practices for the assessment of the regulation effects with the support of academic experts and other experts with an experience on this area, it is aimed that this obligation shall be performed during 2024.

Law No. 43/2015 "On the Power Sector," as amended, has defined the obligations of network operators as well as ERE in the process of drafting, reviewing, approving, and implementing network codes. In relation to the implementation of these legal obligations, ERE shall continue to seek the commitment of network operators regarding the administration of their respective codes. Part of the administration of network codes includes the assessments that need to be made by network operators to make the appropriate proposals to ERE regarding the drafting and amendments of these acts, which may result from legal requirements or the need for adaptation in the context of network development that these operators manage. ERE, in accordance with the applicable legislation, has reviewed and evaluated, making the respective approvals of the network operators' proposals for changes or approvals of these codes in the spirit of the development of these standards by ENTSO-E and the corresponding transpositions of the Energy Community (EnC). Additionally, in the spirit of administering the codes, reports on the administration of network codes and the compliance of network users with the respective codes have been evaluated. At the same time, in implementing the regulation for the approval of criteria for granting derogations for generating modules of electricity approved by the Board Decision No. 85, dated 12.05.2020, requests for derogations from these codes have also been reviewed.

STRATEGIC OBJECTIVES FOR 2024-2026 PERIOD

On this document, Energy Regulator Authority, as follows ERE, handles the strategic objectives and the main aspects of the activity for 2024 – 2026 period in the framework of the dynamics of the sector development in national context, as well as the regional integrity.

The Energy Regulator Authority, as follows ERE, through this document updates the strategic objectives and the action plan for 2024 – 2026 period.

This strategic document, comes following ERE Strategic Objectives for 2021-2023 period, approved with ERE Board Decision no. 74, dated 12.03.2021. With the approval of these objectives ERE provides its will to fully contribute in providing the regulatory services in conformity with the policy in the country, such as the handle of the environmental issues, provision of uninterrupted and qualitative supply of electricity and the protection of all customer interests (including their strengthening). This plan is the result of a wide study process of the amendments encountered to the electricity market, the regulatory policies not only on ERE experience but in the framework of cooperation with the international organizations where ERE is a member.

On its work of practice ERE shall continue its engagement with any interested party in the form of consultings or taking the opinions to improve its work or the draft and review of the regulatory acts.

General overview, Mission, Vision and ERE Objectives

ERE Establishment

Energy Regulator Authority (ERE) is an independent Regulatory for Electricity and Natural Gas in Albania that for the first time in 1996 with Law for the regulation of power sector and currently operates based on Law no. 43/2015, of 30.04.2015 "On Power Sector" and Law no.102/2015 "On Natural Gas Sector", as amended.

ERE Competences

ERE is a public administration body organized as a public entity, whose responsibility area includes the competences regarding:

Draft of regulatory acts

ERE approves the regulatory acts in the electricity market regarding the exercise of electricity production, transmission, distribution, trading and electricity supply, including the standard contracts or the general conditions of the contracts for the regulated services.

Settling the disputes

Handles the disputes regarding the customer complaints to the licensees and between the licensees.

Review of the investment plans

Reviews and approves according to the planification principle with lower cost the investment plans of the regulated operators.

Licensee of electricity market entities

Handles the request for license issue, modification, transfering, renewal and license removal to exercise the activities in electricity production, transmission, distribution, trading and electricity supply. In natural gas sector, ERE reviews the applications for licensing in natural gas production, transmission, distribution, trading and natural gas supply activities.

Setting the Tariffs

The activities related to the public service obligations from the licensees are realized with tariffs and prices set by ERE.

The increase of the request for electricity, the need to expand the network or maintenance, the network development affects the service costs and as such to the electricity sale price.

Monitoring

The Law defines ERE right to monitor and control electricity market operation and to oblige the licensees to undertake the necessary measures to promote effective competition and the safety of market operation. Also, ERE monitors the implementation of the contracts connected between the licensees that exercise the right to access on the documentation and information of the licensee and maintaining the confidentiality of the received information and controls if the service is performed according to the requirements defined on the license conditions or the

regulations approved by ERE. On each case it is monitored the performance of the activity of the operators charged with public service obligation.

ERE Organization

ERE is a public legal entity with its premises in Tirana composed of ERE Board Members, with the Chairman and four Board Members, that have decision making function and are appointed from the Albanian Parliament. In addition to the Board it is the technical staff organized into Directories and Sectors. Integral part of ERE current structure are the Board Advisor and the Secretary General.

The Mission of the Albanian Energy Regulator Authority (ERE):

The provision of a sustainable and secure electricity supply of the customers by establishing an operational and competitive electricity market, taking into account the customers interest, the provision for the electricity supply service quality and the requests to protect the environment.

The regulation of the relations in the production, transmission, distribution, and electricity supply activities, which sets the rules concerning:

a) the opening, organization, and operation of a competitive electricity market;

b) the participation in the electricity market;

c) issuing the authorizations and licenses in the power sector;

ç) regulating the activities in the power sector, customers protection, security of supply, and establishing competitive structures of the electricity market;

d) integration of the Albanian market with the regional and European electricity market.

The Mission of the Regulatory Authority in Natural Gas Sector

Guarantee of services for a sustainable and secure development for the operation of natural gas market, enabling the establishment of an operational and competitive market considering the customer's interest, the provision for the quality of natural gas supply service as well as the requirements for environment protection.

Regulation of the relations in the transmission, distribution, supply, trading, natural gas storage, as well as the operation of LNG plants activities, which sets the rules concerning:

a) defining the stages for the market opening, organization, and operation of a competitive market, enabling and ensuring the stability on the needed investments in the networks.

b) the issue of the authorizations and licenses for natural gas activities.

c) the establishment of equal conditions for all natural gas market participants, cooperating with other regional and/or european Regulatory Authorities.

Vision of Energy Regulator Authority

A regulator is informed about his roles and responsibilities to the power and natural gas sector, which are exercised based on transparency, reliaility, justice and the best pracice principles,

enabling a competitive energy sector where each party is protected, involved and also the investor and the state shall find their interests balanced.

ERE job in exercising its regulatory responsibilities shall affect not only to the customers but also other actors such as network operators, the investors and government in the framework of providing a safe and reliable service in the interest of all parties. ERE shall act as an independent body but also within the political framework that are according to the legislation and the Council of Minister Acts or other policies of charged bodies by the law for the regulation of defined aspects in the power sector.

A key area of ERE work for the next three years is the cooperation with the interested parties, setting a program of actions that are necessary to reach the objectives for 2024- 2026, continuing to comply with the requirements of the effective legislation and its respective amendments, - the scope of ERE responsibility area. The new legislation and policy on Power Sector signigicantly increase ERE role and responsibility on this period, taking into consideration the technology, safety developments including the cybersecurity ones as well as the strengthening of the customer refering to Clean Energy Package. ERE strategic plan also defines our priorities to enable and protect the energy customers, especially vulnerable customers. The provision that the active customers and the energy communitias have an increased part to their actions within environmental protection, development of renewable energy that shall be the key area of the focus of this strategic plan that is based on the legislation and the development of policies in our country. The purpose of this strategic plan is the efficient use of economy and human resources adopting even with the flexible hours approach based on a vision for secure supply and stable energy.

The Strategic Plan of ERE is composed on three parts:

ERE Mission: - Shall mean ERE everyday work based on the role and the responsibility area defined by the Law;

ERE Vision – shall define a clear way for all the provided services.

ERE objectives / principles including the action plan interrelated between them reflecting the focus areas and the cross – organisational improvement to provide on time and efficiencly the regulatory operations in conformity with ERE mission and vision.

Objectives, priorities and incentives

The role of ERE in the power and natural gas sectors is to ensure, through regulatory acts, continuous supply with quality and at the lowest costs, to promote competition and development in the production, transmission, distribution, and supply of electricity and natural gas. ERE determines the tariffs of network operators, monitors and supervises the activities of licensees, approves by-legal acts to exercise the activities in the energy market.

In exercising its responsibilities ERE aim to be:

- A reliable institution, providing its expertise in the services it provides:
- Efficient and effective management of regulatory processes
- Inclusion of all stakeholders in regulatory practices

Strategic objectives of ERE for 2024- 2026 period

- Protecting consumers by enabling their participation in energy markets;
- Effective regulation for a competitive market through monitoring and reporting, fair tariffs, enforcement, and compliance.
- Promoting efficient regulation of infrastructure by encouraging network operators to serve as interactive platforms for energy services.
- Utilizing expertise to inform about energy market developments and supporting energy transition.

Every year, ERE reports in accordance with the legislation in force in the Assembly and is subject to assessment and recommendations in the respective Resolution. For this, ERE develops an action plan and adjusts the approved action plan within the framework of the Strategic Objectives.

A continuous part of ERE work will also continue to be cooperation with other bodies and stakeholders in the energy market in areas of common interest, for a satisfied consumer, a secure electricity and gas system; effective development of open and competitive markets; and efficient investments in the system.

ERE as a regulator accomplishes this by performing regulatory operations, in collaboration with institutions and other actors, to build trust in its authority. ERE's strategy is focused on achieving an electricity system that is:

Sustainable - where consumers have the opportunity to participate in production, reservation, and in general benefit from renewable technologies.

They may control their energy usage, reduce costs, and impact environmental improvement.

Accessible - Consumers have the opportunity through simple and sustainable processes to enter into the energy market. They can choose their energy suppliers from a competitive and efficient market.

Safe and efficient - Consumers have confidence in their energy suppliers and are less exposed to high prices.

ERE primary objective is to protect the interests of consumers, now and in the future, including their interest in a cleaner and greener environment. ERE aims to achieve this by establishing:

- fair prices for the customers
- monitoring and implementation of the quality and service standards

ERE aims to be flexible to adopt services and regulatory practices to the developments and new challenges of the power sector.

1 Objective - Vulnerable customer protection and the strengthening of the customers.

One of ERE main priorities is consumer protection, with a particular focus on consumers who, due to economic or social circumstances, may be unable to fully understand and make the necessary decisions related to their energy supply.

Our action plan regarding this direction includes:

- ERE informs through all available means that facilitate communication with consumers, aiming for their effective participation in the market.
- ERE support and protect electricity consumers, ERE first processes information related to consumers in the energy market to further prepare easily understandable information for energy consumers.
- ERE develops questionnaires to understand the lack of information or the nature of the information that consumers need, as well as the level of trust consumers have in the services and information they receive.

Of course, not only ERE but also other organizations work diligently to increase consumer protection, such as the Consumer Protection Office within the Ministry of Finance, the Energy Efficiency Agency, the Ombudsman, consumer protection organizations and associations, etc. ERE highly values cooperation with these institutions to continue its work in offering public information campaigns and consumer education.

Additionally, ERE shall collaborate with suppliers to ensure informative / educational policies.

Another important dimension in consumer protection is gender-based protection.

In many contexts, women suffer more from extreme poverty conditions. However, other groups are also exposed in this regard. These include the elderly, children, people with disabilities, etc.

Action plan

ERE customer protection policy shall also take into consideration the promotion of policies targeting specific groups in the preparation of information, such as those for efficient energy use, special programs to benefit from government schemes, or those of associations focusing on consumer support. Such initiatives include promoting participation in Energy Communities.

Additionally, in line with this objective, ERE will develop its Consumer Protection Strategy.

During 2023, by order of the Prime Minister, a working group was established to draft criteria for obtaining the vulnerable customer status, and respective measures to support them. ERE will work to reflect this government policy in its consumer protection strategy.

Completion and review of the regulatory framework

The consumer protection policy is continuously evolving to respond to different environments, needs, and consumer expectations.

Action Plan:

ERE is also focused on developing a regulatory framework to handle proper access to issues that are crucial for consumers in this dynamic energy market.

As a regulator, ERE shall also engage with licensed entities to update action plans for services provided by suppliers and ensure that consumer rights are respected by suppliers in accordance with the development of the regulatory framework.

Part of the action plan for customer protection shall be the draft of the information including the video messages or quizes to understand their level of information for their rights to switch

the supplier, or why for their best to use their right in switchning the supplier. For the education purpose shall be even the Promotion of PCT platform of price comparison.

ERE also has, as part of its organizational structure, a dedicated unit for handling consumer complaints and disputes between operators and consumers. It is focused on providing clear information to inform energy consumers about their rights.

Achieving this objective will be primarily supported by the Consumer Protection Directory as the structure that establishes the first contact with the consumer, who usually turns to and becomes acquainted with ERE in case of dissatisfaction with suppliers.

Regarding consumer information, this will be a task that will involve the full commitment of all decision-making and managerial levels in ERE.

In addition to the above, the action plan of ERE for customer empowerment purposes includes:

Updating regulatory acts with best regulatory practices and amendments in primary legislation. Without excluding the possibility of reviewing or issuing other acts, ERE prioritizes the review of regulatory acts as follows:

- General terms of the supply contract;

- Rules for the handling of complaints and dispute settlement;

- Review of rules for handling complaints by suppliers and their action plans. For this purpose, the work shall consist of developing surveys with customers and with the supplier themselves regarding their perceptions of these rules.

The review will consist of aligning with the regulations in the primary legislation of the sector as well as those related to dispute resolution. For this purpose ERE shall work closely with all parties, state institutions, customer associations, and operators (licensees) to share with them the needs for various interventions to improve these rules to have a closer approach to out-of-court dispute settlement.

Empowering the Customer shall also involve establishing joint plans with customer associations and local authorities to promote energy communities and develop educational programs for organizing and participating in these communities.

Promoting customer satisfaction assessment surveys, including standardized models for obtaining information on the perceived service level by the customer, shall be part of the communication standards with the public.

Work shall be done to understand customer access to digital services and the need to promote as simple digital services as possible.

The action plan shall also include promoting services focused on customers with different abilities to enable full and equal access for all customers.

ERE Objectives for customer protection are also:

Fair Tariffs: Tariffs based on services provided at the lowest and most efficient cost, distributed fairly. These tariffs should avoid cross-subsidies and mitigate the risk of exposing customers to unexpected events.

Service Standards and Quality: Customer services throughout the energy supply chain should be stable, transparent, and accountable. Customers must be protected to ensure a high-quality service.

Action Plan:

Regarding this, ERE shall held a consultation process on the effectiveness and need for revision with all stakeholders, evaluating best regulatory practices and adapting to investment opportunities and needs.

In consultation with best practices and in the framework of the issues encountered so far, ERE shall review the respective tariff determination methodologies.

Flexibility
Customers have a secure and stable supply. This means that the sector attracts sufficient long-term investments to meet customer interests.

Action Plan Careful decision-making regarding investments related to supply security, which further strengthens the network, and are open to technology developments.

2nd Objective – For a competitive market through the regulation, monitoring and reporting, implementation and compatibility .

Liberalization

The "Clean Energy Package" places the customer at the center of the market, emphasizing their right to freely choose their supplier and ensuring active customer participation. Currently, ERE has approved the rules for switching the suppliers. Implementing these rules in a way that ensures an operational market is one of ERE priorities. Besides fulfilling the obligations set by law regarding aspects related to the internal electricity market, ERE shall monitor the market, particularly the developments in the retail market, taking into account the government and the Ministry of Energy policy on market liberalization. In January of this year, with a significant number of customers entering the free market, registered a total of 7,358 customers as being supplied in the free market.

Monitoring

As mentioned above, one of ERE responsibilities is the monitoring of the licensees in the electricity market. ERE implementing Law 43/2015 “On Power Sector ”, respectively Article 19, letter k), publishes on the website the four month data for the electricity market operation. These data are processed even on annual basis and include:

- The data on the net domestic production allocated according to production categories from the public companz or other resources,

- The Energy provided from the Universal Supplier, for the Public Supplier, the energy provided to cover the losses,

- The data relating to OSHEE Group, (DSO, FSH, FTL) including the total energy introduced for OSHEE, the total losses in the network,

- the Sales according to customer categories

- the Collections

- TSO balance (production, export, the import realized in the country).

Also ERE prepares Reports with the Regional Market Data of Electricity

Curently REMIT implementation is based on the Legal framework and the best international practices oriented at:

The obligation to publish internal obligation
Market abuse prevention (internal trading the market manipulation)

- Market Monitoring (registration of the participants in the market). Detailed Reporting Mechanism, data collection
- Investigative and Enforcement Powers of the Regulator
- Other Aspects Related to Data Protection and Reliability
- The list of the contracts and the data to be reported
- The responsible parties and the terms
- Instructions, recommendations. The information of the parties with the obligations of implementing this regulation. Cross-regional cooperation for its implementation in the region and beyond.

As mentioned above, the regulatory policies even in continuation shall be to ensure the legal and regulatory stability to manage abusive practices that damage in an unfair way the market.

Action plan

Currently ERE approved the Rules for Wholesale Electricity Market Integrity and Transparency (REMIT), following this approval shall consist ERE work in monitoring and implementing these rules.

ERE work focus for the 2024 – 2026 period shall continue to be the update of the National REMIT Register in Albania, regularly published on ERE website as well as the publication of the data on the electricity internal market.

ERE shall regularly monitor the transparency of operator services, not only to inform customers but also to evaluate the implementation of their responsibilities in report with effective regulatory acts.

Competition

An effective energy market is fundamentally based on competition. It is the responsibility of ERE to ensure that its decisions promote competition. As such, this legal requirement is an ongoing objective for ERE.

Action Plan

To promote competition in the market, ERE aims to strengthen cooperation with the Competition Authority to share best solutions for promoting competition in the energy market.

To achieve the objective of a retail market that works for customers, we aim to adopt methodologies that ensure fair prices, promote competition, and encourage innovative investments in the market. These investments should align with national environmental policies and include measures that promote renewable energy sources and protect vulnerable customers. Therefore, ERE work shall involve reassessment and consultation with various international organizations to share and adopt the best and most suitable practices for the electricity sector in our country.

Objective 3; To use our expertise to inform about energy market developments and support the energy transition.

The purpose of ERE in exercising its duties is, among other things, to be an official and trusted source of information about the energy market. ERE effectively engages with stakeholders.

ERE pays attention to monitoring or promoting priority issues in the power sector.

The Action plan for realizing this objective includes:

Study of issues impacting the energy market by providing our experience and expertise, also within the framework of cooperation and participation in international organizations to bring the best regulatory practices. Communication through all forms of communication, including the use of social networks, to draw attention to matters of common interest.

To meet the needs of the system and enable or accelerate necessary investments in infrastructure, ERE's work will focus on:

- Cooperation with transmission and distribution network operators in designing network development plans and investment plans for electricity transmission network companies
- Taking initiatives to review acts related to network connection and their usage.

Promoting technologies in the provided services, such as smart meter programs, as well as other programs related to customer empowerment, such as the Data Management Program or programs for customer data protection.

Additionally, in the context of a different dimension from the classical one of network operators, related to the introduction of digital services and their vulnerability to these services, ERE will focus on improving its Cybersecurity Strategy in accordance with changes in the primary legislation on cybersecurity.

Cybersecurity

ERE has consistently considered the cybersecurity of network infrastructures to be of utmost importance.

ERE exercises regulatory operations to promote a competitive internal market that is safe and environmentally friendly for all customers and suppliers, ensuring the necessary conditions for the safe and sustainable operation of electricity networks, in close cooperation with the Energy Community and regulatory authorities of other countries.

ERE considers cybersecurity as a shared responsibility with licensed entities operating in the power sector for the purpose of uninterrupted supply.

To this end, ERE has drafted and approved rules and measures to be undertaken by operators of critical infrastructure in the power sector to mitigate the risks of breach or damage to these infrastructures in the context of operating through various digital platforms.

Action plan:

Our objective is to continue to protect the customers by raising awareness and taking measures for the security of critical infrastructure in the energy sector with a focus on:

- Reviewing existing regulations in collaboration with operators of these infrastructures and in consultation with AKCESK (?) as well as assessing Amendments to the legislation for Critical Infrastructure Security.
- Continuous monitoring of the implementation of action plans by operators of critical infrastructures to protect against incidents and cyber security to avoid customer exposure.
- Digitalization - Supporting operators of critical infrastructures in implementing standards related to cyber security.

Other objectives

Development of Renewable Resources

ERE, for the purpose of promoting renewable energy sources, exercises its operations based on Law No. 24/2023 "*On promoting the use of energy from renewable sources*." ERE activity include, among others, referring to recommendations in the respective resolution of the Assembly for promoting programs for the development of renewable energy sources and energy efficiency.

Action plan

The policies for promoting Renewable Energy Sources - ERE will continue its work towards the approval of regulatory acts stipulated in the law on renewable energy sources.

In the framework of the legislation, ERE is the responsible authority for issuing guarantees of origin. In accordance with Article 22, paragraph 2 of this law, ERE is designated as the national issuing body of guarantees of origin in the Republic of Albania and ensures alignment of policies and principles of guarantee of origin with recognized certificate systems within the Energy Community.

Also on Article 22, point 14 of this law, it is provided that *ERE shall join the regional system of the Energy Community to enable the trading of guarantees of origin with other contracting parties of the Energy Community.*

This obligation has been fulfilled by ERE through the signing of the agreement for the electronic register of the regional system of guarantees of origin.

Në nenin 22, pika 1, të këtij ligji përcaktohet, ndër të tjera, se *ERE miraton rregullat për lëshimin e garancive të origjinës dhe mënyrën e mbajtjes së regjistrit të garancive të origjinës.*

In Article 22, point 1 of this law among other things it is defined that, *ERE approves the regulations for issuing guarantees of origin and the manner of maintaining the register of guarantees of origin.*

Implementing this provision, it is drafted the Regulation for issuing, transferring, withdrawing, and canceling guarantees of origin for electricity produced from renewable sources.

To the draft of this regulation are considered, the provisions of Law No. 24/2023 "On promoting the use of energy from renewable sources", the specifications of the regional system of guarantees of origin, and the elements of the electronic register of GOs. As follows, ERE shall work to finalize this process for the approval of these rules and the implementation of the agreement for the electronic register of the regional system of guarantees of origin.

Digitalization: ERE work shall consist in collaboration with operators to accelerate digitalization processes that facilitate users and customers to access to services provided by the operators.

Conclusions

The challenges of the energy market, changes in primary and secondary legislation, as well as technological advancements confronting energy customers and market participants in general, bring to focus the work of ERE in addressing issues that require regulatory intervention. For this purpose, ERE defined strategic objectives in this document to have a clear vision of priority issues and action plans.

ERE shall continue to perform analyses/studies of important aspects of the regulatory framework related to the issue of regulated services.

ERE shall examine the necessary regulatory framework to empower the Customers and protect the vulnerable customers;

ERE shall update its cybersecurity regulations and monitor developments in cybersecurity implementation plans by these operators.

Priority in ERE's work continues to be the protection and empowerment of the customer, and the promotion of competition in the market, determining fair prices and tariffs, supporting operators in investments for the security of electricity supply, monitoring licensed services in general and meeting service quality standards, and completing the necessary regulatory framework or its review.

ERE shall continue to promote, and make the best efforts to involve stakeholders in decision-making, to convey our commitment to values such as integrity, simplicity, inclusivity, and above all mutual trust and respect.

These values constitute our work culture, a culture where everyone is responsible for acting in the long-term interest of society.

1. POWER SECTOR

1.1. Situation of the Albanian Power Sector

The Power system in the Republic of Albania consists of: electricity production, transmission and distribution, the Operation of electricity market, electricity trading, as well as electricity supply to supply the electricity customers. These activities are exercised by entities licensed pursuant to Law no. 43/2015 "On Power Sector", as amended.

Electricity production is realized by public company KESH s.a and Lanabregas HPP with 100% of state shares, as well as by private entities licensed in this activity such as: Priority Producers, Independent producers and electricity self-producers.

Electricity transmission is realized by "Transmission System Operator" (TSO) company, which is a company with 100% of state shares. In conformity with article 58 of a Law no.43/2015 “On Power Sector”, as amended, the Transmission System Operator (TSO company) is certified and licensed for the operation of the electricity transmission system.

Electricity distribution is realized by " Distribution System Operator" (DSO) company, which is a company with 100% of state shares, and is licensed for electricity distributon system operation. At the same time ERE based on articles 16 and 72, of Law no. 43/2015 “On Power Sector”, as amended, as well as article 15 of the “Regulation on ERE organization, Operation and Procedures” with Decision no.57 dated 21.12.2020 decided the approval of the Compliance Program for the DSO company.

Below it is submitted the Albanian Power System Scheme as well as the Scheme of Electricity and Commercial Flow.

SKEMA E SISTEMIT ELEKTRO-ENERGJITIK

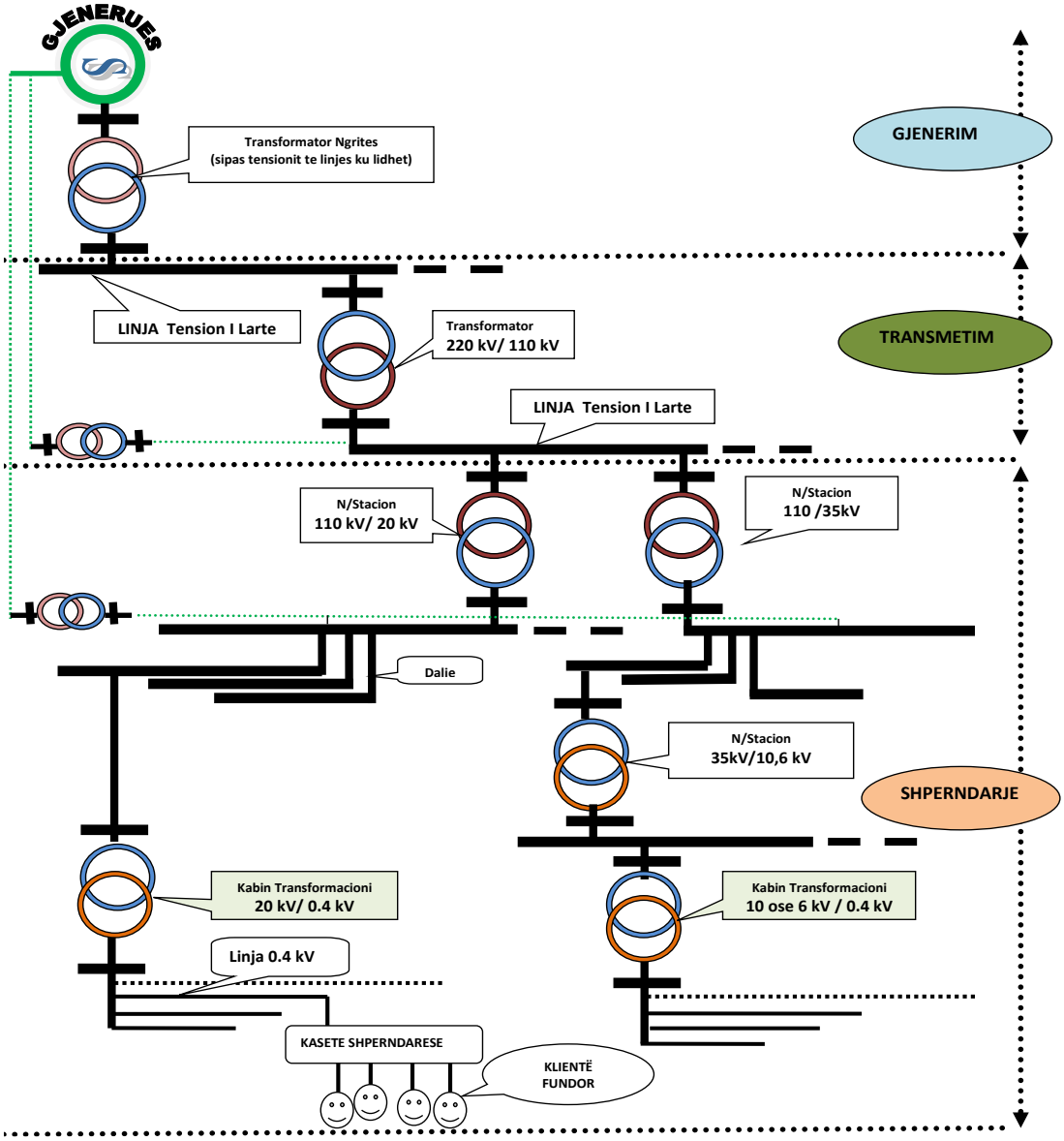


Figure 2. Power System Scheme

(Source: ERE)

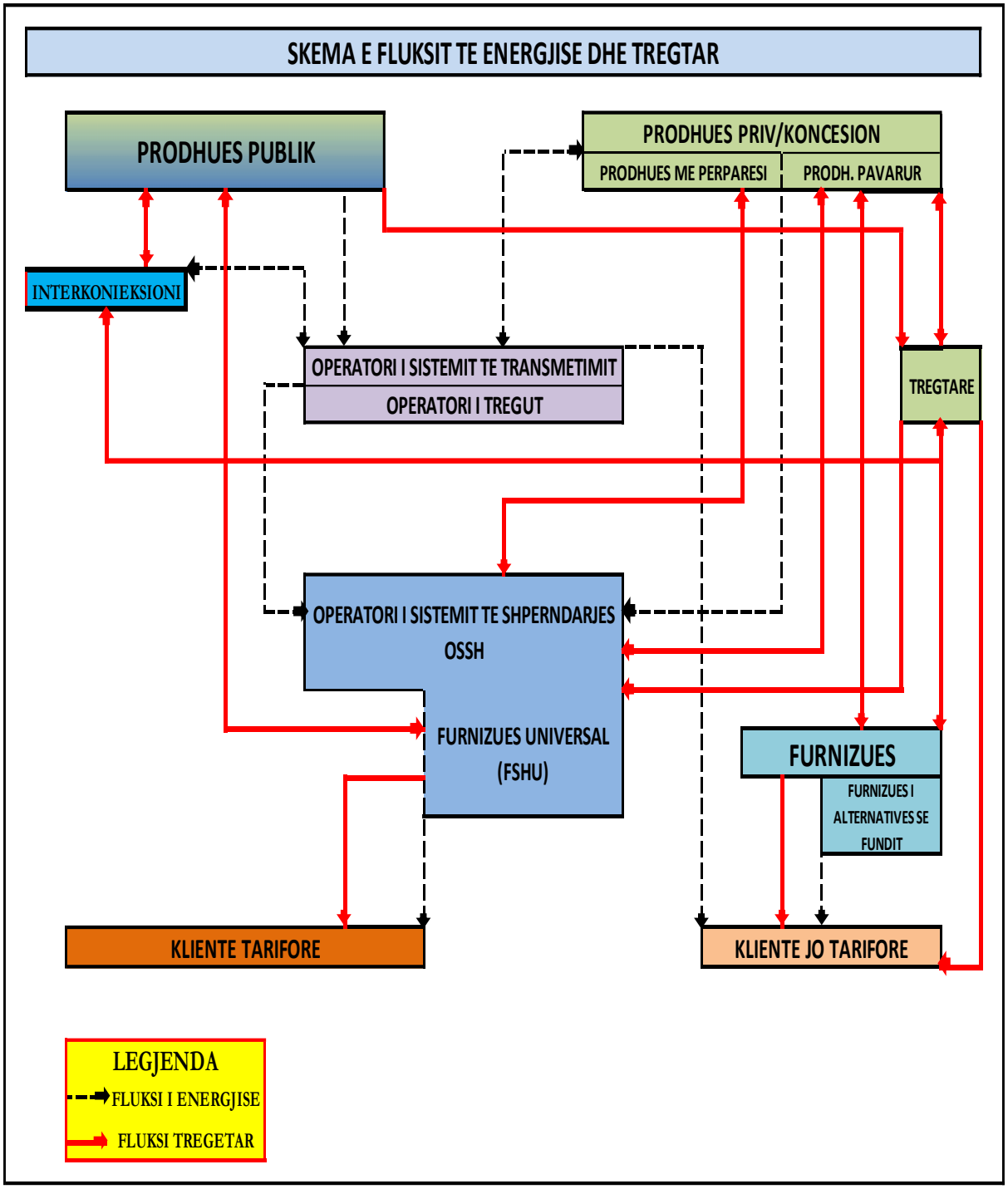


Figure 3. Scheme of Commercial and Energy Flow

(Source: ERE)

The above scheme of the electricity and commercial flow in power sector throughout 2023, operated based on Council of Minister's Decision no. 650,dated 10.10.2022 "On some amendments on Council of Minister Decision no. 584 dated 08.10.2021, " To announce the emergency situation for electricity supply" as amended.

From 12.04.2023 on the commercial and electricity flow scheme is introduced the Albanian Power Exchange. With the initiation of the operation of Albanian Power Exchange ALPEX company initiated the implementation of the Council of Minister Decision no. 519, dated 13.07.2016 "On Approving the Electricity Market Model", amended with Council of Minister Decision no. 872, dated 27.12.2022.

1.2 ELECTRICITY PRODUCTION

Electricity production is realized from public and private companies licensed for this activity. The public companies are KESH company and Lanabregas HPP, with 100% of shares owned by the state. The private entities licensed in this activity are: Priority Producers, Independent Producers and Self Producers of Electricity, that develop the electricity production activity based on Law no. 43/2015 "On Power Sector", as amended as well as Law no. 7/2017 "On the promotuin of using energy from renewable resources", which on April 2023, is replaced with the new Law. 24/2023 On the promotion of using energy from renewable resources.

KESH company continues to be the biggest electricity production company in Albania. During 2023 it is performed the public service obligation based on Council of Minister Decision no. 456, dated 29.6.2022, as amended "On approving the conditions for setting the public service obligation, that shall be implemented to the licensees in power sector, which perform electricity production, transmission, distribution and electricity supply activity".

For the period covered by this decision it is provided that KESH company for the management of the cascade and provide the necessary energy for the supply of the customers in the regulated market performs the procedures according to this decision, to deposit and exchange the electricity surplusses after fulfilling the needs of the Universal Service Supplier. Based on this decision, the surplus of energy of the public producer is the electricity quantity remaining after the full supply of the needs of Universal Supplier of Energy and the losses of the Distribution System Operator. Also the energy public production company shall have the right to make the financial optimization of the cascade, only if it is not affected the necessary quantity of the supply of the Universal Service Supplier and only within the monthly and weekly periods.

Priority producers and the private electricity producers are entities licensed by ERE throughhout the years that utilize the existing or new plants, mainly through privatisation agreements, concession agreements or contracts for the utilisation and administration of electricity production plants.

The total capacity of electricity production installed in our country until 31 December 2023 is **2,605 MW.** This capacity is increased in 2023 with about **26 MW**.

Total electricity production capacity of the public KESH company is 1453 MW and occupies about 54.2 % of the total capacity installed in our country.

Total installed capacity of other electricity generators is 1 222 MW and occupies about 45.8 % of the total installed capacity in our country.

1.2.1 Electricity production for 2023 period

The total net domestic production of electricity realized for 2023 period is **8, 795,637 MWh**, from which

- **5,131,482** MWh is produced from the plants owned by the public company KESH company.
- **3,664,155** MWh is produced from other plants.

Electricity production realized for 2023 by KESH company occupies **58.3 %** of all electricity production in our country and electricity production from other generators occupies about **41.7%**.

Electricity production plants are connected with the electricity transmission and distribution networks. The installed capacity for the plants connected in the transmission network during 2023 is about 2,288 MW and their net production resulted to be 7, 709,120 MWh.

The installed capacity of the plants connected in the distribution network during 2023 is about 382 MW and their net production resulted to be 1, 086,510 MWh.

TË DHËNA MBI PRODHUESIT 2023		Rrjeti	Numri Subjekteve	Numri Impianteve	Kapaciteti instaluar (MW)	Prodhimi 2023 (MWh)
P.Pub	Prodhues Publik (Ngarkuar me detyrimin e shërbimit Publik)	Lidhur në OST	1	4	1,448	**5,131,482**
P.Pav	Prodhues të Pavarur Hidro (Prodhues në treg të Hapur)	Lidhur në OST	4	9	438	**1,204,762**
P.Pav	Prodhues të Pavarur Fotovoltaike(Prodhues në treg të Hapur)	Lidhur në OSSH	3	4	14	**18,885**
PPE	Prodhues me Përparësi (Përfitojnë nga Skemat Mbështetëse)+Ashta	Lidhur në OST	33	51	402	**1,372,883**
	Prodhues me Përparësi (Përfitojnë nga Skemat Mbështetëse)	Lidhur në OSSH	137	178	334	**1,005,636**
	Prodhues me Përparësi Fotovoltaikë(Përfitojnë nga Skemat Mbësht)	Lidhur në OSSH	17	17	34	**61,989**
			195	**263**	**2,670**	**8,795,637**

Figure 4. The data from the producer for 2023

On the above figure are submitted the data on electricity production for all the producer's categories that are into operation.

At the same time on the below figure it is submitted the net domestic production for 2023, evidencing the electricity production contribution of KESH company, as the public producer and the contributions of other producers. The production realized from the public company KESH s.a, occupies the main weight for the domestic production even during 2022.

PRODHIMI NETO VENDAS 2023 (MWh)	2023
HEC-et / PPE ne rrjetin e OSSH sha	982,392
HEC-et / PPE ne rrjetin e OST sha	1,085,256
HEC-et e pavarur IPP ne rrjetin e OST sha	1,204,759
HEC Lanabregas	23,244
HEC Ashta	287,628
Centralet Fotovoltaike (kontr me FTL)	61,989
Centralet Fotovoltaike (ne treg te lire)	18,885
Prodhimi nga HEC-et e KESH sha	5,131,482
TOTAL VENDAS 2023	8,795,635

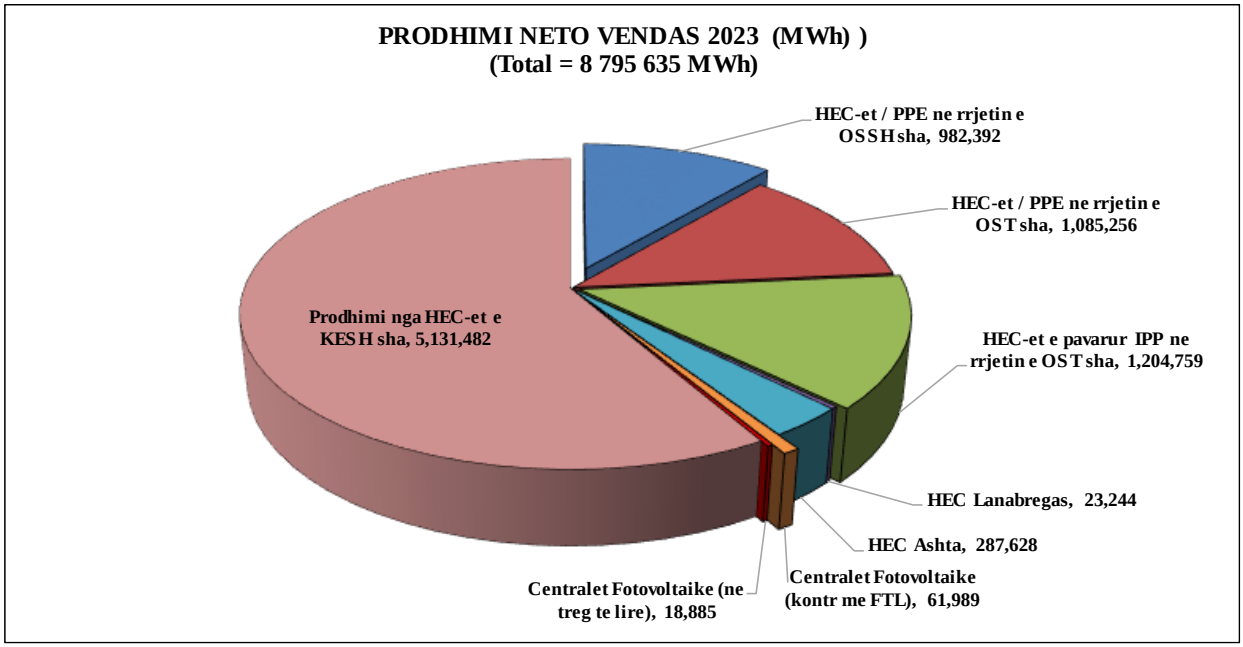
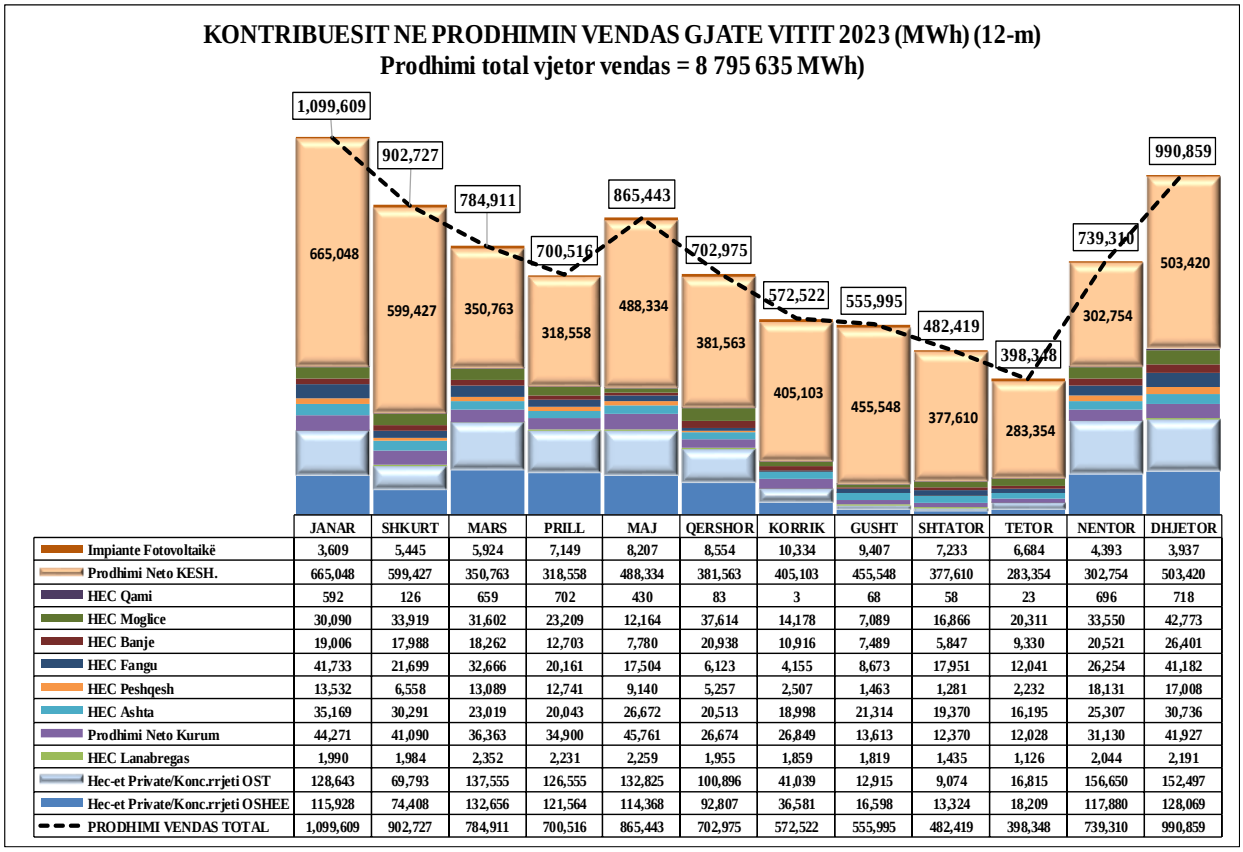


Figure 5. Net domestic production for 2023

Source TSO company; KESH Company; FTL company.



	JANAR	SHKURT	MARS	PRILL	MAJ	QERSHOR	KORRIK	GUSHT	SHTATOR	TETOR	NENTOR	DHJETOR
Impiante Fotovoltaikë	3,609	5,445	5,924	7,149	8,207	8,554	10,334	9,407	7,233	6,684	4,393	3,937
Prodhimi Neto KESH.	665,048	599,427	350,763	318,558	488,334	381,563	405,103	455,548	377,610	283,354	302,754	503,420
HEC Qami	592	126	659	702	430	83	3	68	58	23	696	718
HEC Moglice	30,090	33,919	31,602	23,209	12,164	37,614	14,178	7,089	16,866	20,311	33,550	42,773
HEC Banje	19,006	17,988	18,262	12,703	7,780	20,938	10,916	7,489	5,847	9,330	20,521	26,401
HEC Fangu	41,733	21,699	32,666	20,161	17,504	6,123	4,155	8,673	17,951	12,041	26,254	41,182
HEC Peshqesh	13,532	6,558	13,089	12,741	9,140	5,257	2,507	1,463	1,281	2,232	18,131	17,008
HEC Ashta	35,169	30,291	23,019	20,043	26,672	20,513	18,998	21,314	19,370	16,195	25,307	30,736
Prodhimi Neto Kurum	44,271	41,090	36,363	34,900	45,761	26,674	26,849	13,613	12,370	12,028	31,130	41,927
HEC Lanabregas	1,990	1,984	2,352	2,231	2,259	1,955	1,859	1,819	1,435	1,126	2,044	2,191
Hec-et Private/Konc.rrjeti OST	128,643	69,793	137,555	126,555	132,825	100,896	41,039	12,915	9,074	16,815	156,650	152,497
Hec-et Private/Konc.rrjeti OSHEE	115,928	74,408	132,656	121,564	114,368	92,807	36,581	16,598	13,324	18,209	117,880	128,069
PRODHIMI VENDAS TOTAL	1,099,609	902,727	784,911	700,516	865,443	702,975	572,522	555,995	482,419	398,348	739,310	990,859

Figure 6. Contributors for domestic production for 2023 (MWh)

The figures below show the comparison of the net monthly production of electricity during 2023 with the average production of the 2009 – 2023 period.

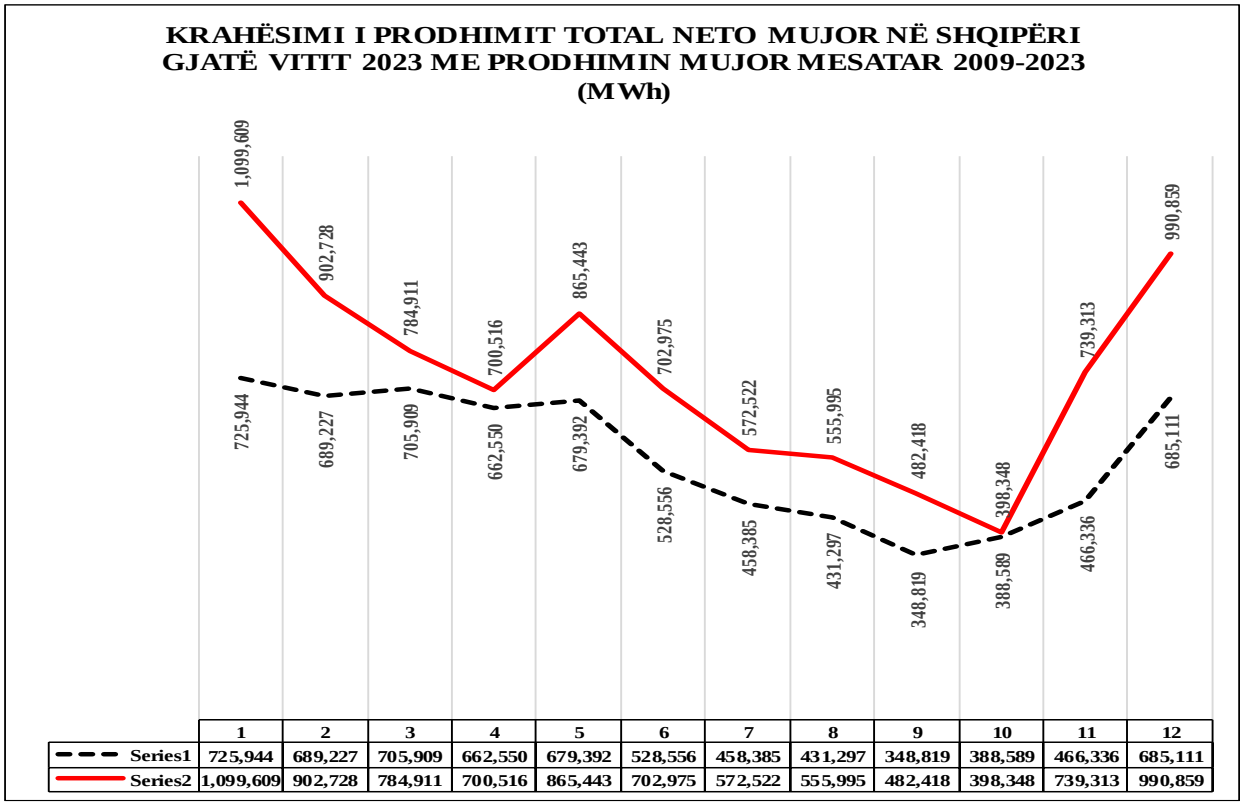


Figure 7. Monthly domestic production for 2023 compared to the 2009-2023 period average

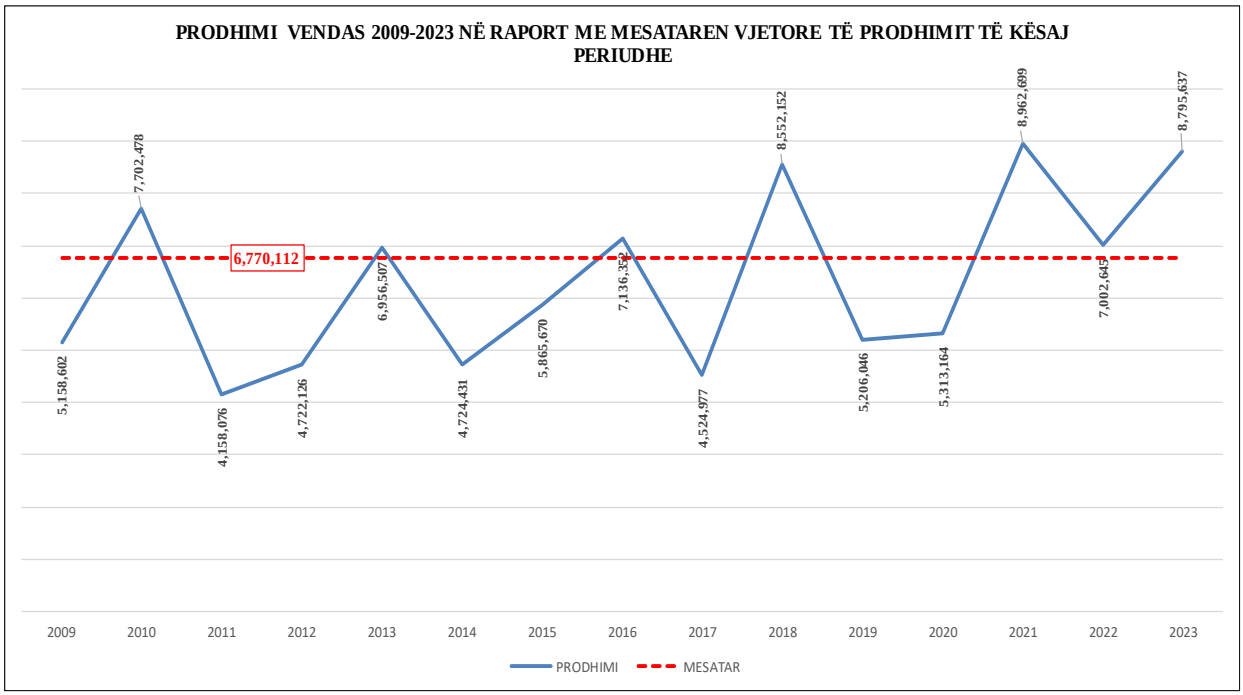


Figure 8. Net historical domestic production for the 2009-2023 period regarding the average production for this period

From the historical analysis of electricity production registered in our country, 2023 period resulted with about 8,796 GWh, that results over the electricity production average for 2009 – 2023 period. The electricity production average for 2009 – 2023 period resulted 6,770 GWh. The realized production for 2023 is about 2,026 GWh, or 30 % higher than the electricity production average for 2009 – 2023 period. Taking into consideration the total electricity consumption at the amount 7,876 GWh, the total production realized during 2023, results to be higher that the request for electricity in our country, and as consequence are realized the electricity exports.

The monthly maximum production of electricity for 2023, is marked on January **1,099,609** MWh quantity. This production is realized from the hydro power plants under KESH company administration in **60,5%** quantity, while the monthly minimum production of electricity during 2023 was during October **398,348** MWh quantity.

On the graph it is evidenced that 2023 is considered as a good hydrological year and the electricity production for this year resulted **8,796** GWh quantity, that means **2,026** GWh more than the average electricity production for 2009 – 2023 period. Considering the fact the electricity production of our country is mainly based on hydro resources, on the good hydrological years like 2023, the electricity production is higher than the multi-year average in 2009 – 2023 period.

1.2.2 The main technical data and the electricity production from the public generation plants for 2023

Public company KESH owns three HPP-s of Drini River cascade as well as Vlora TPP, Qyrsaq photovoltaic plant with 5.14 MWp. The composition of the plants group from KESH company and the installed capacity of each of them is submitted with the data as follows where it is evidenced the number of the aggregates, installed capacity for each agregate and the installed capacity for each plant.

	HEC Fierzë	**HEC Koman**	**HEC Vau i Dejës**	**TEC Vlorë**	**Centrali fotovoltaik i Digës së Qyrsaqit, Vau i Dejës**
Numri i agregatëve	4	4	5	2	
Kapaciteti i instaluar i agregatëve. (MW)	125	150	50	70+28	
Kapaciteti i instaluar i centralit prodhues së energjisë elektrike (MW)	500	600	250	98	5
Kapaciteti i instaluar total (MW)	**1453**				

Figure 9. Structure of Electricity Plants of Public Production

(Source: KESH company)

The total installed capacity owned by KESH company, reaches to 1,453 MW, of which the installed capacity of HPPs in Drin River cascade is 1,350 MW, of Vlora TPP 98 MW and the photovoltaic plant Qyrsaq 5.14 MWp.

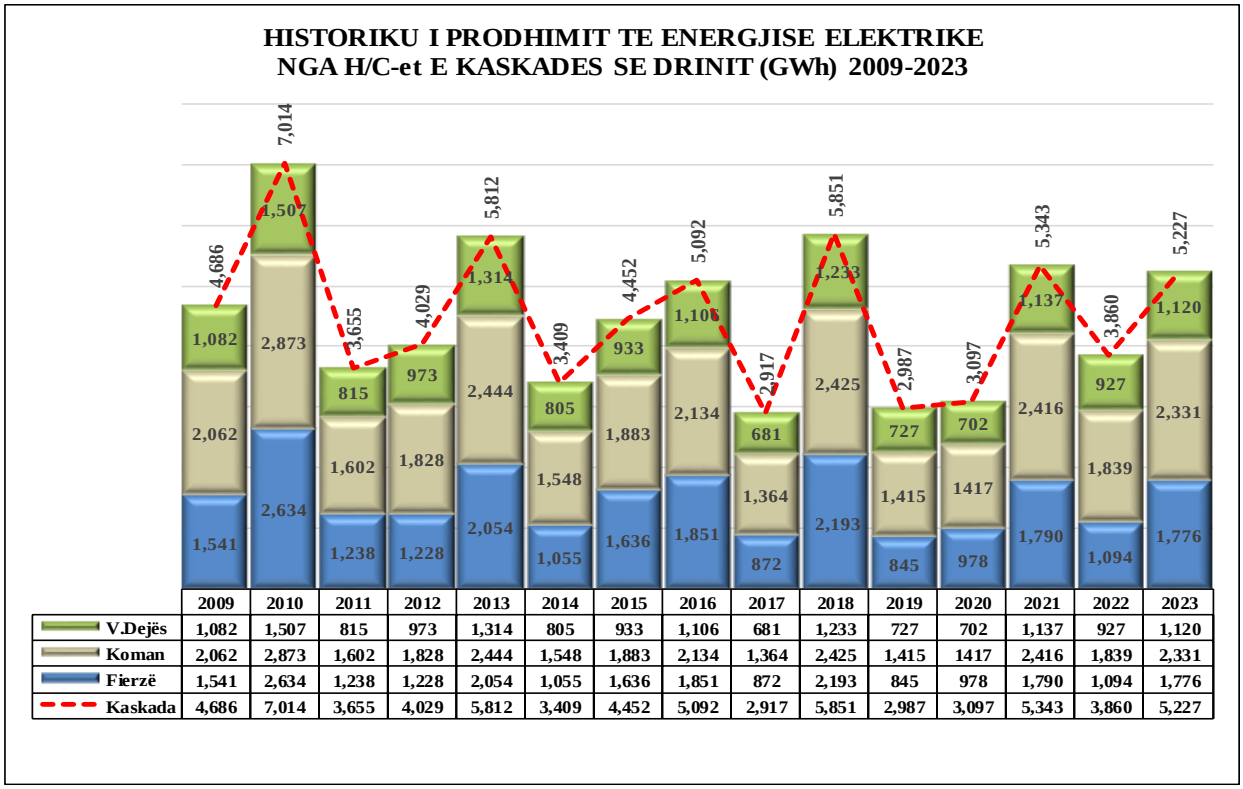
2023 period initiated with high production on January – February period, and is closed on December again with a high production.

The average ***inflows*** during 2023 resulted with about 197 m^3/s in Fierza lake. These inflows of 2023 period resulted higher compared to the average history (176 m^3/s).

Fierza Lake level on 31 December 2023 resulted in the quote 284.5 meter over the sea level (mmnd), compared with the previous period in 2022 that was 291.7 m,

The Energy Reserve at the beginning of 2023 was 1,339 GWh while by the end of 2023 was 950 GWh. The Average Energy Reserve during 2023 was 1,066 GWh.

Refering to the above mentioned indicators, it result that 2023 in general was wet from hydrological point of view compared to 2022 period, bringing even the production that is comparably higher.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
V.Dejës	1,082	1,507	815	973	1,314	805	933	1,106	681	1,233	727	702	1,137	927	1,120
Koman	2,062	2,873	1,602	1,828	2,444	1,548	1,883	2,134	1,364	2,425	1,415	1417	2,416	1,839	2,331
Fierzë	1,541	2,634	1,238	1,228	2,054	1,055	1,636	1,851	872	2,193	845	978	1,790	1,094	1,776
Kaskada	4,686	7,014	3,655	4,029	5,812	3,409	4,452	5,092	2,917	5,851	2,987	3,097	5,343	3,860	5,227

Figure 10. History of Electricity Production from Drini Cascade HPP-s

(Source: KESH company, TSO company.)

The maximum electricity production realized from KESH company for 2009 – 2023 period is reached on 2010, 7,014 GWh quantity. The electricity production for 2010 is 1,787 GWh higher than the electricity production achieved during 2023 which results in 5,227 GWh quantiy. This indicator, is submitted clearly in the higher level of dependence from hydrological conditions and as consequence the existence of hydrological risk on the stability of electricity production in our country. The dependence of electricity production (due to this production is mainly based on hydro resources) makes necessary the continuation of diversification of electricity production resources in our country, in compliance with the National Strategy of Energy and the National Consolidated Action Plan for Renewable Energy Resources, approved from the Council of Ministers. As follows in a detailed way it is submitted

the monthly electricity production from the hydro-power plants of Drini River Cascade in KESH company administration.

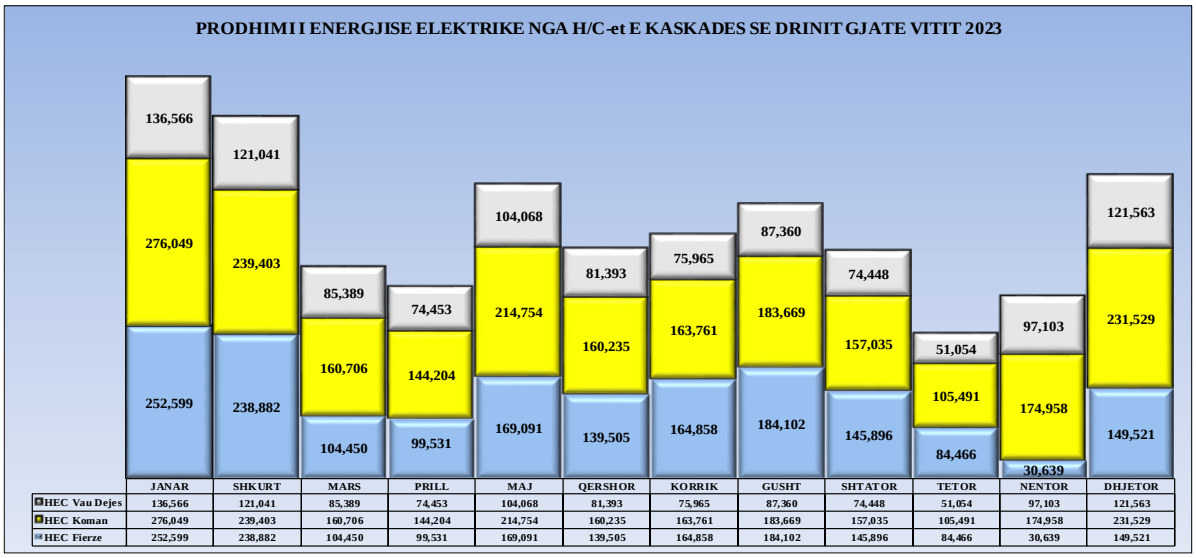


Figure 11. Electricity Production from Drini Cascade HPP-s during 2023

(Source: KESH company, TSO company.)

The maximum production of KESH company is registered on January 665,048 MWh quantiy, and minimum on October 283,354 MWh quantiy. As evidenced the difference between maximum monthly production realized on 665,048 MWh quantiy and the minimum realized on 283,354 MWh quantity for 2023 period continues to be considerable respectively on 381, 694 MWh quantity. Even this indicator identifies also the dependence of electricity production in our country from the hydro conditions.

On figure 11, are graphically submitted the water dischanrges without electrricity production from KESH company HPP-s in Drini Cascade, for each year of the 2002 – 2023 period.

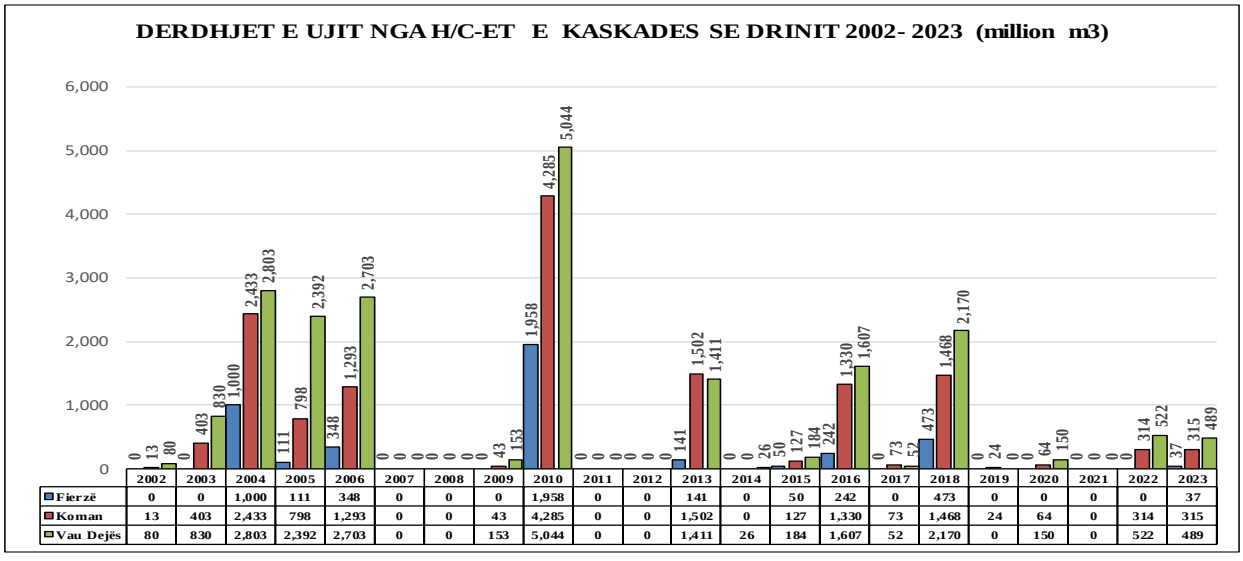


Figure 12. Water discharges from Drini Cascade HPP-s (2002-2023)

(Source: KESH company)

KESH company reports that during 2023 on its complexity was characterized by a good hydrological situation as consequence of the intense rains and the largest inflows at the beginning and at the end of the year. During 2023 period the water discharges without electricity production were on small amounts. Mainly these inflows occurred on the basins of these hydro-power plants are on a smaller volume than Fierza HPP basin. Compared to the water discharges without electricity production during 2023 with those of 2022 period they are approximately on the same discharged water volume.

On the following table are submitted the data for the level in meters of Fierza Lake for 2023 by the end of each month.

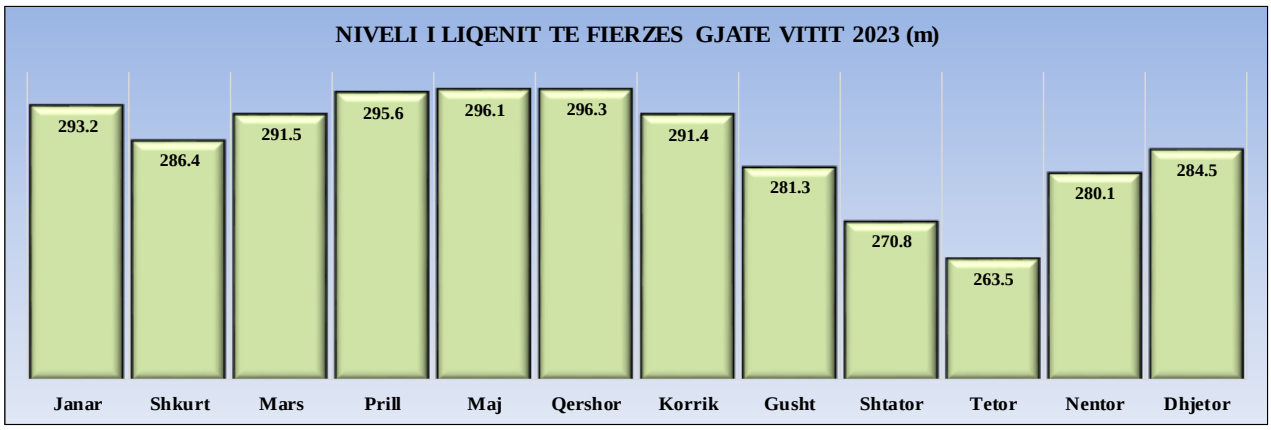


Figure 13 Fierza Lake Level during 2023 (m)

(Source: KESH company)

Fierza HPP basin is the largest water basin of Drini River Cascade and serves as an annual regulator of the hydro reserve of Drini river cascade. The level of the water in Fierza basin directly influences on the utilization of Drini River cascade. As evidenced from the above data, by the end of December 2023, the level of water in Fierza lake has been on 284.5 meter quota.

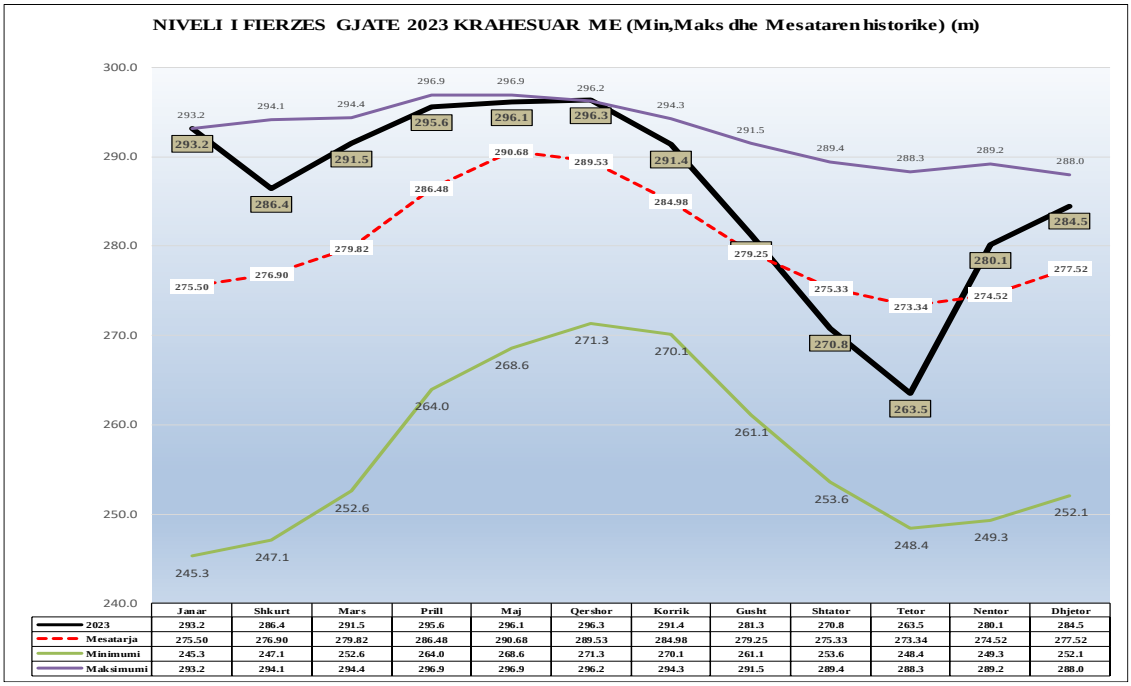
The maximum level resulted on June 2023 with about 296.3m. The historical data over Fierza HPP for 1991 – 2023 period are submitted as follows evidencing the minimum and maximum quota.

NIVELI I FIERZES 1991-2023												
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor
1991	254.4	260.8	268.6	279.9	293.4	296.1	294.0	291.5	289.4	288.3	288.8	285.1
1992	278.0	274.1	268.0	278.8	281.0	279.6	275.2	268.7	263.9	271.4	281.9	280.6
1993	275.2	265.3	264.7	278.5	280.5	277.3	271.0	261.1	253.6	249.9	255.6	270.2
1994	254.4	260.8	268.6	279.9	293.4	296.1	294.0	291.5	289.4	288.3	288.8	285.1
1995	253.8	260.3	262.5	275.3	289.0	288.7	284.5	282.2	288.2	283.8	279.9	287.5
1996	287.1	288.7	286.5	294.7	295.8	293.1	287.6	282.2	285.1	284.3	289.2	291.3
1997	289.4	284.5	281.7	285.2	294.1	292.0	287.0	280.0	272.9	272.4	270.8	277.2
1998	273.7	270.0	265.2	278.9	288.1	287.4	281.8	277.6	276.0	277.1	279.0	277.1
1999	272.7	275.6	281.5	290.5	295.9	293.3	288.3	279.5	271.0	257.6	263.6	276.9
2000	276.4	276.7	276.8	286.9	286.6	280.1	273.5	267.5	261.6	248.4	249.3	252.1
2001	253.6	258.2	275.1	282.9	287.6	283.8	273.7	271.1	269.2	263.6	263.2	252.1
2002	245.3	247.1	252.6	264.0	268.6	271.3	270.1	267.8	274.3	286.1	285.3	284.0
2003	291.1	289.5	286.3	287.0	292.3	290.3	285.9	280.8	276.0	282.6	285.6	283.3
2004	284.7	290.8	293.4	296.0	296.2	296.2	293.1	286.3	281.1	280.0	286.1	288.0
2005	281.2	281.5	293.3	296.1	295.6	294.1	286.7	277.2	266.5	256.9	253.6	279.0
2006	283.5	288.6	294.4	295.9	296.5	295.9	293.8	290.2	285.3	278.7	266.2	256.2
2007	256.1	263.7	272.0	276.8	276.8	274.8	268.5	263.6	261.8	261.1	275.8	282.1
2008	285.1	289.7	290.9	295.5	295.3	295.7	294.3	288.6	283.9	280.9	285.2	286.5
2009	283.6	281.8	283.4	292.5	293.7	292.4	288.0	281.2	276.2	271.6	266.3	280.1
2010	290.1	289.2	293.9	296.0	296.3	294.4	291.8	288.6	284.9	285.2	284.3	287.5
2011	281.6	274.1	275.0	276.6	281.0	286.1	284.7	279.0	273.9	268.2	261.6	264.5
2012	265.8	274.1	262.0	280.2	293.4	294.4	288.4	280.4	261.4	261.6	269.0	276.6
2013	278.3	274.1	294.8	296.9	296.9	294.2	289.7	283.6	280.8	281.4	282.5	276.1
2014	275.1	274.1	274.6	285.3	292.9	294.9	291.7	286.8	285.5	285.0	284.8	286.3
2015	288.7	274.1	292.2	296.3	296.1	293.3	287.5	280.1	272.1	275.4	278.9	275.9
2016	289.9	274.1	291.8	296.5	296.2	295.6	290.5	285.4	283.3	288.4	288.9	281.6
2017	271.5	274.1	280.9	278.7	281.6	272.4	270.2	268.0	271.0	264.6	269.6	289.9
2018	289.7	274.1	295.0	296.5	296.4	296.0	294.0	287.5	277.9	270.2	266.5	267.3
2019	267.3	274.1	272.7	279.9	289.9	292.7	287.6	278.5	274.2	268.6	273.2	275.6
2020	271.6	272.0	283.5	288.6	293.6	291.7	284.6	276.5	273.5	274.1	268.7	272.7
2021	291.7	294.1	292.6	294.3	296.7	291.7	282.7	274.3	271.3	267.7	267.8	275.1
2022	270.7	268.3	260.7	282.5	289.0	288.0	281.5	270.4	271.4	267.9	281.7	291.7
2023	293.2	286.4	291.5	295.6	296.1	296.3	291.4	281.3	270.8	263.5	280.1	284.5
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor
2023	293.2	286.4	291.5	295.6	296.1	296.3	291.4	281.3	270.8	263.5	280.1	284.5
Mesatarja	275.50	276.90	279.82	286.48	290.68	289.53	284.98	279.25	275.33	273.34	274.52	277.52
Minimumi	245.3	247.1	252.6	264.0	268.6	271.3	270.1	261.1	253.6	248.4	249.3	252.1
Maksimumi	293.2	294.1	294.4	296.9	296.9	296.2	294.3	291.5	289.4	288.3	289.2	288.0

Figure 14. Fierza HPP Lake Level for 1991 – 2023 period

(Source: KESH company, TSO company)

As follows it is graphically submitted the level of the water in Fierza reservoir for each month of 2023, compared to the historic monthly average levels for 1991– 2023 period.



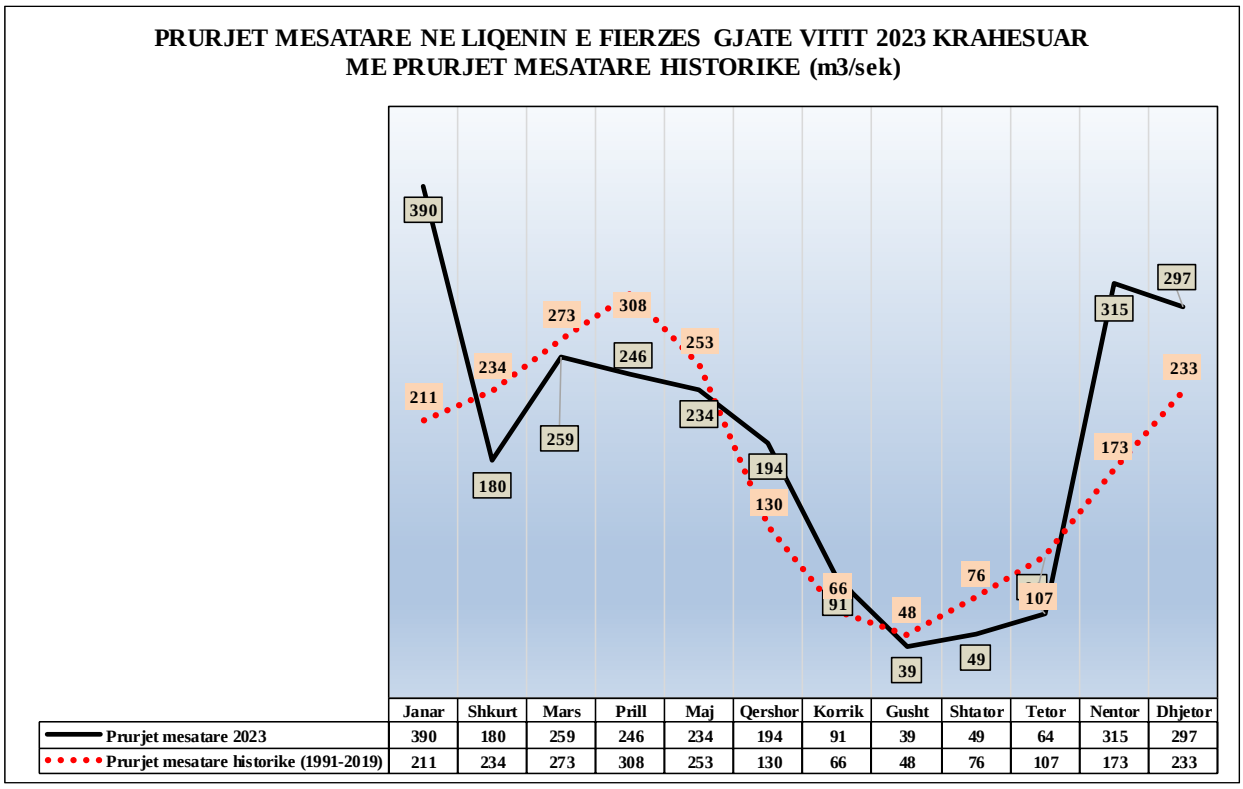
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor
2023	293.2	286.4	291.5	295.6	296.1	296.3	291.4	281.3	270.8	263.5	280.1	284.5
Mesatarja	275.50	276.90	279.82	286.48	290.68	289.53	284.98	279.25	275.33	273.34	274.52	277.52
Minimumi	245.3	247.1	252.6	264.0	268.6	271.3	270.1	261.1	253.6	248.4	249.3	252.1
Maksimumi	293.2	294.1	294.4	296.9	296.9	296.2	294.3	291.5	289.4	288.3	289.2	288.0

Figure 15. Fierza lake level regarding the mininimum and maximum average for 1991 – 2023 period

As it can be seen on January 2023 it results that the level of water in Fierza lake of about 293.2 m is the maximum possible level for this month. As evidenced above during January – August and November – December 2023 period it results that the level of water in Fierza lake results over the average level. During August-October period that is characterized of low water inflows and the high electricity consumption results that the level of water in Fierza lake shall be lower than the average level. On June 2023, the level of water in Fierza lake has been 296. 3 meter that results on its maximum historical level of about 296.2 metër. The maximum level of water in Fierza lake is marked on October 263.5 m. Anyhow this minimal level of October 2023 is over the minimum historical level for October of about 248.4 m.

The multiyear average of the water level in Fierza lake is a main indicator to plan the electricity production in Drini Cascade River.

On the figure below are submitted the average water inflows for 2023 period in Fierza Lake compared with the average historical inflows for each month through the respective graph.



	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor
Prurjet mesatare 2023	390	180	259	246	234	194	91	39	49	64	315	297
Prurjet mesatare historike (1991-2019)	211	234	273	308	253	130	66	48	76	107	173	233

Figure 16. Average monthly inflows (m3/sec.) in Fierza HPP lake during 2023 compared with the history average

During 2023 the average water inflows are in general approximate with the historical average, except of January, November and December where the inflows resulted higher than the historical average.

On the following graph it is submitted the utilization of the power reserve on Drini river Cascade during 2023.

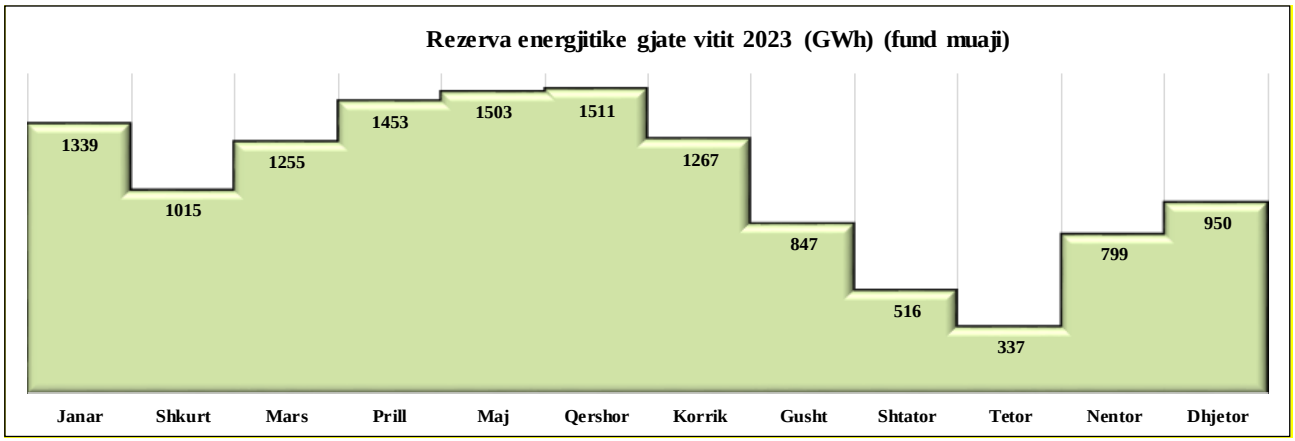


Figure 17. Daily Energy Reserve in Drini Cascade during 2023

(Source: KESH company)

The hydro power reserve of Drini river cascade, taking into consideration the importance of the cascade for electricity production in our country on each case is administered by KESH company based on the following criteria:

- Optimization of KESH company portfolio, and of the sector in general;
- Operation in optimum levels of the HPP and the best possible utilization of the basins;
- Operation according to the definitions of dam safety regulation.

In addition to the above shall be realized the generation in a qualitative and stable way at this cascade, guaranteeing the safe electricity supply and with low costs for the end-use customers.

Being that KESH company is above the main bidders of the ancillary services in the power system shall be provided on time and at the appropriate means the ancillary services to guarantee safe and stable operation of the power system.

The energy reserve as seen is maintained high until on August and then until October it is noted a decrease in 337 GWh and for the two latest months of 2023 it is again increased to 950 GWh.

ERE with decision no. 109/2023 licensed KESH company in electricity production activity from the floating TPP installed in Triporti Port, Vlora Bay, with installed capacity of about 110 MW for a 2-year period, initiating from the commissioning date of the action. Currently from the reports of KESH company is not delivered electricity in the network for these plants.

1.2.3 Vlora TPP Situation

KESH company is the sole shareholder of Vlora Termo Power Plant (Vlora TPP), a company which manages the generating asset Vlora TPP.

Vlora TPP even during 2023, has exercised its activity regarding the conservation of the generating asset which is not in working condition due to issues in the cooling system since 2012.

1.2.4 Electricity production from the private independent and priority production plants

Electricity generation realized by independent and priority generation plants for 2023 is 3,664,155 MWh or about 41.7 % of the total domestic generation.

For 2023 period, the number of independent and priority generation plants that have produced electricity, is 259 where 13 of them are independent generators which are owned by 7 licensed entities, while the rest of about 246 plants are electricity priority producers, owned by 187 entities in the electricity production activity. On this list are included Lanabregas HPP with installed capacity of 5MW and annual generation for 2023 of 23,244 MWh, whose shares as above mentioned are 100% owned by the state. In total, the installed capacity of independent and priority generation plants is 1,222 MW, where the installed capacity of independent producers is 452 MW, while 770 MW belongs to the generation and priority plants of electricity including Lanabregas HPP.

The data regading the groups of the producers are sumarized as follows.

TË DHËNA MBI PRODHUESIT 2023		Rrjeti	Numri Subjekteve	Numri Impianteve	Kapaciteti instaluar (MW)	Prodhimi 2023 (MWh)
P.Pub	Prodhues Publik (Ngarkuar me detyrimin e shërbimit Publik)	Lidhur në OST	1	4	1,448	**5,131,482**
P.Pav	Prodhues të Pavarur Hidro (Prodhues në treg të Hapur)	Lidhur në OST	4	9	438	**1,204,762**
P.Pav	Prodhues të Pavarur Fotovoltaike(Prodhues në treg të Hapur)	Lidhur në OSSH	3	4	14	**18,885**
PPE	Prodhues me Përparësi (Përfitojnë nga Skemat Mbështetëse)+Ashta	Lidhur në OST	33	51	402	**1,372,883**
	Prodhues me Përparësi (Përfitojnë nga Skemat Mbështetëse)	Lidhur në OSSH	137	178	334	**1,005,636**
	Prodhues me Përparësi Fotovoltaikë(Përfitojnë nga Skemat Mbësht)	Lidhur në OSSH	17	17	34	**61,989**
			195	**263**	**2,670**	**8,795,637**

TË DHËNA MBI PRODHUESIT E PAVARUR DHE ATO ME PËRPARËSI 2023		Rrjeti	Numri Subjekteve	Numri Impianteve	Kapaciteti instaluar (MW)	Prodhimi 2023 (MWh)
P.Pav	Prodhues të Pavarur (Prodhues në treg të Hapur)	Lidhur në OST	4	9	438	**1,204,762**
P.Pav	Prodhues të Pavarur Fotovoltaike(Prodhues në treg të Hapur)	Lidhur në OSSH	3	4	14	**18,885**
PPE	Prodhues me Përparësi (Përfitojnë nga Skemat Mbështetëse)+Ashta	Lidhur në OST	33	51	402	**1,372,883**
	Prodhues me Përparësi (Përfitojnë nga Skemat Mbështetëse)	Lidhur në OSSH	137	178	334	**1,005,636**
	Prodhues me Përparësi Fotovoltaikë(Përfitojnë nga Skemat Mbësht)	Lidhur në OSSH	17	17	34	**61,989**
			194	**259**	**1,222**	**3,664,155**

Figure 18. Data on priority producer and independent ones for 2023

TË DHËNA MBI PRODHUESIT ME PËRPARËSI 2023		Rrjeti	Numri Subjekteve	Numri Impianteve	Kapaciteti instaluar (MW)	Prodhimi 2023 (MWh)
PPE	Prodhues me Përparësi (Përfitojnë nga Skemat Mbështetëse)+Ashta	Lidhur në OST	33	51	402	**1,372,883**
	Prodhues me Përparësi (Përfitojnë nga Skemat Mbështetëse)	Lidhur në OSSH	137	178	334	**1,005,636**
	Prodhues me Përparësi Fotovoltaikë(Përfitojnë nga Skemat Mbësht)	Lidhur në OSSH	17	17	34	**61,989**
			187	**246**	**770**	**2,440,508**

Figure 19. The data on priority producers for 2023

TË DHËNA MBI PRODHUESIT E PAVARUR 2023					
	HECET	MW	SUBJEKTI	LIDHJA	Prodh.2023
P.Pav	Hec "Ulez" me fuqi 25,2 MW	25.200	"Kurum International" sh.a.	110 kV	366,977
P.Pav	Hec "Shkopet" me fuqi 24 MW	24.000		110 kV	
P.Pav	Hec "Bistrica 1" me fuqi 22,5Mw	22.500		110 kV	
P.Pav	Hec "Bistrica 2" me fuqi 5 Mw	5.000		110 kV	
P.Pav	Hec"Peshqesh"me fuqi 27,94 MW;,	28.000	"Ayen As Energji"sha	220 kV	102,939
P.Pav	Hec"Fangu"me fuqi 74.6 MW;,	74.600		220 kV	250,142
P.Pav	Hec "Banje" me fuqi 73 MW	73.000	"Devoll Hydropower" sha	110 kV	177,181
P.Pav	Hec "Moglice" me fuqi 184 MW	184.000		110 kV	303,365
P.Pav	Hec Qami-1	1.730	"Lajthiza Invest "shpk	110 kV	4,158
P.Pav	EZ-5 Solar Park	10	Fotovoltaike	35 kv	9,051
P.Pav	EZ-5 Solar Park			35 kv	8,953
P.Pav	FV ALBSOLAR	2		35 kv	660
P.Pav	FV SUN ENERGY SOLUTIONS	2		35 kv	222
		452.030			1,223,647

Figure 20. The data on independent producers for 2023

PRODHIMI GJATE VITIT 2023 NGA CENTRALET FOTOVOLTAIKE TË LIDHURA NE RRJETIN E SHPERNDARJES (MWh)																
CENTRAL FOTOVOLTAIK	MW	SUBJEKTI	LIDHJA	JANAR	SHKURT	MARS	PRILL	MAJ	QERSHOR	KORRIK	GUSHT	SHTATOR	TETOR	NENTOR	DHJETOR	12-M 2023
Seman – 2	2	"SEMAN2SUN" sh.p.k	35 kV	190	288	283	394	402	398	458	416	317	253	186	162	3,748
Topojë	2	"SONNE" sh.p.k	35 kV	189	286	282	393	400	393	457	419	316	253	186	160	3,733
Topojë 2	2	"AED SOLAR" sh.p.k	35 kV	192	283	281	393	399	391	455	417	315	256	184	160	3,726
Topojë (Sheq Marinas)	2	"AGE SUNPOWER" sh.p.k	35 kV	187	285	281	392	399	392	457	419	317	254	184	159	3,726
Topojë (Sheq Marinas) 2	2	"SEMAN SUNPOWER" sh.p.k	35 kV	199	289	287	407	411	397	462	423	320	255	186	163	3,799
Seman1solar	2	" SEMAN1SOLAR " sh.p.k	35 kV	201	293	292	391	385	372	438	411	315	281	198	174	3,751
ES 2019 sh,p,k	2	ES 2019 sh,p,k	35 kV	221	319	352	431	428	413	487	461	360	300	216	191	4,179
SMART WATT sh,p,k	2	SMART WATT sh,p,k	35 kV	221	323	349	434	425	411	488	462	369	299	216	191	4,188
Tren Bilisht	2	" RTS " sh.p.k	35 kV	215	303	315	290	293	349	472	387	319	305	208	184	3,640
STATKRAFT Renewbles albani PV Lundrues ban	2	"STATKRAFT"	35 kV	77	126	167	197	178	181	259	295	221	157	61	41	1959
Pv -Plug	2	"AEE" sh.p.k	10 kv	187	291	383	459	480	464	534	471	361	333	167	159	4,290
Korca Photovoltaic Park Shpk/920	2	Korca Photovoltaic Park Shpk	35 kV	195	306	316	291	258	365	461	422	343	337	219	179	3,691
NTSP Shpk/944	2	NTSP Shpk	35 kV	204	304	300	288	255	361	453	418	331	337	217	183	3,650
Sun Beat System Shpk/921	2	Sun Beat System Shpk	35 kV	199	307	312	293	257	359	461	423	342	335	218	185	3,691
Tren Sun System Shpk/919	2	Tren Sun System Shpk	35 kV	204	312	319	290	258	359	440	426	344	338	224	183	3,696
ERENI SOLAR	2	ERENI SOLAR shpk 35 kv	35 kV	0	0	-	0	456	377	482	469	383	403	273	238	3,080
GREEN ENERGY BILISHTI	2	GREEN ENERGY BILISHTI SHPK 35 kv	36 kV	0	0	-	0	567	467	589	537	432	391	258	201	3,442
Total				2,883	4,314	4,520	5,340	6,249	6,449	7,854	7,276	5,706	5,085	3,400	2,913	61,989
EZ-5 Solar Park	10	EZ-5 Solar Park	35 kV	364	564	698	970	965	1,046	1,223	1,021	757	584	425	434	9,051
EZ-5 Solar Park		EZ-5 Solar Park	35 kV	362	567	706	839	993	1,060	1,257	1,109	770	612	372	307	8,953
FV ALBSOLAR	2	"ALBSOLAR" SH.P.K.		0	0	-	0	0	0	0	0	0	402	146	112	660
FV SUN ENERGY SOLUTIONS	2	"SUN ENERGY SOLUTIONS" SH.P.K.		0	0	-	0	0	0	0	0	0	0	51	171	222
Tot ne treg te lire				725	1,131	1,404	1,808	1,958	2,105	2,480	2,131	1,527	1,598	993	1,024	18,885
	48			3,609	5,445	5,924	7,149	8,207	8,554	10,334	9,407	7,233	6,682	4,393	3,937	80,874

Figure 21. Photovoltaic plants for 2023

1.2.5 Production from the plants that enter into generation during 2023

The annual net production of electricity from plants that are introduced in generation during 2023 is 34,799 MGh, submitted on Figure no.21, as follows. As it can be seen during 2023, are introduced into production 12 plants with an installed capacity of 26 MW. This installed capacity for 2023 is added to hydro resources with a capacity of about 7 MW and to Fotovoltaic Resources with a capacity 18 MW. The electricity production realized from the plants that are

introduced into production during 2023 occupies about 0.4% of the total domestic production of electricity for this year.

TE DHENA LIDHUR ME HEC-et + centralet Fotovoltaike TE HYRA NE PRODHIM GJATE VITIT 2023

Gjate vitit 2023 kane hyre ne prodhim 6 H/C-e dhe 6 fotovoltaike
Kapaciteti I instaluar i Hec-eve te hyra ne prodhim gjate vitit 2023 eshte 7.99 MW
Prodhimi gjate vitit 2023 nga hec-et e reja te hyra ne prodhim eshte 9,392 MWh.
Centralet fotovoltaike te hyre ne prodhim gjate vitit 2023 kane kapacitet te instaluar prej 18 MW dhe kane prodhuar 25,407 MWh energji elektrike

PRODHIMI GJATE VITIT 2023 NGA HEC-et E RINJ TE LIDHURA NE RRJETIN E SHPERNDARJES (MWh)

HECET DHE KAPACITETI	MW	SUBJEKTI	LIDHJA	JANAR	SHKURT	MARS	PRILL	MAJ	QERSHOR	KORRIK	GUSHT	SHTATOR	TETOR	NENTOR	DHJETOR	12-M 2023
Hec "Shelli"	1.52	"ARIS ALBANIA" SHPK		0	526	554	199	171	96	0	0	0	0	624	822	2,993
Hec "Daznjane"	1.52			0	326	404	550	539	476	115	0	0	74	770	507	3,762
Hec "Vokopola"	2.30	'Vokopola Energji"SHPK		0	0	0	21	37	7	4	6	0	0	0	0	75
Hec "Shutrej 1&2"	1.97	'ATEANI ENERGY" SHPK		0	0	0	0	0	325	51	8	3	73	915	650	2,026
Hec KRONZ	0.43	"LAST'ER ENERGY" SH.P.K.	-	0	0	0	0	0	0	0	37	83	50	142	167	479
Hec Bushi	0.25	"BUSHI-LUFI" SH.P.K.		0	0	0	0	0	0	0	0	0	0	12	45	57
	7.99															9,392

PRODHIMI GJATE VITIT 2023 NGA CENTRALET FOTOVOLTAIKE TË RINJ TE LIDHURA NE RRJETIN E SHPERNDARJES (MWh)

CENTRAL FOTOVOLTAIK	MW	SUBJEKTI	LIDHJA	JANAR	SHKURT	MARS	PRILL	MAJ	QERSHOR	KORRIK	GUSHT	SHTATOR	TETOR	NENTOR	DHJETOR	12-M 2023
ERENI SOLAR	2.0	ERENI SOLAR shpk 35 kv	35 kV	0	0	-	0	456	377	482	469	383	403	273	238	3,080
GREEN ENERGY BILIS	2.0	GREEN ENERGY BILISHTI SHP	36 kV	0	0	-	0	567	467	589	537	432	391	258	201	3,442
EZ-5 Solar Park	10.0	EZ-5 Solar Park	35 kV	364	564	698	970	965	1,046	1,223	1,021	757	584	425	434	9,051
EZ-5 Solar Park		EZ-5 Solar Park	35 kV	362	567	706	839	993	1,060	1,257	1,109	770	612	372	307	8,953
FV ALBSOLAR	2.0	"ALBSOLAR" SH.P.K.		0	0	-	0	0	0	0	0	0	402	146	112	660
FV SUN ENERGY SOLU	2.0	"SUN ENERGY SOLUTIONS" SH.P.K.		0	0	-	0	0	0	0	0	0	0	51	171	222
	18.0															25,407
	26															34,799

Figure 22 .Production from the Plants that enter into production during 2023

1.2.6 Electricity production according to the network where there are the production plants

Installed capacity of the plants connected to the transmission system for 2023 period 2,288 MW. Total electricity production from these plants is 7,709,127 MWh. Detailed production for each of the connected plants in the transmission network during 2023 is submitted on a table as follows:

PRODHIMI GJATE VITIT 2023 NGA CENTRALET E LIDHURA NE RRJETIN E TRANSMETIMIT (MWh)				
HECET DHE KAPACITETI	MW	SUBJEKTI	LIDHJA	12-M 2023
Hec "Fierze"	500.000	"KESH" sha	220 kV	5,131,482
Hec "Koman"	600.000		220 kV	
Hec "V. Dejes"	250.000		220 kV	
Tec Vlora	98.000	"KESH" sha	220 kV	
	1,448.000			5,131,482
Hec "Ulez"	25.200	"Kurum International" sh.a.	110 kV	366,977
Hec "Shkopet"	24.000		110 kV	
Hec "Bistrica 1"	22.500		110 kV	
Hec "Bistrica 2"	5.000		110 kV	
Hec"Peshqesh"	28.000	"Ayen As Energji"sha	220 kV	102,939
Hec"Fangu"	74.600		220 kV	250,142
Hec "Banje"	73.000	"Devoll Hydropower" sha	110 kV	177,181
Hec "Moglice"	184.000	"Devoll Hydropower" sha	111 kV	303,365
Hec Qami-1	1.730	"Lajthiza Invest "shpk		4,158
	438.000			1,204,762
Hec "Ashta"	48.200	"Energji Ashta" shpk	110 kV	287,627
				287,627
Hec "Bishnica 2"	2.500	"HEC Bishnica 1,2 "shpk	110 kV	10,578
Hec "Dardhe"	5.800	"Wenerg " shpk	110 kV	16,972
Hec"Truen"	2.500	"TRUEN" shpk	110 kV	
Hec"Ternove"	8.385	"TEODORI 2003" shpk	110 kV	9,876
Hec"Gjorice"	29.610	"DITEKO" shpk	110 kV	130,966
Hec "Sllabinje 2C"	3.400	'Hidropower Elektrik" shpk	110 kV	10,623
Hec "Sllabinje 2D"	4.885		110kV	10,416
Hec "Sllabinje 2E"	3.800		110 kV	13,547
Hec "Sllabinje"	13.800	'Power-Elektrik-Slabinje" shpk	110 kV	37,902
Hec"Bele 1"	5.000	"Euron Energy" shpk	110 kV	152,846
Hec"Topojan 2"	5.800			
Hec"Bele 2"	11.000	"Alb-Energy" shpk		
Hec"Topojan 1"	2.900			
Hec"Orgjost I Ri"	4.800	"Energal" shpk		
Hec "Cerruje-1"	2.300	"Energy partners Al" shpk	110 kV	18,801
Hec "Cerruje-2"	2.800			
Hec "Rrupe"	3.600			
Hec "Rapuni 1,2"	8.100	"C & S Construction Energy" shpk	110 kV	38,402
Hec "Rrapuni 3,4"	8.850	"C & S Energy" shpk	110 kV	33,345
Hec"Llapaj"	13.620	"Gjo-Spa POWER"shpk	110 kV	52,719
Hec"Lengarice"	8.940	"Lengarica & Energy" shpk	110 kV	27,664
Hec"Lura 1"	6.540	"Erdat Lura" shpk	110 kV	41,758
Hec"Lura 2"	4.020		110 kV	
Hec"Lura 3"	5.660		110 kV	
Hec"Malla"	5.455	"Gjurr Rec" shpk	110 kV	14,005
Hec Prella	14.970	"Prelle Energji"	110 kV	42,523
HEC Cemerica 1	0.88	"REJ ENERGY" shpk	110 kV	15,214
HEC Cemerica 2	1.08		110 kV	
HEC Cemerica 3	2.1		110 kV	
HEC TUÇ	4.47	MC Inerte Lumzi	110 kV	30,056
HEC Lumzi	11		110 kV	
Hec Denas	14.5	"Denas Power" shpk	110 kV	38,038
Llënga 1	1.73	"HEC LLËNGË" sh.p.k	110 kV	10,960
Llënga 2	0.3		110 kV	
Llënga 3	1.5		110 kV	
HEC Shpella Poshte 2	2.3	Liria Energji shpk	110 kV	10,035
HEC Germani 1	4.8	SA'GA-MAT shpk	110 kV	13,165
HEC Germani 2	1.5		110 kV	
Hec Lashkiza 1	4.076	HEC Lashkiza shpk	110 kV	7,124
Hec Lashkiza 2	0.882		110 kV	
Hec Seta 1+2	7.454	"Hydro Seta" sh.p.k	110 kV	39,777
Hec Seta 3	2.722		110 kV	
Hec Seta 4	4.724		110 kV	
HEC Darsi 1,2	14.963	Henz Energy shpk	110 kV	33,084
HEC Egnatia	5	REMI shpk	110 kV	12,907
HEC Seka & Zais/684	14.96	SEKA Hydopower shpk	110 kV	71,853
HEC ARSTI	3.13	Hec Arsti shpk	110 kV	14,149
HEC KASKADA GJADER T1/344	24.9	S.P.E. Gjader shpk	110 kV	24,805
HEC-et Dragobia&Ceremi/686	21.9	Dragobia Energy shpk	110 kV	73,933
HEC Veleshica 1,2	13.9	"Kalisi Hydropower"shpk	110 kV	27,217
	353.806			1,085,256
	2,288			7,709,127

Figure 23. Production from the plants connected in the transmission system during 2023

(Source: FTL company, TSO company.)

PRODHIMI GJATE VITIT 2023 NGA CENTRALET E LIDHURA NE RRJETIN E SHPERNDARJES (MWh)				
HECET DHE KAPACITETI	MW	SUBJEKTI	LIDHJA	12-M 2023
Hec"Lanabregas"	5.000	"Hec Lanabregas" sha	35	23,244
Hec "Lenie"	0.400	"EMIKEL 2003" sh.p.k	10kV	2,621
Hec "Çorovode"	0.200		10kV	725
Hec "Smokthine"	9.200	"Albanian Green Energy" sh.p.k	35 kV	35,752
Hec "Bulqize"	0.600	"Balkan Green Energy" shpk	10kV	1,442
Hec "Homesh"	0.395		10kV	434
Hec "Zerqan"	0.625		6kV	1,482
Hec "Arras"	4.800		20kV	18,073
Hec "Orgjost"	1.200		10kV	5,639
Hec "Lekbibaj"	1.400		10kV	7,010
Hec "Dukagjin"	0.640		10kV	2,066
Hec "Marjan"	0.200		10kV	-
Hec "Lozhan"	0.100		10kV	315
Hec "Barmash"	0.830		10kV	1,113
Hec "Treske 2"	0.250		10kV	729
Hec "Nikolice"	0.700		10kV	1,804
Hec "Funares"	1.920		10kV	6,908
Hec "Lunik"	0.200		10kV	1,086
Hec "Kerpice"	0.420		6kV	690
Hec "Ujanik"	0.630		10kV	1,052
Hec "Borsh"	0.250		6kV	798
Hec "Leshnice"	0.380		10/6kv	627
Hec "Velcan"	1.200		10kV	3,969
Hec "Muhur"	0.250		6kV	605
Hec "Rajan"	1.020		10kV	2,252
Hec "Lure"	0.750		10kV	206
Hec "Gjanç "	3.700	"Spahiu Gjanç" sh.p.k.	35 kV	9,843
Hec "Bogove"	2.500	"Wonder power" sha	35 kV	8,339
Hec "Xhyre"	0.570	"Amal" sh.p.k	10kV	1,824
Hec "Stranik"	4.600	"Hidro Invest 1" shpk	35kV	13,155
Hec "Zall Tore"	3.000		35kV	11,458
Hec "Klos"	1.950	"Malido-Energji" shpk	6kV	3,549
Hec "Borje-Oreshke"	1.500	"HIDROALBANIA Energji" shpk	35kV	24,930
Hec "Cernaleve "	2.950		35kV	10,695
Hec "Cernaleve 1"	3.270		35kV	11,853
Hec "Murdhar 1"	2.680	"HydroEnergy "shpk	10kV	11,845
Hec "Murdhar 2"	1.000		10kV	6,822
Hec "Dishnice"	0.200	"Dishnica Energji" shpk	10kV	400
Hec "Lubonje"	0.300	"Elektro Lubonja" shpk	10kV	574
Hec "Peshk"	3.430	"Koka & Ergi Energy Peshk" shpk	35kV	13,830
Hec "Labinot –Mal"	0.250	"Ansara Koncension" shpk	6kV	337
Hec "Pobreg"	12.300	"Energy Plus" shpk	35kV	51,482
Hec "Vlushe"	14.200	"Hec Vlushe " shpk	35kV	38,999
Hec"Belesova 1"	0.150	"Korkis 2009" shpk	6kV	80
Hec "Faqekuq 1,2"	6.400	"HP OSTROVICA ENERGY" shpk	35kV	17,881
Hec"Shemri"	1.000	"Erald Energjitik" shpk	10	2,595
Hec"Mgulle"	0.280		10kV	1,951
Hec"Kryezi 1"	0.600	"Bekim Energjitik" shpk	10kV	3,577
Hec"Selishte"	2.000	"Selishte" shpk	35kV	7,055
Hec"Carshove"	1.500	"ERMA MP" shpk	10kV	2,895
Hec"Ura e Dashit"	1.200		10kV	9,869
Hec"Gizavesh"	0.500	"Dosku Energy" shpk	10kV	660
Hec "Koka 1"	3.200	"Snow Energy" shpk	35kV	6,891
Hec "Stravaj"	3.600	"Stravaj Energji" shpk	35kV	12,421
Hec"Picar 1"	0.200	"Peshku Picar 1" shpk	6kV	532
Hec"Vertop"	1.520	"Hydro Salillari Energy "shpk	35kv	1,473
Hec"Martanesh"	10.500	"Albanian Power" shpk	35kV	20,333
Hec"Verba 1,2"	5.000	"Hydro power Plant Of Korca" shpk	35kV	9,108
Hec"Fterra"	1.080	"HYDROBORSH" shpk	35kV	7,987
Hec"Ostren i Vogel"	0.320	"Lu & Co Eco Energy 2011" shpk	10kV	1,023
Hec"Kozel"	0.500	"E.T.H.H. "shpk	10kV	841
Hec"Helmes 1"	0.800		10kV	2,082
Hec"Helmes 2"	0.500		10kV	1,189
Hec"Qafezeze"	0.400	"Caushi -Energji" shpk	10kV	3,506
Hec"Trebisht"	1.775	"SA-GLE Kompani "shpk	10kV	4,241
Hec"Mollaj"	0.600	"Energji Xhaci" shpk	10kV	802
Hec"Tucep"	0.400	"Tucep" shpk	10kV	2,885
Hec"Treska4"	3.600	"Hec-Treska"shpk	35kV	9,844
Hec"Treska3"	0.400		35kV	1,502
Hec"Treska 2T"	0.620		35kV	2,569
Hec"Sotire 1 & 2"	2.200	"Hydro Energy Sotira"shpk	35kV	5,335
Hec"Shutine"	2.400	"Shutina energji"shpk	10kV	3,570
Hec"Cekrez 1,2"	0.660	"Zall Herr Energji 2011"shpk	6kV	4,097
Hec"Qarr"	1.000	"Hec Qarr & Kaltanj"shpk	35kV	4,661
Hec"Bisak"	1.300	"Bardhgjana" shpk	6kv	4,175
Hec"Shales"	1.080	"Gjoka Konstruksion -Energji" shpk	35kV	1,219
Hec"Strelce"	1.174		35kV	4,537
Hec "Shpelle "	0.400	"Sarolli" sh.p.k	10kV	1,187
Hec "Bicaj"	3.100	"En.Ku" sh.p.k	10kV	-

Hec "Leskovik 1"	1.072	"Maksi Elektrik" sh.p.k	10kV	354
Hec "Leskovik 2"	1.100		10kV	429
Hec "Orenjë"	0.875	"Juana" sh.p.k	10kV	1,437
Hec "Tamarë"	0.750	"WTS Energji" shpk	10kV	-
Hec "Benë"	1.000	"Marjakaj" shpk	6kV	1,149
Hec "Vithkuq" 2		"Favina 1" shpk		4,514
Hec "Vithkuq"1	2.715	"Favina 1" shpk	35/10kV	5,129
Hec "Selca"	1.600	"Selca Energji" shpk	10kV	7,611
Hec" Kumbull- Merkurth"	0.830	"DN & NAT Energy"shpk	6kV	1,806
Hec "Sasaj"	8.600	"Energo – Sas" shpk	35kV	22,775
Hec "Tervol"	10.600	"Hec i Tervolit" shpk	35kV	33,056
Hec "Radove"	2.500	"M.T.C. Energy" shpk	10kV	8,602
Hec"Gurshpat 1"	0.840	"Gurshpat Energy" shpk	10kV	4,780
Hec"Gurshpat 2"	0.830		10kV	5,177
Hec"Bistrica 3"	1.570	"Bistrica 3 Energy" shpk	6kv	5,272
Hec"Hurdhas 1"	1.710	Hydropowerplant Construction shpk	6kV	14,315
Hec"Perrollaj"	0.500	"Fatlum" shpk	10kV	780
Hec"Koxheraj"	0.620	"Koxherri Energji" shpk	10kv	1,755
Hec"Kacni"	3.870	"Kisi-Bio-Energji" shpk	20kV	5,821
Hec"Lena 1"	1.950	"Gama Energy" shpk	35kv	7,962
Hec"Lena 2"	2.300		35kv	
Hec"Lena 2A"	0.250		35kv	
Hec "Driza"	3.408	"Mesopotam Energy" shpk	35kv	2,410
Hec Strelca 1,2,3	5.349	"Strelca Energy" shpk	35kv	13,038
Hec "Ujanik 2"	2.500	"HP Ujaniku Energy" shpk	35kv	5,122
Hec "Nishove"	1.360	"Nishova Energy" shpk	35kv	387
Hec "Shtika"	1.300	"Perparimi SK" shpk	10kv	2,157
Hec "Ballenje"	1.900	"Ballenja Power Martanesh" shpk	35kv	4,121
Hec "Gavran 1"	0.998	"Gavran Energy" shpk	35kv	2,816
Hec "Gavran 2"	1.215	"Gavran Energy" shpk	35kV	2,236
Hec "Kasollet e Selces 1"	4.000	"Xhengo Energji" shpk	35kV	8,958
Hec "Holta Kabash"	2.200	HEC Kabash Porocan shpk	35kV	11,134
Hec "Holta Poroçan"	3.300		35kV	
Hec "Lusen 1"	0.315	"Eurobiznes" shpk	35kV	512
Hec "Ura e Fanit"	1.000	"Ayen As Energji"sha	35kV	6,089
Hec "Gorice"	1.747	"THE BLUE STAR" sh.p.k	35kV	5,875
Hec "Kabash 1&2"	5.800	"Energji Univers" shpk	35kV	6,194
Hec "Tucep 2"	1.7	"DUKA T2" shpk	35kV	4,128
Hec "Dobrenje Tomorrice"	2.4	DAAB Energy Group shpk	35kV	2,517
Hec "Razdoll"	0.765	Hidro Vizion shpk (I pa licens nga ERE)	35kV	2,313
Hec "Dragostunje"	3.1	"HEC-i Dragostunje" shpk	35kV	22,895
Hec "Stebleve"	3.4	"PURE ENERGY STEBLEVA" shpk	35kV	2,466
Hec "Zerec 1"	0.55	"EnRel Hydro" shpk	35kV	5,520
Hec "Zerec 2"	1.315			
Hec "Shëngjon 1"	0.651	"EDIANI" sh.p.k.	35kV	2,627
Hec "Shëngjon 2"	0.356			
Hec "Blaç"	1.3	"BLAC ENERGY" sh.p.k	35kV	1,070
Hec "Qarrishtë"	0.3	"IDI-2005" SHPK	35kV	1,286
Hec "Vendresh"	0.456	"HP VENDRESH ENERGY" SHPK	35kV	146
Hec "Antena"	1.105	"DERBI-E" shpk	35kV	2,537
Hec "Kamenicë"	0.973	HP Kamenica shpk	10	3,240
Hec "Qytezë"	0.9	Muso Hc Qytezë	10	2,409
Hec "Marjan Gura e Vesheve"	0.63	Marituda Shpk	10	1,534
Hec "Skatinë"	2.677	Skatine- Hec Shpk	10	5,093
Hec "Kaparjel"	0.2	ABV Konstruksion Shpk	10	459
Hec "Letaj"	0.54	Asi-Tre Shpk	10	1,074
Hec "Nice"	2.27	MP-HEC Shpk	35	1,708
Hec "Meshurdhe"	1.3	SIMA-Com Shpk	10	6,803
Hec "Thanez"	2	AFRIMI K Shpk	35	7,439
Hec "OSOJE"	1.9	OSOJA HPP shpk	35	8,969
Hec "Voskopoje"	1.9	FAVINA 1 shpk	35	6,477
Hec "Nderfushas "	1.125	'SGD Energy " shpk	35	2,136
Hec "Rreshen"	0.38	Nikolli Energy shpk	10	1,136
Hec "Gurra"	0.5	Uleza Ndertim shpk	6	1,269
Hec "Vile"	1.994	Hydro Power Panariti shpk	35	5,481
Hec "Dukona"	0.800	Dukona shpk	20	638
Hec "Prevalli"	1.750	Gega-G shpk	35	8,580
Hec "Camerice"	0.800	Rei Energy shpk	35	6,094
Hec "Stror"	2.000	Era Hydro shpk	35	10,948
Hec "Mivas"	1.940	Elva 2001 shpk	35	4,283
Hec "Spathare"	1.038	Lucente koncensionare shpk	10	3,676
Hec "Miraka"	0.600	Kuarci Blace shpk	10	1,196
Hec "Shengjun"	2.000	Irarba Energji shpk	10	2,688
Hec "Dobrunje"	0.840	W.T.S. Energji shpk	10	2,778
Hec "Muras"	2	Mateo& Co shpk	10	8,644
Hec "Trojet"	0.9	Troijet Energji shpk	10	3,656
Hec "Deni"	0.85	ASI TRE shpk	35	1,989
Hec "Kamican"	1.86	IDI 2005 shpk	35	7,086
Hec "Vardar"	1.972	Gerti shpk	35	12,654
Hec "Stavec"	6.52	Koka Ergi Stavec shpk	35	32,518
Hec "Kalis"	2.138	ERDY Energy shpk	35	9,686
Hec "Gjinar"	0.83	Erdi Gas shpk	10	1,433
Hec "Backa 1"	3.36	Kroi Mbret shpk	35	13,872
Hec "Plepi"	2.28	Domi Tec shpk	35	2,630
Hec "Zall Xhuxhe 1 &2"	4.7	Hec Zall Xhuxhe shpk	35	6,217
Hec "Pishat"	1.911	GRRENTECH ENERGY SYSTEMS shpk	35	1,110
Hec "Lingjanca1&2"	2.2	"Rei-Energji"shpk	35	5,326
Hec "Guri i Zi"	1.719	"Aris Albania"shpk	35	3,316
Hec "Drita"	1.98	"Brecani R.O.S.P." shpk	20	9,879
Hec "EME"	0.45	"Hec EME" shpk	6	1,379
Hec "Terfoje"	1.98	"HEC TERFOJA" sh.p.k	10	6,849
Hec "Borie Lura 1"	1.8	"AGETA" sh.p.k	20	2,924
Hec "Mali"	1.49	"TIRANA ENERGJI" sh.p.k	20	12,547
Hec "Shelli"	1.518	"ARIS ALBANIA" SHPK	35	2,993
Hec "Daznjane"	1.518		35	3,762
Hec "Vokopola"	2.3	'Vokopola Energji"SHPK	6	75
Hec "Shutrej 1&2"	1.97	'ATEANI ENERGY" SHPK	6	2,026
Hec KRONZ	0.43	"LASTER ENERGY" SH.P.K.	-	479
Hec Bushi	0.25	"BUSHI-LUFI" SH.P.K.		57
	334			1,005,636

PRODHIMI GJATE VITIT 2023 NGA CENTRALET FOTOVOLTAIKE TË LIDHURA NE RRJETIN E SHPERNDARJES (MWh)				
CENTRAL FOTOVOLTAIK	MW	SUBJEKTI	LIDHJA	12-M 2023
Seman – 2	2	"SEMAN2SUN" sh.p.k	35 kV	3,748
Topojë	2	"SONNE" sh.p.k	35 kV	3,733
Topojë 2	2	"AED SOLAR" sh.p.k	35 kV	3,726
Topojë (Sheq Marinas)	2	"AGE SUNPOWER" sh.p.k	35 kV	3,726
Topojë (Sheq Marinas) 2	2	"SEMAN SUNPOWER" sh.p.k	35 kV	3,799
Seman1solar	2	" SEMAN1SOLAR " sh.p.k	35 kV	3,751
ES 2019 sh,p,k	2	ES 2019 sh,p,k	35 kV	4,179
SMART WATT sh,p,k	2	SMART WATT sh,p,k	35 kV	4,188
Tren Bilisht	2	" RTS " sh.p.k	35 kV	3,640
STATKRAFT Renewbles albani PV Lundrues ban	2	"STATKRAFT"	35 kV	1,959
Pv -Plug	2	"AEE" sh.p.k	10 kv	4,290
Korca Photovoltaic Park Shpk/920	2	Korca Photovoltaic Park Shpk	35 kV	3,691
NTSP Shpk/944	2	NTSP Shpk	35 kV	3,650
Sun Beat System Shpk/921	2	Sun Beat System Shpk	35 kV	3,691
Tren Sun System Shpk/919	2	Tren Sun System Shpk	35 kV	3,696
ERENI SOLAR	2	ERENI SOLAR shpk 35 kv	35 kV	3,080
GREEN ENERGY BILISHTI	2	GREEN ENERGY BILISHTI SHPK 35 kv	36 kV	3,442
Total				61,989
EZ-5 Solar Park	10	EZ-5 Solar Park	35 kV	9,051
EZ-5 Solar Park		EZ-5 Solar Park	35 kV	8,953
FV ALBSOLAR	2	"ALBSOLAR" SH.P.K.		660
FV SUN ENERGY SOLUTIONS	2	"SUN ENERGY SOLUTIONS" SH.P.K.		222
Tot ne treg te lire				18,885
	48			**80,874**

Installed capacity of all producers	**2,670**	**MW**	**Prodh.**	**8,795,637**

Figure 24. Production from the plants connected in the distribution system during 2023

The installed capacity of the power plants connected to the distribution network is 382 MW. This installed capacity of the plants in the distribution network consists of 334 MW of the installed capacity at Hydro resources and 48 MW installed capacity in photovoltaic plants.

The production realized by the hydropower plants connected to the distribution network during 2023 is 1,005,636 MWh quantity, while the production realized by the photovoltaic plants is on 80,874 MWh quantity.

1.3 ELECTRICITY TRANSMISSION

Electricity transmission in Albania is performed through the high voltage network of 400 kV, 220 kV, 150 kV, and 110 kV

Law no. 43/2015 "On Power Sector", as amended stipulates that: "Transmission System" is the system used for the transmission of electricity at high and very high voltage, parallelly connected with the systems of other countries, which includes, but is not limited to, lines, supporting structures, transformer and switching equipment for the delivery of Electricity to customers or in the distribution network, excluding supply.

1.3.1 Energy balance

The following table submits the electricity balance of TSO company for 2023, as well as for the 2015 – 2022 period for comparative effects. As evidenced the total Energy transmitted to the transmission system for 2023 results 10,148 GWh with a slight increase compared to 2022 period.

Nr.	Bilanci Energjetik i OST sh.a (GWh)	2015	2016	2017	2018	2019	2020	2021	2022	2023
I	ENERGJI TOTALE NE SISTEMIN E TRANSMETIMIT	7,830	8,462	7,577	9,848	7,943	8,130	10,685	9,547	10,148
1	- Prodhimi vendas	5,475	6,636	4,174	8,076	4,767	4,892	8,432	6,504	8,226
2	- Energji në marrje (import ne interkoneksion)	2,355	1,827	3,403	1,772	3,177	3,238	2,253	3,044	1,922
II	ENERGJIA TOTALE E TRANSMETUAR	7,672	8,272	7,419	9,606	7,775	7,958	10,685	9,547	9,927
1	- Energji në dhënie (eksport ne interkoneksion)	956	1,869	488	2,685	770	963	2,800	2,123	2,842
2	- Energji e transmetuar për OSSH sh.a.	6,106	5,901	6,148	5,963	6,137	6,184	6,606	6,546	6,492
3	- Energji transmetuar për klientëte lidhur në rrjetin e transmetimit	610	503	781	957	867	811	1,049	679	594
III	HUMBJE NE SISTEMIN E TRANSMETIMIT+Newojat Vetjake	159	190	158	242	169	172	228	200	220
	HUMBJE NE SISTEMIN E TRANSMETIMIT+Newojat Vetjake (%)	2.03	2.25	2.08	2.46	2.12	2.12	2.13	2.09	2.17

Figure 25. Electricity balance of TSO company for 2023 compared to the 2015 - 2023 period (MWh)

The level of Losses in the transmission system for 2023 is 220 GWh or 2.17 % of the transmitted electricity compared to 2.09 % value of 2022. This level of lossess in the Transmission System for 2023 results with an increase compared with the one of 2022 period, due to the fatct that the level of the losses in the Transmission System is connected with the electricity quantity transmited also in the production level of the HPP-s in the transmission system for 2023 in the value 601 GWh compared with 2022 period, a fact that issued its impact regarding the increase of the losses in the transmission system.

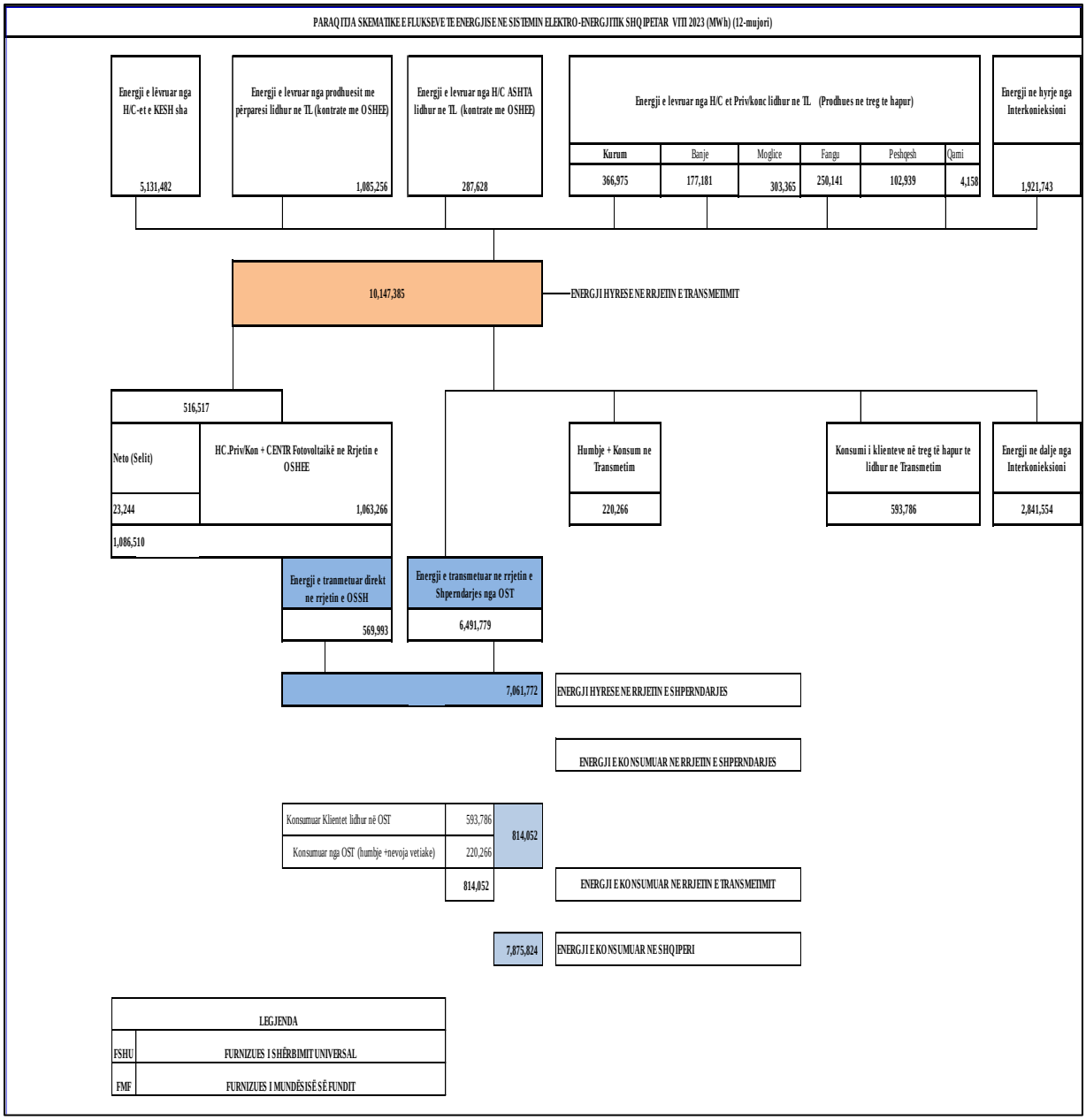


Figure 26 Schematic submission of the energy flows in the Albanian Power System for 2023

The schematic submission of the energy flows to the Albanian Power System is submitted on details at the above figure. The total energy quantity injected to the transmission system for 2023 is about 10.147 GWh. The total electricity quantity injected to the distribution system is about 7,062 GWh.

The electricity to the distribution system is injected from the transmission system and from the generation plants connected to the distribution network. The transmission system injected for 2023 to the distribution system the total quantity of about 10. 147 GWh, while the generation plants connected to distribution network injected to this network the net quantity of electricity of about 7,062 GWh.

1.3.2 TSO company activity

The Transmission System Operator is a legal entity licensed to perform the activity of electricity transmission, which owns the transmission system based on the definitions of Article 54 of Law no. 43/2015 "On Power Sector", as amended. In our country the Transmission System Operator (TSO) is a public company with 100% of state shares. The Transmission System Operator performs its activity unbundled from other activities in the Power sector, such as production, distribution, trade and supply of electricity, in accordance with the principles and requirements set out in law.

TSO currently exercises the operations of the Transmission Network Operator, the Market Operator as well as the Dispatch System Operator.

TSO guarantees the necessary transmission capacity for:

- Uninterrupted electricity supply of electricity distribution system substations, as well as electricity customers connected directly in the transmission network,
- Electricity transmission produced from the country's resources;
- Necessary transition and exchange with the regional countries.

In this context TSO company develops the Transmission System in accordance with the long-term requirements of the country's electricity supply, with development plans for new resources of electricity and coordinates the development of the interconnection network with neighboring countries. TSO company dispatches the Albanian Electricity system through the management of energy flows in the system, considering the implementation of all ancillary services related to the stability of the system and exchanges with other neighboring systems.

1.3.2.1 The Assets and Development of the Transmission System

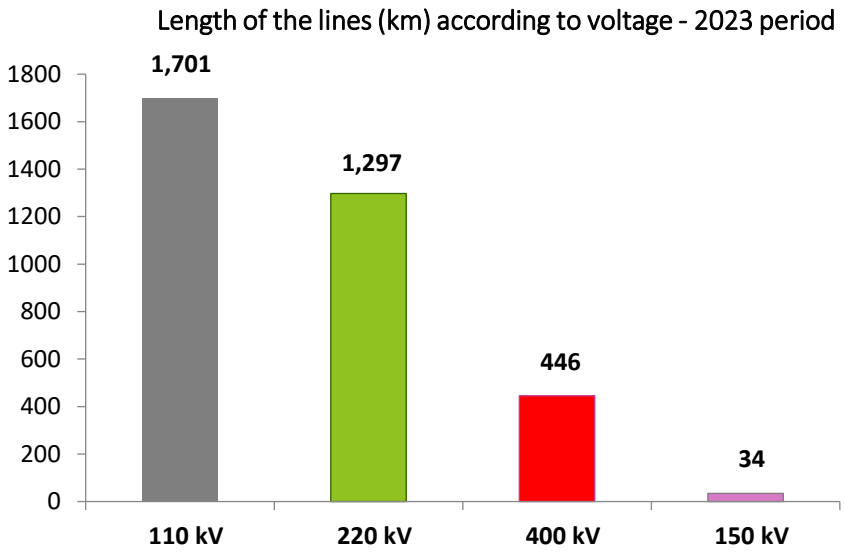
The Electricity Transmission System of Albania includes all the voltage lines of 400 kV, 220 kV,150 kV, 110 kV and the connection substations between them that serve for the electricity transmission and interconnection.

The line of the transmission system length according to the voltage level are:

- Transmission line 400 kV 445.7 km
- Transmission line 220 kV 1,297.4 km
- Transmission line 150 kV 34.4 km
- Transmission line 110 kV 1,701 km

The above mentioned are part of the Transmission system and the interconnection lines with neighbouring countries like:

- Interconnection line 400 kV Zemblak (Albania) – Kardia (Greece)
- Interconnection line 400 kV Tiranë (Albania) – Podgoricë (Monte Negro)
- Interconnection line 400 kV Koman (Albania) – Prishtinë (Kosovo)
- Interconnection line 220 kV Fierzë (Albania) – Prizren (Kosovo)
- Interconnection line 220 kV Koplik (Albania) – Podgoricë (Monte Negro)
- Interconnection line 150 kV Bistricë (Albania) – Myrtos (Greece).



The exchange technical capacity with neighbouring countries is sufficient to realize the necessary exchanges and transits of electricity required at any time, however in certain periods, there is congestion of transmission capacities in interconnection.

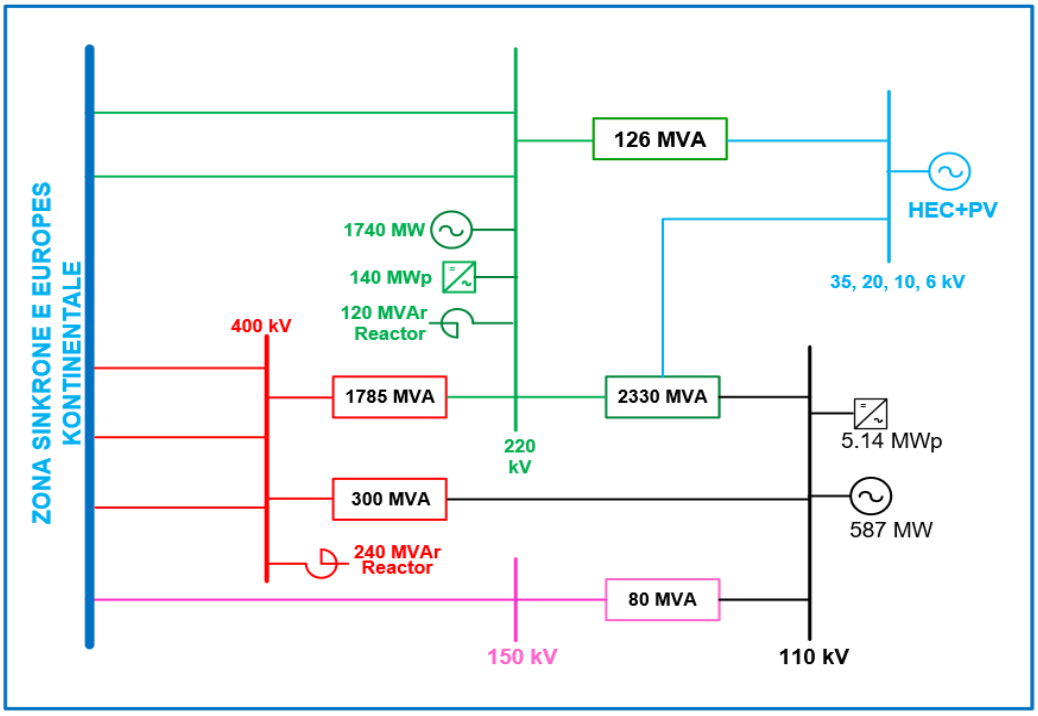


Figure 27. Structure of the Transmission System in Albania.

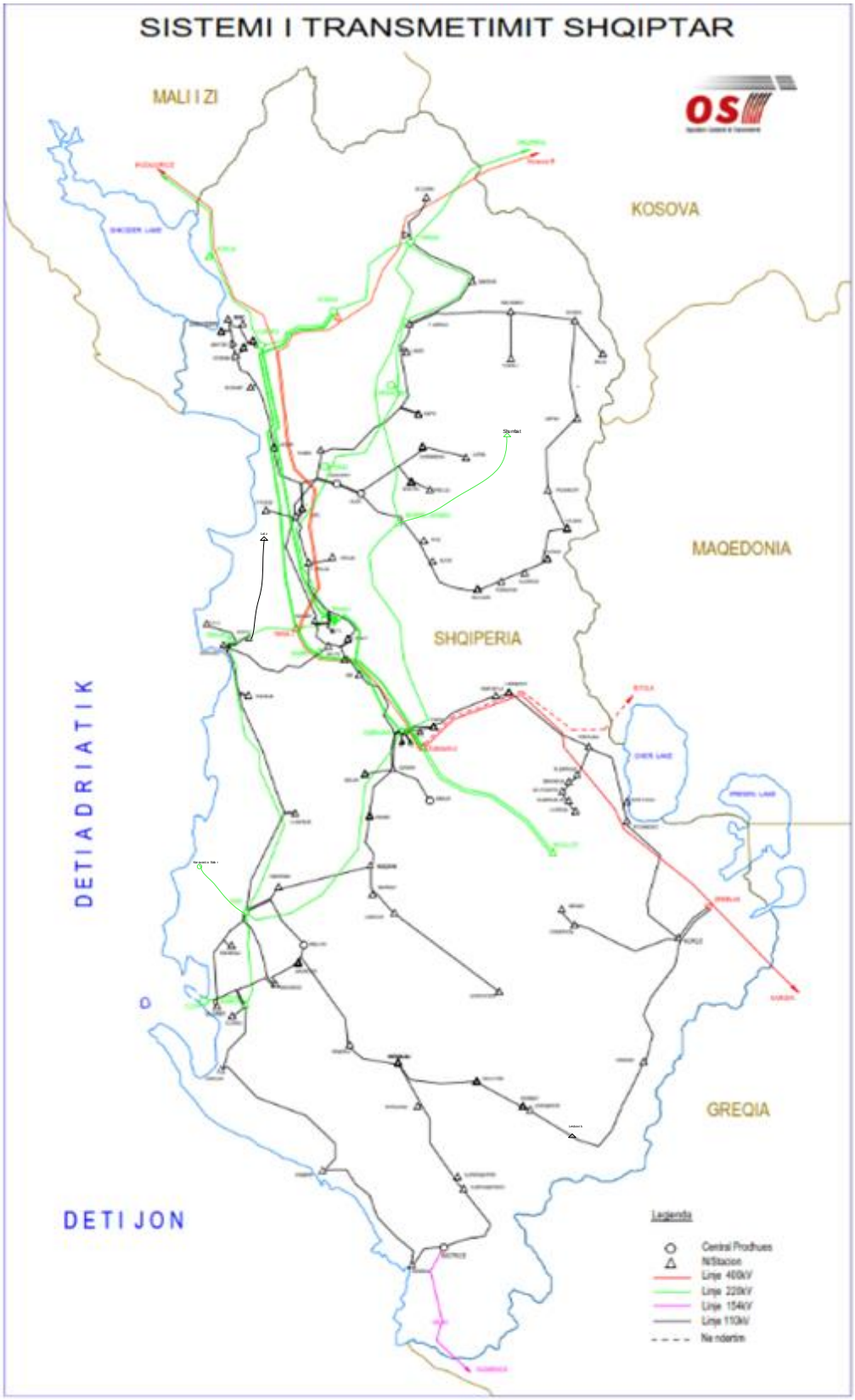


Figure 28. Scheme of the Albanian Transmission System

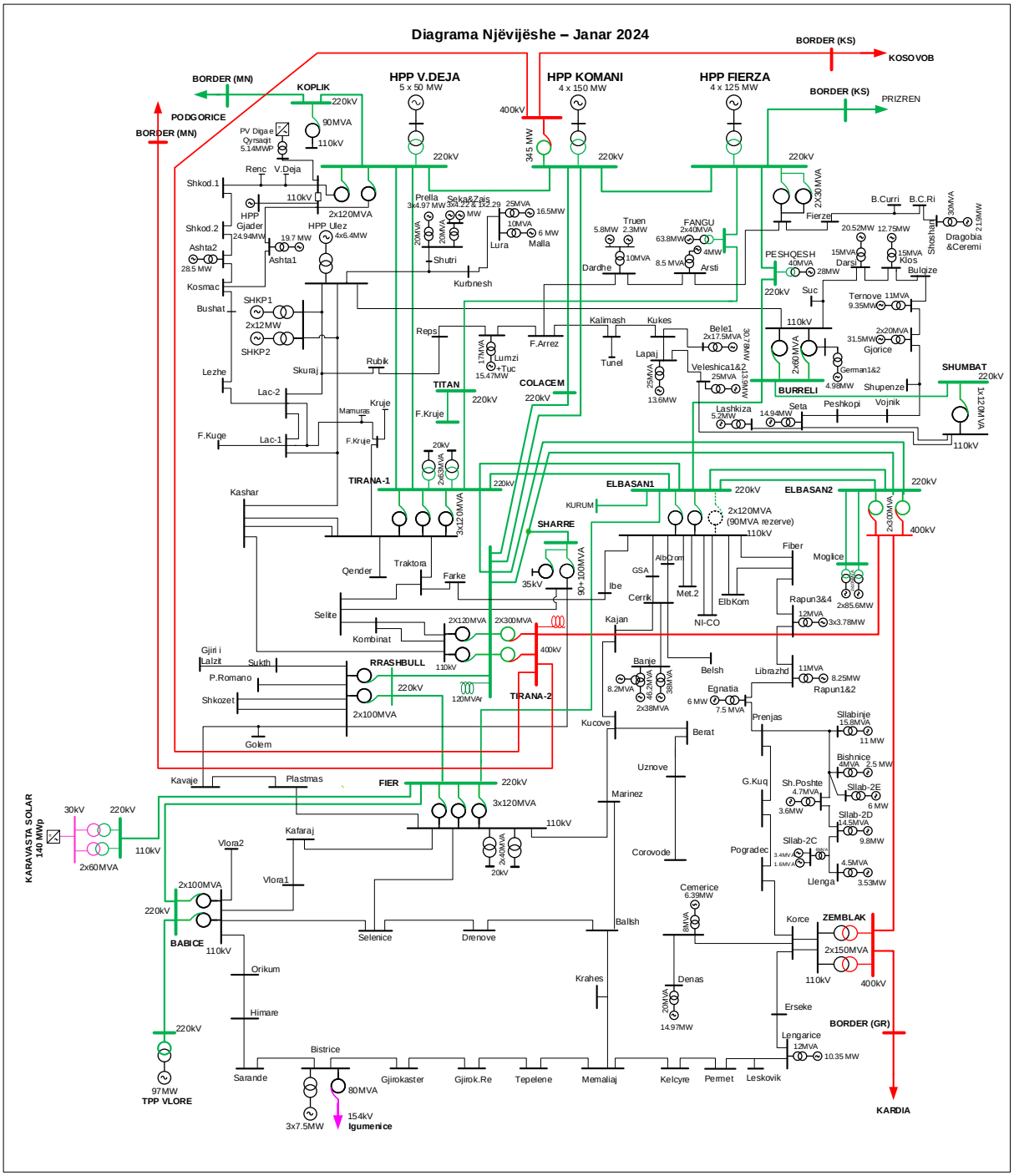


Figure 29. Single-stage scheme of the Albanian Power System for the 400-220-150-110kV level.

As follows are mentioned the main Substations on the Transmission System.

No	Substation		Installed Capacity (MVA)	Operational Unit
1	400 kV	400/220kV Koman Substation	345	Shkodër
2		400/220kV/110kV Tirana 2 Substation	840	Tiranë
3		400/220kV Elbasan 2 Substation	600	Elbasan
4		400/110kV Zemblak substation	300	Korçë
5	220 kV	220/110kV V.Dejës substation	240	Shkodër
6		220/110kV Fierzë substation	120	Shkodër
7		220/110kV Koplik substation	90	Shkodër
8		220/110kV Burrel substation	120	Shkodër
9		220/110kV/20kV Tirana1 substation	486	Tiranë
10		220/110kV Sharrë substation	190	Tiranë
11		220/110kV Rrashbull substation	200	Tiranë
12		220/110kV Elbasan 1 substation	330	Elbasan
13		220/110kV Fier substation	360	Fier
14		220/110kV Babicë substation	200	Fier
15		220/110kV Shumbat substation	120	Burrel
15	150 kV	110/150kV Bistrica 1 substation	80	Fier
Total			**4621**	

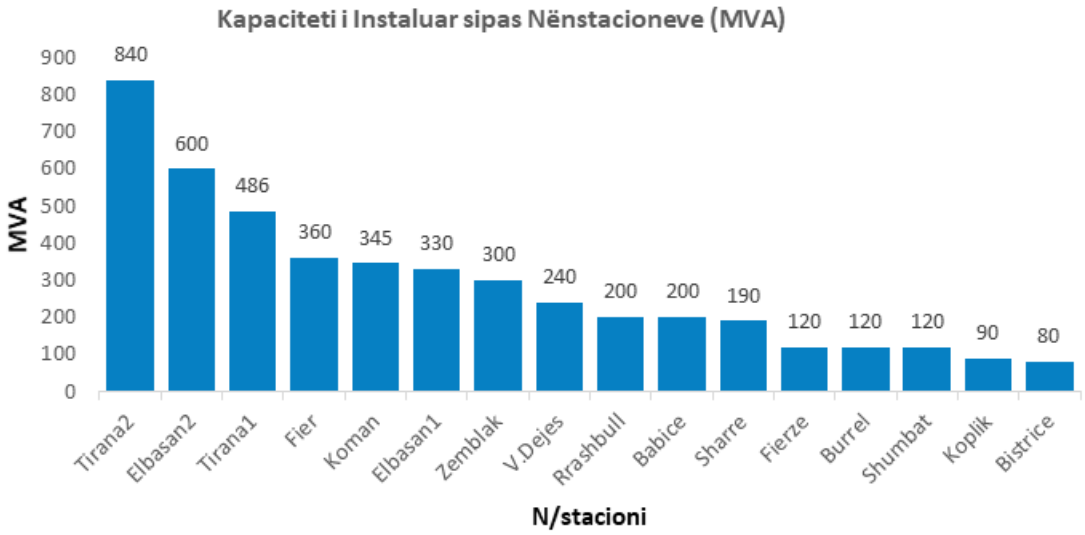


Figure 30. Installed capacity according to the substations (MVA)

1.3.3 The general situation of the Power System refered to TSO company report

TSO company, according to the effective legal and regulatory framework is responsible for the operation, maintenance and development of the transmission system. TSO company realizes these obligations based on the requirements and principles of operational security and the

guarantee of the transmission system coordination in high coordination, reliability, qualitative and sustainable level.

Operational safety of the network

The ability of the transmission network to remain in a normal state and / or the ability to return to a normal state as soon as possible, is characterised from the operational security limits. As consequence the transmission system is considered in a normal state when there are fulfilled all of the conditions as follows:

The Transmission System is operated in conformitz with the effective legal provisions, it is also ensured to comply all of the guidelines and policies of ENTSO-E, especially the provisions of the operation agreement of the synchronous area of ENTSO-E as well as the guideline over the Safety of the Transmission System Operation (SO GL). During 2023 TSO company in compliance of its roles realized the activities as follows:

- Operating the electricity transmission system in compliance with the Transmission Code and ENTSO-E standards.
- Planning the coverage of demand on a daily/hourly basis, hourly scheduling for each power plant, and control of operational security level using the "n-1" security criteria
- Managing the necessary ancillary services for the safe operation of the Transmission system.
- Managing generation and electricity demand in real-time, ensuring the balance between generation, exchange, and electricity consumption.
- Exchanging and harmonizing hourly scheduling of energy exchange with neighboring TSOs for the next day, as well as calculating the energy exchange for each interconnector for the previous day.
- Analyzing the operation of the Energy System and activating measures to maintain operational security, in coordination with Network Users and regional TSOs.
- Forecasting the operation of the Energy System in short and medium term.
- In cooperation with neighboring TSOs, determining cross-border transmission capacity for each border and flow direction on an annual, monthly, and daily basis.

For all of the above mentioned, analysing every process, that shall be considered essential to manage the operation of the transmission system, and to maintain the operational security of the network, TSO company reported for 2023 including as follows:

- Voltage levels and power flows are within the operational security limits specified in the Transmission Code and within the interval defined in the regulation approved by ERE Decision No. 207, dated 18.12.2017, on "Quality of Supply and Network Security Performance in the Electricity Transmission System".
- The system frequency has been within the range of +/- 200mHz, respecting the provisions of the Transmission Code and ERE Decision No. 207, dated 18.12.2017, on "Quality of Supply and Network Security Performance in the Electricity Transmission System".

- The reserves of active and reactive power have been sufficient to handle unplanned events without compromising operational security limits.
- Even in cases where corrective actions were activated following a contingency, the operation within the TSO's area of responsibility has remained within operational security limits.

Voltage levels

On the provisions of the Transmission Code and the Regulation approved with ERE Board Decision no. 207, dated 18.12.2017 on the "Quality of Supply and Security Performance to the Electricity Transmission System" it is defined that the TSO company shall respect the voltage ranges and levels as follows:

- For the 400-kV level the permitted range from 0.9 pu to 1.05 pu.
- For the voltage level 220/154/110 kV the permitted voltage is 0,90 pu to 1,118 pu

The voltage level on the transmission network shall depend on the network development, its typology, as well as the distribution of the generation and consumption on this network. The Albanian Power System at the north – east region of the country have installed the biggest part of generations from where it is injected the energy to the network, as consequence on large rainy sessions, where even the generation of the plants is on maximum, are shown relatively high voltages, but have not overcome the ranges threshold defined on the Transmission Code.

Although with the comencement of operation on 17 Nentor of Shumat 220/110 kV and the Shumat – Burrel connection 220 kV, the situation in Northeast region is significantly improved. The new investment and the coordinated work to perform in a possible short time the operational actions between the QKD of the TSO and the Dispatch Centers of DSO controlling continouslz the loads of the lines in genera but prioritizing the line 110 kV, as the most loaded and problematic part of the system, made possible that at the 110 kV the voltage levels are within the ranges defined on the network code

Frequency control

The frequency control for the Transmission System is currently managed automatically from the FCR and aFRR. Sometimes, the additional reserves are activated manually (mFRR or RR). The preventive actions FCR and aFRR are continuously activated to counteract the system imbalances. The curative actions mFRR and RR are activated manually from the QKD Operators. Implementing the requirements and definitions of the effective legal framework, the TSO company receives the balancing services from the qualified Generators as the Balancing Service Provider.

Through LFC module (Load Frequency Control) part of AGC package, the application that collects, analyses, and prepares the introductory data, shall calculate the error of the control zone (deviation from the planned values - ACE) and it calculates the total required amendment of electricity of TSO company in Albania. The deviation from the planned values is send as a

contribution to all OSHB that won the auction to provide the service to that moment and are integrated to LFC control.

During 2023 period the frequency values to the TSO company monitoring area are maintained within the ranges provided on the Transmission Code and other effective regulations.

Active and reactive power reserves

During the sufficient assessment process in the responsibility area, the TSO evaluates the possibility of meeting the country's total demand, by considering the available generation from all generators in combination with the capacity of interconnection lines, using various operational scenarios while considering the required level of active and reactive power reserves.

According to the Transmission Code, the ENTSO-E Operational Manual (SO-GL), and ERE Board Decision no. 106 dated 02.07.2020 on the Albanian Electricity Balancing Market Rules, the TSO company procures the balancing reserve necessary to maintain the balance of the control area continuously.

1.3.4. The operation of TSO responsibility area

Planning

The TSO plans the development of the transmission system in accordance with the (N-1) critetia of Operational Security. The TSO collaborates with adjacent TSOs to coordinate the development of the interconnection network while also considering the development of the network/facilities of transmission system users in the planning and developing the transmission network.

Longterm planning

The main purpose of the long-term planning is to identify the future structural congestions in the network, usually thanks to security analysis N-1 or N-k and then the best way to settle them. Two main mechanisms for such studies of the network are:

- ad-hoc studies of the network (the time frame < 5-10 years): stimulated from local modifications in the network, for example in the case of new request for a switch in the network or deactivation of the main element in the network;

- long term development planning (the time frame > 5-10 years): global and strategic studies performed regularly, considering the national and international development of the network.

Traditionally this is the main solution to eleminate the weak points of the network development, by constructing new transmission cable lines or installing transformers. However, since it is difficult to implement such a solution (the higher costs, long duration of the project) from TSO company are considered new and innovative solutions such as the specific protection schemes or the set of control equipments.

Mid term planning

The mid term planning covers the activities from the current year and in continuation. On this framework, TSO company is focused on planning the disconnections, which shall be coordinated if affecting the operation of adjacent systems. This includes its assets, as well as the generation units and other important facilities. The importance of the necessary assets to coordinate derives according to the methodology, that includes the qualitative and quantitative aspects such as the approximation with the borders of a control area or the effect with electricity values from the simulatios of the energy flow.

Short term planning

The short-term planning includes several sub-processes. The week ahead process deals with the planning of the disconnections with a short notification (the request for the next week) and the activation of additional plants, which are necessary to maintain the safety of the system.

The capacities allocation initiates two days ahead and defines the maximum transferring capacities between different bidding areas. The assessment is repeated one day ahead and intraday.

The day ahead process in concentrated on improvement actions to prevent all congestions, which may occur on the next day. Typically, the correction actions are planned on national level and then are coordinated with all the respective adjacents. The results from planning the day ahead are improved within the day, based on new provisions. The analysis in planning the day ahead is based on the models of a sustainable situation.

Real time operation

For the real time operation, the TSO monitors and accesses the safety of the transmission system through the analysis for the sustainable situation. There are also verified the preventative correction measures defined from the operational planning. If there are identified possible congestions or violations of the voltage level, the operator shall undertake reasonable correction actions to settle the issues. Due to time restrictions, the operator shall make the assessment without the support of the optimization means. If a real contigency occurs, the operator shall reset N-1 security as soon as possible. In case of emergency situations there is implemented the actions from the protection plan. The frequency control is automatized. The manual actions from the operator are necessary if there occur larger deviations of the frequency or if the reserves for the frequency control are nearly exhausted.

The operational cooperation protocol for the real time operation between the TSO and the DSO companies.

Both Dispatch centers (TSO and the DSO) monitor the main parameters of the Power System such as current, voltage to the transmission lines and especially Tirana region lines, respectively each on its supervision areas.

In case of an emergency, the Operators of the Distribution System Operators (DSO) and Transmission System Operator (TSO) substations receive signals from protection actions and report to their respective Dispatch Centers; according to their assessment, when deemed

necessary, the TSO and DSO Dispatch Centers collaborate for the prompt restoration of the affected element.

To reduce the disconnection time, shall be assessed any other information that is taken in an operational was regarding the switched element.

In cases when the re-switch is unsuccessful, both Dispatch centers take the final re-configuration measures of the scheme, according to the regimes set after the defect, as above with the obliged restrictions of energy. This situation happens to the normalization of the situation.

1.3.4.1. The Systems of Automatic Control – Monitoring

To comply with the objectives, the TSO shall enable the automatic control of the transmission network through local control systems (installed systems to substations) and through SCADA/EMS systems, systems in operation from the Dispatch Operators. These systems enable the real time monitoring and operation of all 220/400 kV substations, and the largest and important part of the 110 kV substations. Besides the Substations are monitored and operated the Plants connected with the transmission system. Currently TSO monitors in the real time to the system the data as follows: a) active and reactive load flows; b) voltage in the busbar; c) line currents, Transformers and other elements of the transmission system; d) frequency and the control error to reset the frequency at the LFC area; e) monitoring and control of the AK Block (TSO - KOSTT); f) active and reactive power reserve; g) generation and consumption.

Despite the real time operation of the transmission system, at SCADA/EMS system are implemented the EMS network applications. EMS is the network package application, which through internal studies of the system, based on its current situation and the parameters for each element of the power system included at SCADA, shall optimize the system situation. Above other functions, EMS covers: a) the decision-making suport; b) control over generation; c) energy planning; d) safety analysis; e) support for possible maneuvers; f) monitoring of the power network.

EMS module is composed of some applications which cooperate in the network with each other and at the same time may be individually mamanged from each other. Each of the network applications included on the EMS package is implemented as software package, allocated from other applications, but are confronted between them by the real time data. Modularization in this way provides facilities in managing the EMS package in general. In addition to studies on the stations from which they are monitored in the real time, EMS, based on reference data, also conducts studies on other substations that are not included in the monitoring.

At the TSO company control center, the AGC (Automatic Generation Control) package has been implemented, the module which regulates the generator output in order to keep the frequency and exchange at the scheduled values. This module is configured in accordance with the operational manuals published by ENTSO-E.

The main module of the AGC package is LFC (Load Frequency Control), an application that collects, analyzes and prepares input data, calculates the control error of the area (deviation from planned values - ACE) and from that calculates the total required energy change of TSO company in Albania. The deviation from the planned values is sent as a request for contribution to all units that are under the control of the LFC.

TSO company has a dedicated telecommunications network for the safe operation of the system. TSO company has a backup control center connected to the security telecommunication network which is equipped with control equipment. All data that is received remotely is called or obtained and processed in a dual way through different channels.

1.3.4.2 Management of energy flow

The management of energy flow deals with the establishment or the definition of operational means to maintain the energy flow within the operational safety limits at each element of the transmission system. To monitor and control the operational parameters it is necessary an accurate information on the system situation and its assessment. TSO company controls the operational parameters within its responsibility area and in a coordinated way, shall take into consideration the operational parameters from the observation area that include part of adjacent TSO.

During 2023 period there are not observed cases when there are violated the limits that affect the maintenance of the electricity flows within operational security limits at every element of the transmission system.

To be able to handle the system faults, by the TSO shall be prepared individual and cordinated improvement actions and shall be implemented when necessary, to prevent the violation of operational security limits and to support the return into normality in case of alarm or emenrgency situation

Any element of the Transmission System, has its operational security restrictions in the upstream of energy flow. These restrictions are important for the protection of the equipments and the persons near a certain element of the Transmission System, taking into consideration the technical restrictions of the used materials, to avoid damage or premature aging of the equipment. To be able to confront with the emergencies in the system, from TSO company are prepared the improving and coordinated individual actions which are implemented when necessary, to prevent the violation of operational security limits and to support the return to normality in cases of alarm or emergency status.

1.3.4.3 Contigences analysis and their handling

TSO company receives security analysis from the Security Coordination Center, SCC Ltd. Belgrade (Regional Security Coordinator for SEE), through a contract as a user of the services of SCC Ltd. Belgrade. This contract includes the 5 services as follows:

- Evaluation and improvement of the individual/common network model (IGM/CGM),
- Coordinated calculation of the capacity (crossborder),
- Coordination of the safety analysis (including the improvement measures, preventative),
- Sufficiency, reliability of the work in short/medium terms,
- Coordination of maintenance planning.

The security of system operation is the reason for the realization of contingency analyses, which TSO company realizes by simulating the switch of the elements of the transmission system. This analysis is performed using the individual model of TSO company and the common model of the network, respecting the limits of operational security and in the meantime the preparation is made for the performance of corrective actions before and after the incident, when required by the result of the analysis. The main principles that are followed in relation to the analysis of contingencies are:

Ensuring prevention and/or improvement in terms of remedial actions, required to maintain operational safety, for all credible contingencies affecting the transmission system;

Coordination of analysis and remedial actions whenever necessary, to ensure the desired result - maintaining operational security in the system and in the interconnection;

Relying on the appropriate data and information in real time and those based on load foreseen. The use of the common model of the regional network and the exchange of all necessary data and information between TSO company, OSHEE company and important network users.

From the Report it is noted that TSO company has not in any case violated the security of operation throughout 2023 period in the Electricity Transmission network.

1.3.4.4 Management of dynamic sustainability

TSO monitors the dynamic sustainability of the Transmission system in the terms of voltage, frequency and the stability of the rotor angle, with off line studies, with wide area measure, including the exchange of the relevant data with other TSO-s when necessary, to be able to take the correction measures when the operational security of the system is in danger. The purpose of the dynamic offline studies is to ensure the awareness of the TSO operator regarding the current situation and the future provision of the system situation regarding the stability in (N) situation and the possible one (N-1). Despite that, such studies help in decision process for the efficient improvement actions, to prevent the incidents if they happen or the correction of their consequences.

During 2023, no events or violations of operational safety limits were recorded in the electricity transmission system, the transmission system operated stably in normal operating conditions.

1.3.4.5. Estimated balance of request and electricity supply in the internal market for a five-year period.

Based on the historical data of TSO company and considering the potential increase of PPE + PVE and the reduction of non-technical losses in the distribution network, it is accepted that the expected increase of the electricity volume transmitted by the TSO, shall be at 1% rank. Over this basis, using the loading profile on hourly basis for each month average day, the provision of the main electricity parameters and the security of the System balance for the five years 2024-2028, as provided in the following tables:

Nr	Emertimi	Njesia e matjes	1	2	3	4	5	6	7	8	9	10	11	12	Viti 2024
I.	**Energjia Totale qe hyn ne sistemin e OST**	GWh	805	803	938	866	801	717	713	709	687	797	880	1065	9,825
a)	Prodhim vendas	"	565	555	670	580	555	390	450	450	365	415	460	585	6,040
b)	Energji ne marrje	"	330	248	268	286	246	327	268	259	272	382	429	480	3,785
II.	**Energjia totale e transmetuar**	GWh	875	785	915	850	785	700	695	690	620	780	870	1,045	9,810
a)	Energji elektrike e dhene	"	185	116	285	283	258	160	29	25	50	234	254	348	2,226
b)	Energji elektrike per OSHEE sh.a.	"	595	584	535	477	432	450	576	575	485	446	506	572	6,234
c)	Energji elektrike per konsumatoret e kualifikuar	"	95	85	95	90	95	90	90	90	85	100	110	125	1,150
III.	**Humbjet ne rrjetin e transmetimit**	GWh													
a)	Humbjet ne GWh	"	20	18	18	16	16	17	18	19	17	17	19	20	215
b)	Humbjet ne %	%	2.29%	2.24%	1.93%	1.85%	2.00%	2.37%	2.52%	2.68%	2.67%	2.13%	2.14%	1.88%	2.19%

Nr	Emertimi	Njesia e matjes	1	2	3	4	5	6	7	8	9	10	11	12	Viti 2025
I.	**Energjia Totale qe hyn ne sistemin e OST**	GWh	906	863	948	816	786	763	834	810	677	752	839	941	9,985
a)	Prodhim vendas	"	580	560	675	595	570	400	490	400	365	405	435	560	6,125
b)	Energji ne marrje	"	326	303	273	221	216	363	344	320	312	347	404	381	3,810
II.	**Energjia totale e transmetuar**	GWh	885	845	930	800	770	745	815	790	660	735	820	920	9,715
a)	Energji elektrike e dhene	"	110	175	225	170	205	165	125	85	90	130	185	105	1,770
b)	Energji elektrike per OSHEE sh.a.	"	675	575	600	535	475	485	590	600	480	510	520	685	6,730
c)	Energji elektrike per konsumatoret e kualifikuar	"	100	95	105	95	90	95	100	105	90	95	115	130	1,215
III.	**Humbjet ne rrjetin e transmetimit**	GWh													
a)	Humbjet ne GWh	"	21	18	18	16	16	18	19	20	17	17	19	21	220
b)	Humbjet ne %	%	2.32%	2.09%	1.90%	1.96%	2.08%	2.38%	2.28%	2.47%	2.51%	2.26%	2.26%	2.23%	2.21%

Nr	Emertimi	Njesia e matjes	1	2	3	4	5	6	7	8	9	10	11	12	Viti 2026
I.	**Energjia Totale qe hyn ne sistemin e OST**	GWh	981	879	958	822	797	775	850	820	682	768	849	957	10,075
a)	Prodhim vendas	"	585	565	685	605	575	420	510	520	365	410	440	565	6,235
b)	Energji ne marrje	"	346	315	268	217	222	358	340	310	317	358	409	392	3,840
II.	**Energjia totale e transmetuar**	GWh	960	860	945	805	780	755	830	800	665	745	830	935	9,860
a)	Energji elektrike e dhene	"	115	180	230	175	210	170	130	90	95	135	190	110	1,880
b)	Energji elektrike per OSHEE sh.a.	"	680	580	600	535	475	485	595	600	480	510	520	690	6,750
c)	Energji elektrike per konsumatoret e kualifikuar	"	115	100	105	95	95	100	105	110	90	100	120	135	1,270
III.	**Humbjet ne rrjetin e transmetimit**	GWh													
a)	Humbjet ne GWh	"	21	18	18	17	17	18	20	20	17	18	19	22	225
b)	Humbjet ne %	%	2.26%	2.05%	1.89%	2.07%	2.13%	2.33%	2.35%	2.44%	2.49%	2.38%	2.24%	2.30%	2.29%

Nr	Emertimi	Njesia e matjes	1	2	3	4	5	6	7	8	9	10	11	12	Viti 2027
I.	**Energjia Totale qe hyn ne sistemin e OST**	GWh	952	898	974	864	812	780	850	885	717	774	835	973	10,275
a)	Prodhim vendas	"	590	565	700	610	575	430	535	540	370	415	440	565	6,335
b)	Energji ne marrje	"	362	333	274	254	237	350	315	295	347	359	395	408	3,940
II.	**Energjia totale e transmetuar**	GWh	930	880	955	848	795	770	830	815	700	755	815	950	10,043
a)	Energji elektrike e dhene	"	130	190	240	210	220	180	120	100	125	140	170	120	1,965
b)	Energji elektrike per OSHEE sh.a.	"	675	575	595	530	470	480	590	595	475	505	515	685	6,800
c)	Energji elektrike per konsumatoret e kualifikuar	"	125	115	120	108	105	110	120	120	100	110	130	145	1,408
III.	**Humbjet ne rrjetin e transmetimit**	GWh													
a)	Humbjet ne GWh	"	22	18	19	18	17	19	20	20	17	19	20	23	232
b)	Humbjet ne %	%	2.31%	2.00%	1.95%	2.08%	2.09%	2.41%	2.35%	2.40%	2.37%	2.45%	2.40%	2.36%	2.26%

Nr	Emertimi	Njesia e matjes	1	2	3	4	5	6	7	8	9	10	11	12	Viti 2028
I.	**Energjia Totale qe hyn ne sistemin e OST**	GWh	971	916	992	882	827	805	882	851	752	790	852	999	10,429
a)	Prodhim vendas	"	599	574	711	620	584	437	544	549	376	422	447	574	6,488
b)	Energji ne marrje	"	371	342	281	263	243	368	328	303	354	368	405	419	4,042
II.	**Energjia totale e transmetuar**	GWh	945	899	977	868	815	798	845	828	714	771	834	966	10,251
a)	Energji elektrike e dhene	"	159	202	255	223	254	198	127	106	133	149	180	127	2,064
b)	Energji elektrike per OSHEE sh.a.	"	620	570	590	526	466	476	585	590	471	501	511	680	6,685
c)	Energji elektrike per konsumatoret e kualifikuar	"	138	127	132	119	114	121	132	132	110	121	140	160	1,549
III.	**Humbjet ne rrjetin e transmetimit**	GWh													
a)	Humbjet ne GWh	"	24	17	15	15	12	17	22	23	18	19	18	26	228
b)	Humbjet ne %	%	2.65%	1.86%	1.53%	1.68%	1.45%	2.10%	2.54%	2.80%	2.46%	2.45%	2.10%	2.64%	2.18%

Figure 31. Foreseen balance of the request and supply with electricity in the internal market for 2024 – 2028 period

1.3.4.6. Expected level of demand and security perspective of supply for a five to twenty years period.

In the framework of studying the "Forecast of the demand for electricity 2022-2042", prepared by the TSO, which is finalized during 2023, it is realized the longterm planning of the request for a time horizon up to 2042 (20 year period) according to different selected scenario. The used methodology is firstly the provision of the total request of the country for electricity and then the specific request for electricity, through the application of the end-use model, that accesses the future demand for electricity for each sector of the economy based on mid-term to long terms scenarios of social – economic, technological and demografic developments.

Demand forecasting has been carried out for three different energy scenarios. The moderate scenario includes future projections of various parameters, based on the benchmarking method with the most developed countries and in alignment with official strategic objectives, and is named the Reference Scenario. The five fundamental factors that influence electricity demand and consequently the determination of scenarios are:

- Population;
- Grouth Domestic Product (PBB);
- Level of gasification ;
- Energy efficiency;
- Penetration of electric vehicles;

On the table as follows are given the data regarding the three schenarios that are object of the study that covers a 20 year period.

In conclusion there are two scenarios without gasification with high and low population and there are two scenarios with gasification of the country with a high and low population, the results of which are submitted at the following table and graph:

1. High schenario;
2. Reference schenario;
3. Low schenario;

Kërkesa për energji elektrike (TWh)	2021	2024	2027	2030	2032	2037	2040	2042
Skenari i lartë	8.409	8.854	9.298	10.024	10.507	11.569	12.201	12.622
Skenari referencë	8.409	8.712	9.015	9.498	9.821	10.337	10.626	10.819
Skenari i ulët	8.409	8.579	8.75	9.015	9.191	9.249	9.274	9.29

Figure 32. Long-term foresee of the electricity request for 2021 – 2042 period

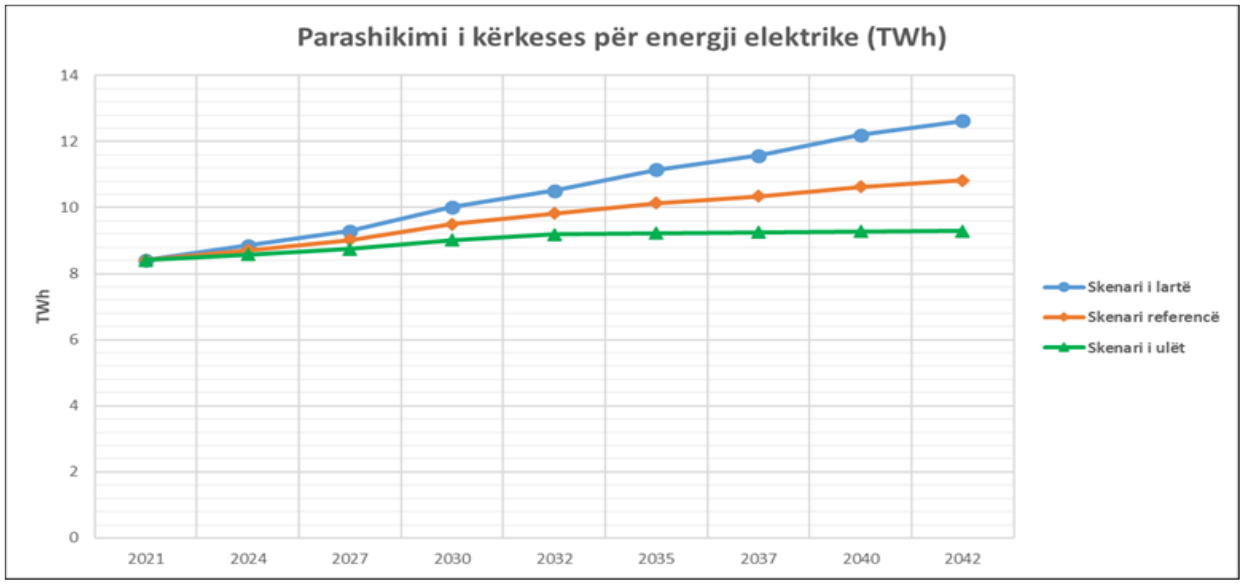


Figure 33. Foreseen schenarios of the request for electricity

1.3.4.7. Additional capacity, proposed producer, planned producer or in construction phase

The following data shall submit the power plants which are connected in the transmission network for 2023, that are on construction phase or have received the prior approval for connecting with the transmission network as follows:

Plants that have connected agreements for connection until 2023 and are expected to be energized during 2024÷2025:

1. Stavec HPPs (14.77 MW) – KOKA&ERGI companies
2. Kalivarë HPPs (5.597 MW) – BE-IS ENERGY companies
3. Gostimë HPPs (48.864 MW) – Egnatia Hydropower company
4. Bushtrica HPPs (10.03 MW) – ELENERGJI company + BUSHTRICA 2017 company
5. Fotovoltaic Park Karavasta (140 MWp) – KARAVASTA SOLAR company
6. Fotovoltaic Park Blue1 (57.6 MWp) – SPV Blue1 company
7. Fotovoltaic Park Blue2 (57.6 MWp) – SPV Blue 2 company
8. Qami1 HPP (1.73 MW) – Lajthiza Invest company
9. Tërfojë HPP (1.98 MW) – Tërfoja HPP
10. Erseka Solar Park 1 (20 MW) – Erseka Solar Park 1 company
11. Guri i Bardhë 1,2 (9.3 MW) Geal Energy company

Plants that have signed agreements with the transmission system during 2023:

1. Shkopet (28 MW) HPP – KURUM INTERNATIONAL company

2. Thermal genration unit Floating (TPPs) (130 MW) – KESH company

3. Erseka Solar Park 1 (20 MW) – Erseka Solar Park 1 company

4. Guri i Bardhë HPPs 1,2 (9.3 MW) – Gealb Energy company

5. Tërfojë HPP (1.98 MW) – Tërfoja HPP companies

6. Karavasta fotovoltaic plant (140 MWp) – Karavasta Solar company

Plants that have taken the approval or re-approval in principle for the connection to transmission system during 2023:

1. Fotovoltaic Plant Nova Solar System (70 MWp) – NOVA SOLAR SYSTEM company.

2. Aeolian Plant South Wind Park (75 MW) – Voltalia company

3. Argo Solar Park (5.5 MWp) – ARGO SUN ENERGY company

4. Bem Solar Park (5.5 MWp) – BEM_ENERGY company

5. Green Vitality Park (5.5 MWp) – Green Vitality company

6. Vana Solar Park (5.5 MWp) – Vana Solar Park company

7. Shkopet HPP (28 MW) - KURUM INTERNATIONAL company

8. Veko Photovoltaic Plant (30 MWp) – Veko company

9. Libohovë Photovoltaic Plant (93 MWp) – FAETHON company

10. Guri i Bardhë 1,2 (9.3 MW) HPP-s – Gealb Energy company

11. Aeolian Park Guris (75 MW) – BRD Energy company

12. Tërfojë HPP (1.98 MW) – Tërfoja HPP

13. Shpella Poshtë 2 (4.53 MW) HPP – Liria Energji company

14. Photovoltaic Blue1 Park (57.6 MWp) – SPV Blue1 company

15. Roskovec CCPP (170 MW) TPP – FIER THERMOELECTRIC company

16. Iballë 1,2;SAPAC1,2;Berisha HPPs and Lake (20.524 MW) – NOVO SAPAC ENERGIE company

17. GURSI ENERGY WIND FARM (74.4 MW) - GURIS INSAAT VE MUHENDISLIK A.S" "MORGAN ENERGJI YATIRIM HOLDING A.S" Consortium and "BRD ENERGY" company

18. Aeolian Park of Butrint (46 MW) – E-VENTO srl Albania

19. Aeolian Park Sarandë Gjashtë (26 MW) – E-VENTO srl Albania

20. Aeolian Park Kryevidh (72.6 MW) – VERBUND Green Power Albania company

Plants that have the preliminary opinion for connection with the transmission system during 2023:

1. Photovoltaic Euron Solar Park (150MWp) – EURON company
2. Photovoltaic Nord Power 1 Park (10 MWp) – NORD HOTEL company
3. Photovoltaic Bilisht Park (50 MWp) – Kronos Konstruksion company
4. Photovoltaic Sheq Marinas Park (67.5 MWp) – BES Energy company
5. Photovoltaic Trokaj Park (16.7 MWp) – TI SOLAR POWER company
6. Photovoltaic Prosol Solar Park (21 MWp) – PROSOL company
7. Photovoltaic Park Fier (175 MWp) – FIER HELIOS company
8. Photovoltaic Park TGH (18.39 MWp) – ENERGY PEAK company
9. Photovoltaic Park Elg Solar (46 MWp) – ELG ENERGY company
10. Photovoltaic Park Qarri Solar (30 MWp) – DIELLI I QARRIT company
11. Photovoltaic Park Puke (15 MWp) – PUKA WIND SOLAR FARM company
12. Photovoltaic Park Grand Solar (50 MWp) – GRAND KOMPANI company
13. Photovoltaic Park Zdravo Energy (12 MWp) – ZDRAVO ENERGY company
14. Photovoltaic Park NGIS Solar (200 MWp) - New Global Investment Solution company
15. Photovoltaic Park Shtiqen (20 MWp) - Global Technical Mechanics company
16. Photovoltaic Park Eralb (228.1 MWp) - ERALB INVEST 2 company
17. Photovoltaic Park Saranda 1 (59 MWp) - Park Sol Energy company
18. Photovoltaic Park Aga Solar 2 (48 MWp) - AGA SOLAR 2 company
19. Photovoltaic Park Evergreen Solar (20 MWp) - EVERGREEN SOLAR company
20. Photovoltaic Park Sunshine (50 MWp) - SOLALB ENERGY company
21. Photovoltaic Park Helios Park (50 MWp) - Dropulli Energy company
22. Photovoltaic Parks Povelce-Bashkim (28 MWp) - Fortis Energy and Construction company
23. Photovoltaic Plant Sunwave (150 MWp) - SUNWAVE company
24. Photovoltaic Park Hadeal Solar (42.5 MWp) - GEGA-G company
25. Photovoltaic Park Mollas (50.4 MWp) – LARTI company
26. Photovoltaic Park A-Solar (128 MWp) - Gjoka Konstruksion company
27. Photovoltaic Park Adriatik Solar (450 MWp) - Solar Energy Cells company

28. Photovoltaic Park ASF Solar (23.7 MWp) - ASF CLEAN ENERGY company
29. Photovoltaic Park Rehove (24 MWp) - GET Solar Solution company
30. Agrovoltaic Plant (120 MWp) - NATURE ENERGY company
31. Photovoltaic Plant Solen (128 MWp) - Solen Energy company
32. Photovoltaic Park Delvina Solar (100 MWp) - DELVINA SOLAR company
33. Photovoltaic Park Lezhe (500 MWp) - SOLAR M&L company
34. Photovoltaic Park Erseka Solar 3 (60.5 MWp) - Ren Solar company
35. Karavasta Solar Park 2 (100 MWp) - VOLTALIA ALBANIE company
36. Photovoltaic Park Alb Energy Group (40 MWp) - ALB ENERGY GROUP company
37. Photovoltaic Park Agimi Solar (14 MWp) - Agimi Energy company
38. Photovoltaic Park Agimi 2 Solar (12.5 MWp) - Agimi Energy company
39. Photovoltaic Park Renpower PV Plant (58.75 MWp) – RENPOWER company
40. Fotovoltaic Plant G&GK Energy (18 MWp) - G&GK ENERGY company
41. Photovoltaic Park 3FAM (110 MWp) - 3 FAM ENERGY company
42. Photovoltaic Park Shkodra Solar (63.3 MWp) - VOLTALIA ALBANIE company
43. ILIRAS PV PLANT (70 MWp) - Greenvolt company
44. KAP SOLAR PARK (95 MWp) - SELECT ENERGY company
45. Photovoltaic Park Erseka PV (80 MWp) - Helios Green Energy company
46. Photovoltaic ParkBukemire Solar (35 MWp) - Ilbak Renewable Energy company
47. Photovoltaic Plant Sunwave 2 (150 MWp) - SUNWAVE company
48. Photovoltaic Park Sunlight E&E (42 MWp) - Sunlight E&E company
49. Photovoltaic Park Skrofotine (50 MWp) - NEOTECH ALBANIA company & G&G Albania company
50. Photovoltaic Park Kakavije (27.69 MWp) - A&D ENERGY company
51. Photovoltaic Park Bocove (10 MWp) - SOLAR PV company
52. Photovoltaic Park AS Solar (15 MWp) - A.S Solar company
53. Photovoltaic Park DCS ERSEKE (47 MWp) - DEUTCHCOLOR company
54. Photovoltaic Park Vodica2 (21 MWp) - GET Solar Solution1 company
55. Photovoltaic Park KIRAC (55.62 MWp) - KIRAC GREEN ENERGY company
56. Photovoltaic Park Blue 2 (247.5 MWp) - SPV Blue 2 company
57. Photovoltaic Park FGZ Solar Energy (100 MWp) - AD Star company

58. Photovoltaic park Bistrice (50 MWp) - Gener 2 company

59. Photovoltaic Park Arsti (24 MWp) - HEC ARSTI company

60. Photovoltaic Park Kolonje (30 MWp) - MET INVEST company

61. Photovoltaic Park FV Sunny Side Solar (100 MWp) - SUNNY SIDE ENERGY company

62. Photovoltaic Park Bilisht (110 MWp) - CLARITAS ALBANIA company

63. X One Phtovoltaic Park (54 MWp) - X ONE company

64. Photovoltaic Park 3-G Solar (55 MWp) - Pelikani comapny

65. Aeolian Park Feka (17.1 MW) - HTT company

66. Aeolian Park Yel (22.8 MW) - YEL company

67. Aeolian Park Olv (28.5 MW) - OLV company

68. Aeolian Park Puke (72 MW) - PUKA WIND SOLAR FARM company

69. Aeolian Park Korce (99 MW) - RENX ALBANIA company

70. Aeolian Park Pogradec (120 MW) - RENX ALBANIA company

71. Aeolian Park Devoll (398 MW) - RENX ALBANIA company

72. Aeolian Park Pustec (209 MW) - RENX ALBANIA company

73. Aeolian Park Erseke (225 MW) - RENX ALBANIA company

74. Aeolian Park Maliq (188 MW) - RENX ALBANIA company

75. Aeolian Park Sheldije (50.4 MW) - Wind Stream company

76. Aeolian Park Maja e Stogut (3 MW) - ARC company

77. Aeolian Park Maja e Stogut (12 MW) - BLESSED INVESTMENT company

78. Aeolian Park Maja e Stogut (12 MW) - MATRIX KONSTRUKSION company

79. Aeolian Park Dushaj Tplan (100 MW) - EU GREEN ENERGY company

80. Aeolian Park Dushaj Kepenek (64 MW) - EU GREEN ENERGY company

81. Aeolian Park Pusi i Thate (64 MW) - EU GREEN ENERGY company

82. Aeolian Park Dushaj Qaf prush (120 MW) - EU GREEN ENERGY company

83. Aeolian Park Rexhaj Wind (90 MW) - EU GREEN ENERGY company

84. Aeolian Park Tregtan Wind (76 MW) - EU GREEN ENERGY company

85. Aeolian Park Eralb Vicidol 1 (48 MW) - ERALB INVEST 2 company

86. Aeolian Park Eralb Vicidol 2 (60 MW) - ERALB INVEST 2 company

87. Aeolian Park Eralb Vicidol 3 (90 MW) - ERALB INVEST 2 company

88. Aeolian Park Eralb Vicidol 4 (120 MW) - ERALB INVEST 2 company

89. Aeolian Park Eralb Vicidol 5 (108 MW) - ERALB INVEST 2 company

90. Aeolian Park Eralb Vicidol 6 (210 MW) - ERALB INVEST 2 company

91. Aeolian Park Era Milot (36 MW) - E.R.A MILOT company

92. Aeolian Plant South Wind 2 (94.5 MW) - Voltalia S.A

93. Koman Wind (49.6 MW) - Voltalia Albanie company

94. Aeolian Park Albpower (100 MW) - ALBPOWER company

95. Aeolian Parks BPGE1&BPGE2 (244.8 MW) - MARSEGLIA GREEN ENERGY company

96. Aeolian Park Shkodra Wind (36 MW) - Voltalia Albanie company

97. Aeolian Park Puka Wind (153 MW) - Voltalia Albanie company

98. Aeolian Park Vlore (30 MW) - CARINTHIAWINDS Albania company

99. Aeolian Park Terbun (158.4 MW) - WIND STREAM company

100. Progonati Wind Tepelene (232 MW) - EU GREEN ENERGY company

101. Progonati Wind Gjirokaster (204 MW) - EU GREEN ENERGY company

102. Aeolian Park Salari Wind (172 MW) - EU GREEN ENERGY company

103. Aeolian Park Kirac (90 MW) - KIRAC GREEN ENERGY company

104. Aeolian Park Qarr-Kozel (55 MW) - ALBPOWER company

105. Aeolian Park Dropulli Wind 3&4 (74 MW) - EU GREEN ENERGY company

As evidenced from the above, a considerable number of electricity sources are provided to be constructed and to be connected to the transmission system, an element that requires a more dynamic development and investments to integrate these sources to the Albanian Power System for the next years.

1.3.4.8. Provision of the investments for the 5 (five) future years, that the TSO or any other party plans to realize regarding the cross-border capacity increase of the interconnection

The principles of capacities restriction management at the existing and planned lines of the transmission system

Management of Limited Capacity deal with barriers of energy exchange, which are mainly caused by the limited capacity of the interconnection network, which means not only the interconnectors (crossborder lines), but every element of the internal network that is the reason for limiting transactions or transmission of energy from one area to another.

The safety of the work of the Power System is closely related to the assessment and determination of the transmission capacity. During 2023 period, in the transmission system, it

is achieved the fulfillment of the safety criterion N-1, mainly for all work regimes, and no problems of limitation of transmission capacities have been encountered, with the exception of some sporadic cases, appearing in the 110kV network as a result of the distribution of generation and consumption in the network.

The determination of cross-border transmission capacity, NTC, is currently made according to bilateral Agreements, which were signed between the TSO company and neighboring TSOs, and is based on the SAFA agreement (Synchronous Area Framework Agreement for Continental Europe), and its Annexes. For 2023, the cross-border transmission capacity, has been sufficient for the realization of import, export contracts as well as for the realization of the transits according to respective transmission capacities.

Borders	**Import (MW)**		**Export (MW)**	
	Max values	Min values	Max values	Min values
Albania – Monte Negro	300	250	300	250
Albania – Greece	400	250	400	250
Albania – Kosovo	400	250	400	250

Figure 34. Max and Min values of Import and Export in transmission capacities

In case of discrepancies of the calculated values, and if the parties do not agree on the NTC values, the lower value remains in effect. In the event of significant changes in the System's situation compared to the forecasted situation when cross-border capacities were calculated, neighboring TSOs, after exchanging relevant data of the new situation, recalculate the cross-border capacity and jointly determine the new NTC values. The allocation of cross-border capacity for market participants in our region is done by the Coordinated Auction Office SEE CAO in Podgorica. The use of these transmission capacities is part of the energy market.

1.3.4.9. Expected models of production, supply, cross border exchanges and consumption and taking the measures to manage the request for electricity

As presented above, it is performed the provision of electricity demand, to cover its losses through domestic production and the imports for the 5 next years, 2024 – 2028. This provision is realized according to the historical data for the last ten years, considering the average daily comsumption for each month, shall be calculated the average gradient for the increase of electricity demand that is transmitted through the DSO network and the customers connected to the transmission network for each year.

The way to cover the expected demand is based on many years of experience, taking into account the flows in the cascade with 75% certainty, the level (expected one) of Fierza lake at the beginning of the year, the potential increase in the number and volume of generation of PVEs and PPEs, the possible export on their part depending on the conditions of the internal

energy market and the energy import made by FTL (OSHEE) and qualified customers, considering the possible increase of their number and the request for energy taking care to the optimization of Drini cascade.

The energy import to cover the losses at the distribution network, is calculated in a complementary way with the selected probability of production from the country's hydropower plants. The change in the annual quantity of import that may be dictated from the amendment in production of the country, as a result of the changes of the hydro situation, as the experience so far has shown, does not change the planning of the electricity demand.

The expected models of production, supply, cross-border exchanges and consumption, enabling the taken of the measures to manage the demand, are grouped in the following table.

Viti	2024	2025	2026	2027	2028
Gjenerimi [GWh]	6040	6125	6235	6335	6436
Shkembimi [GWh]	1559	2040	2010	1995	1977
Konsumi [GWh]	7599	8165	8245	8330	8413

Figure 35. NTC expected models of production, cross-border exchanges and consumption

1.3.4.10. The objectives for a sustainable development of the transmission network in national, regional and European level

TSO conducts continuous studies for specific areas of the transmission network as well as the Albanian Power System connection with the systems of neighbouring countries. The most important studies of a special importance are carried out in cooperation with international research institutions within WBIF (Western Balkans Infrastructure Facility). Such as the Master Plan for the development of electricity Transmission.

During the planning stages of developing the transmission network aiming the: (i) Rehabilitation and Strengthening of the transmission network; (ii) Establishment of new connection nodes; (iii) improvement of the management, control, measuring process etc, TSO company takes into consideration the national and regional development in full conformity with ENTSO-E directives (European Network of the Transmission System Operators for Electricity).

All projects in the process of implementation and those planned targets are related to the transmission system service, which may be fully performed only through the realization of necessary investments for its strengthening and modernization.

1.3.4.11. Detailed information of TSO company, regarding the investments provided for the interconnection line and the construction of internal lines of the network, which directly influence to the crossborder interconnection lines.

From the strategic point of view, the projects that strengthen the interconnection lines with the region, by establishing better conditions for commercial exchanges and no limit electricity transits in the European Southeast region are:

- ***The construction of the interconnection 400 kV line, Elbasan 2 (Albania) – Bitola (North Macedonia) and Elbasan 2 – Fier as well as the extension of the Elbasan 2 and Fier substations.***

Financing of this project shall be provided by the German-Albanian Development Cooperation.

This project strengthens the interconnections with the regional electricity network, establishing the conditions for commercial exchanges and transit without restriction of electricity in the region, develops the 400-kV network in the Southern area of Albania where future sources of electricity production are planned to be developed, as part of the Eighth European Corridor infrastructure.

This project includes:

- Construction of a new 400 kV transmission line with one circuit, to implement a bi-national connection between Albania and North Macedonia and to strengthen the existing transmission connection 220 kV that is over-loaded and old between Elbasan and Fier. The track of Elbasan – Bitola line shall have a length of about 56 km while the line Elbasan – Fier approximately 74 km.

- The construction of the new substation Elbasan 3 and the strengthening and extension of the existing Fier substation. The new Elbasan 3 substation shall extent the existing 400/220 kV Elbasan 2 substation, with a plant in 400 kV level to be connected with Tirana 2, Zemblak, Fier and North Macedonia lines as well as the installation of a shunt reactor. Also, Fier substation shall be extended and be equipped with 400/200 kV transformers and a plant to the 400-kV level to permit the 400-kV connection to Elbasan 3.

- ***Reconstruction of the 220kV interconnection line Vau i Dejës (Albania) – Podgorica (Montenegro)***

Many new incentives for the construction of renewable energy plants are under development in the north of Albania and therefore reinforcements of existing interconnection lines are required to ensure cross - border exchanges between Albania and Montenegro.

The main purpose of this project is the increase of the transmission capacity of this line. The current line is constructed on 1972 with a low transmission capacity about 278 MVA but after the reconstruction it is expected that the capacity shall be significantly increased through the set of conductors of the latest technology HTLS (High Temperature, Low Sag) conductors.

The advantages obtained from making this investment are:

- Increasing the security and reliability of the Albanian and Montenegrian network;
- Increase of crossborder exchange between two countries
- Increase of Net Transfer Capacities between Albania and Montenegro, considering the electricity exchanges between Albania, Montenegro and Italy, under the safety exchanges
- Reduction of network congestions
- Improvement of electricity supply quality
- A decrease of technical losses
- Reduction of CO_2 level

- ***Construction of the new line 110 kV Ulqin (Monte Negro) -Velipojë (Albania)***

The construction of 110 kV line Border – Velipojë is part of the new line that is projected to be constructed and shall connect Ulqin (Monte Negro) substation with the new substation of Velipoja (Albania). The 110 kV line that shall be constructed with a length of approximately 27 km includes the line from the border to Velipoja substation, to continue with the installation of the second circuit with ACSR-240m^2 conductor, to Bushat substation.

This segment is part of the new line Ulqin (Monte Negro) – Velipojë (Albania) 110 kV line, which shall continue with the existing line Velipojë – Bushat, where shall be executed even the connection of this line. Part of the Velipojë – Bushat substation line that is spread at the Albanian territory is a pillar constructed segment, for the 110kV network, that enables the practic opportunity of its utilization and on this case enables to continue with the second circuit with all its elements for the 110-kV voltage level from Velipoja to Bushat substation. As above mentioned shall be considered a cooperation between two operators of both countries Albania and Monte-Negro for the construction of this line, with a proportional engagement.

Ulqin and Velipoja areas are two areas with highest touristic potential, and the provision of the electricity infrastructure shall guarantee further touristic maintenance and development of these areas.

Furthermore, this intervention shall stimulate new investments in hotels and tourist infrastructure, while increasing the number of small and medium-sized businesses, thus revitalizing the local economy towards enhancing agricultural and livestock production, etc.

The implementation of this project shall, among other things, ensure the fulfillment of the static security condition for the n-1 criterion, initially for Ulqin, and in a second phase, with the expansion of the Velipoja Substation, also the introduction in the ring of this Substation

- ***The construction of a new air line 110 kV between Albania (Bajram Curri Substation) and Kosovo (Decan substation)***

This project is as the result of memoranda agreements signed between Kosovo and Albania government in energy area as well as under the cooperation between two transmission companies TSO and KOSTT as a continuation and multiplanning process in operation to

comply with the operational duties that these operators cover, the effective bilateral agreements and the obligations deriving from the common association at regional initiatives and not only.

TSO in cooperation with the Transmission Operator of Kosovo KOSTT finalized the first feasibility studies for the construction of the new interconnection line at the 110-kV voltage level connecting in the ring form the substations in the northeast area of the country to the areas with greater consumption of Kosovo such as Decan, Prizren etc.

On this way shall be utilized the diversification fact of energy production when it is informed that Kosovo relies on thermal resources with line production.

Also, this project shall:

- Increase the security and quality of electricity supply by improving the parameters regarding the reduction of disconnections in that region,
- Bring improvements of the voltage levels as well as the reduction of the losses

The new 110kV line shall be with conductors on 240 mm^2 session with a total length of about 33km, 14 km on the Albanian territory and 19 km that passes on Kosovo territory.

1.3.4.12. Quality and level of the transmission network maintenance

During January-December 2023 period, TSO company continuously followed the realization of the planned operations (planned overhauls) and the issues, concerns and breakdowns that have been encountered during the operation of the transmission system by making the necessary interventions on a case by case basis, with the preventive measures avoiding the possible breakdowns or when this last one mentioned are present, it is performed the intervention for their elimination and the return of the scheme to normal status.

The maintenance works of the transmission network realized from the TSO company specialists are classified into three categories:

- planned operations in accordance with the annual schedule of the overhauls
- out of order operations (scheduled)
- operations for the elemination of the breakdowns displayed in the system.

The result of the operations carried out for the maintenance of the networks is given even from the indicators reflected on the following table, which are positive.

Emërtimi	Stakime gjithsej	Tranzitore	Qëndrueshme	Difekte linje	Paisje primare	Paisje sekondare	SHAM/ SHAF	OSHEE/ të tjera	Të ndryshme	Kohëzgjatja
Linja 400 kV	**30**	**30**	**0**	**0**	**0**	**7**	**0**	**0**	**3**	**0h**
Linja 220 kV	**62**	**45**	**17**	**7**	**3**	**26**	**0**	**0**	**10**	**56h15m**
Linja 110 kV	**450**	**348**	**102**	**43**	**12**	**230**	**8**	**26**	**11**	**260h35m**
Linja gjithsej	**542**	**423**	**119**	**50**	**15**	**263**	**8**	**26**	**24**	

Figure 36. the breakdowns in the transmission system

1.3.4.13. Measures applied by TSO company for peak demand management and interruptions in electricity supply as well as measures taken to increase security of supply if needed.

The measures to manage the request on peak hours and the supply interruption, as well as the other measures if needed to maintain the work security of the System, that are undertaken from the TSO to maintain the operational security, have as their main objective the comply of (N – 1) criteria to maintain the operational limits. Mainly they are categorized as pre-fault (preventive) or post-fault (corrective or curative) measures within the control area of the TSO (Transmission System Operator) or between interconnected TSOs.

The preventive improvement actions are normally implemented at the operational planning stage, to maintain the normal status of the system in the future operational situation and to prevent the spread of emergencies out of TSO responsibility area.

Preventive improvement actions may include, but are not limited to, the following:

Re-dispatch actions (of the aggregates) or the permission of trading in the opposite direction, when possible;

Amendments to the network topology;

Manual switching of reactive power devices (reactors, static capacitor banks, or the change of the setpoint level of their controller;

Demands for additional support of reactive energy from the plants;

Correction remedial actions are the actions, which shall be immediately or relatively quickly after the emergency, which leads to a different state from the normal one. With the corrective actions the System is returned into normal status.

The correction remedial actions may include, but are not limited to as follows:

The re-dispatch or trade in the opposite direction actions, including the activation of TSO reserves;

The control of reactive energy equipments (reactors, capitor banks etc);

The managemet of voltage by reactive energy generation/absorbtion from the plants,

Actions of protection systems schemes, ex, the change of the network topology, the limit of production or load, depending of the protection specifications.

Mainly the disconnection of the 110-kV line, that occur during the winter period, are transitory disconnections which are as result of the nodle overloads 110 kV and at the entry connection segments 110 kV and are re-switched within some minutes.

1.3.4.TSO defence plan in case of an emergency situation

In the framework of security increase of the supply and managing the electricity situation on the critical nodes of the system, for defined time-frames, mainly during summer and winter period, (during December holidays period), the TSO took additional measures to confront the situations and to cooperate with the DSO for an efficient Operation in the framework of maintaining the Stability and Safety of the System.

The undertaken additional measures consist in:

- Action plan according to the submitted situations.
- The held of the joint working groups with the Distribution System Operator of Electricity.
- Detailed analysis of loading the transmission network of the Regions defined as critical;
- Analysis and prioritization of operational actions for normal operation and potential line or autotransformer dis-connection based on the handled case as the most problematic.
- Continuously maintaining into readiness status of the connections and the overhauls TSO working group to enable the normalization of the supply schemes as quickly as possible, in case of disconnection of the lines in extended emergencies, or any other abnormality that affects the switching devices situation.
- Promotion of responsible structures directly engaged into utilization, maintenance and operation of the system and the vigilance of being updated with the issues occurring to the TSO system.
- Well-organized structures and increase of human capacities, if necessary, for the proper maintenance of the network during these periods.
- Communication and continuous cooperation with the dispatch center of OSHEE company.

In normal operational conditions, Operationa Safety means the ability to ensure normal operation of the System, to limit the duration and the number of disruptions, to prevent major disturbances and to limit the consequences, in the event of significant disruption.

The plan of protecting the System is important in the framework of receiving the immediate measures to normalize the status of the system and also to facilitate the System Reset after a black – out, to return the System into normal operation.

1.3.4.15. Protection System Plan in case of Emergency Situation:

System defence plan is connected with an emergency situation, with the relevant process of information and improvement actions and is composed of a series of coordinated measures, which aim the maintenance of the System integrity, in case of the conditions that realize extreme disturbances. The TSO is on Emergency Situation if it has at least one deviation of the Operational Safety Limits and the times defined on Article 99 (Chapter I) of the Transmission

Code and the operators have not improvement measures to reset the Normal Status of the System.

The system protection plan drafted by TSO company also summarizes all technical and organizational measures taken to prevent the spread or deterioration of an incident in the Transmission System, to avoid, expansion of the breakdown and the collapse of the System; the System Protection Plan, drafted by the TSO includes:

- Automatic control scheme from over/under frequency
- Automatic control scheme from Voltage collapse
- Procedures that shall be follower during the activation of the protection scheme as well as the activation conditions of remedial actions

1.3.4.16. Action Plan Measures for System Protection

System Protection Plan measures are presented as emergency remedial actions. As follows are given examples of the applicable measures of the System Protection Plan measures in cases of the load, frequency, energy and voltage flows.

- Restrictions of load/frequency
- Issue or prevention of power generation units;
- Increase or decrease (automatically or on demand) of the production level of generating units;
- Adaptation of active LFC control mode;
- Manual or automatic use of reductions, load unloading;
- Amendments to the operating points of transformer voltage regulators in the distribution level
- Restrictions of electricity flows
- Cancellation of the repairs of network elements and set them into operation work as soon as possible;
- Automatic disconnection of the unit (generator) that is activated by disconnecting a relevant transmission line;
- Trading in the opposite direction with neighboring areas of responsibility;
- Interruption of planned exchanges;
- Reduction of the exchange program;
- Reduction of interconnection capacities;
- Manual discharge of the facilities load with an agreement for interruption;
- Automatic uploading of the facilities with agreements for interruption, caused from the disconnection of a transforming line;
- Further uploading of the load depending on the situation.
- Voltage restrictions
- Request for minimum and maximum values of active and reactive load generation;
- Reduction of active load in favour of additional production of reactive loading;
- Prevention of the providing units, injection of additional reactive energy;
- Maintenance suspension and activation of previously under maintenance elements;

- The block of the voltage regulator's position at the regulation transformers under load.
- Realized investments and those that are pending to be finalized, which contribute to the increase of the security of supply during 2023.

Also, in the framework of the supply safety increase to manage the situation of the power sector in the critical nodes of the system for defined time-periods, are the scheduled investments in the TSO network with the primary purpose the safety increase and quality of electricity supply.

For this purpose, during 2023 are finalized the investments as follows:

- Construction of 220/110/35 kV substation, the amounts and the track 220 kV, to the 220/110/10 kV, Komsi Substation"
- Re-construction of 110 kV Fier – Selenicë line
- Construction of the new connection 110 kV, with a circuit Cerrik – Kajan – Kuçovë – Jagodinë and the rehabilitation of the exit tracks of 110 kV tracks of the Cerrik and Kuçovë substations.
- The expansion of 220/110 kV Rrashbull Substation and Tirana 2 Substation in the framework of the project for the construction of the transmission line with two circuits Tiranë – Rrashbull and Unaza 110 kV of Tirana (Energy Efficiency Project)
- Also, for the implementation process with its own funds that is expected to be terminated within 2024 are the projects as follows:
- Construction of 220 kV line Tirana2 – Rrashbull (Part of Energy Efficiency Project)
- Construction of 110 kV Selitë – Tirana3 (Part of Energy Efficiency Project)
- Construction of 110 kV Lushnje – Fier line
- The expansion of Hoxharë e Re substation with 220/110 kV transformer as well as the construction of 220 kV line double circuit Fier-Hoxharë with ACSR conductor 490/65 mm2 together with the respective tracks.
- Construction of the new line with double circuits 110 kV Burrel - Bulqizë and the rehabilitation of the 110 kV, Burrel and Bulqizë substations
- Construction of 110 kV line double circuit, Elbasan Substation – Fibër Substation
- The construction of the new line 110 kV double circuit Elbasan – Cerrik
- Reconstruction of the 110 kV part of Guri i Kuq and Kukës substations.
- Reconstruction of metal pillars of the high voltage lines 400 kV Elbasan-Zemblak-border
- The expansion of Golem substation up to the line breakage of 110 kV Rrashbull-Kavajë (phase 1)
- TSO company projects with its own funds approved during 2022÷ 2023 period and that are expected to initiate during 2024 are:
- Completion of the primary scheme Golem Substation
- Third track addtion to Kombinat substation
- Construction of the new line 110 kV Gjiri Lalzit – F. Kuqe
- Reconstruction of the first segment of the 110 kV Ballsh – Memaliaj line which are damaged from corrosion

- Reconstruction of the first segment of 110 kV Ballsh – Marinëz line and Ballsh – Drenovë line
- Relocation of the lines that are affectef from the track of Thumanë – Vorë – Kashar way and the installation of dismalted pillars of Fier – Rrashbull line.

1.3.4.17. Measures taken to guarantee the readiness and safety of the system within the operational borders, including the primary and secondary systems as well as regarding cybersecurity and critical infrastructure

a) Measures undertaken to guarantee the readiness for primary and secondary systems

Some of the measures undertaken by the TSO to handle the concerns, events or incidents to guarantee the readiness and safety of the system within the operational borders including primary and secondary systems for 2023 are the realized investments.

The realized investments during 2023 to the transmission network are:

- The draft and appropriate implementation of the work program for each Operational Unit. According to the program, for each equipment shall be performed two times in a year the evidence of the issues that are out of control and the metering fro each primary equipment and shall be intervened for the elemination of each observed issue.
- Set into operation of 220/110/35 kV substation and the 220 kV track, to the 220/110/10 kV Komsi Substation.
- The set into operation of 220kV Shumbat-Komsi line.
- Construction of the new track line 220kV including primary and secondary equipments to 220kV Tirana 2 substation.
- Construction of the new line track 220kV including primary and secondary equipments to 220kV Rrashbull Substation.
- Reconstruction of two tracks of 110 kV line to Cërrik and Kuçovë substations.
- Completion of the line tracks L.110-42 Cërrik-Belsh and L.110-14/1 Cërrik-AES with primary equipments (switches, disconnectors, current transformers and arresters).
- Replacement of the majority of current transformers to 110 kV substations.
- Reconstruction of the 110kV Kuçovë-Berat line track to Kuçovë substation.
- Replacing the old control relays at the Rrashbull Substation.
- Installing new digital protections on the 110 kV lines to improve the selectivity of protection actions in the event of a fault.
- To the electricity metering system, communication via OPGW on lines was completed in all substations where the telecommunications structure had been built.
- Installing new metering points in the 110 kV network.

1.3.4.18. Measures regarding cybersecurity and critical infrastructure undertaken by TSO company.

Based on the strategy to maintain and develop the capacities of the users and the specialists to detect, handle, report and react to the incidents that happen to Information Systems during 2023

are taken the measures to realize the objectives for safety increase where are taken the measures for the implementation and manage of safety systems such as:

- Upgrade of SCADA/EMS central platform as well as the supporting infrastructure to guarantee safety according to a "Security Design" focusing on the reduction of attack surface by increasing visibility (SIEM OT), perimeter protection Firewall, the strengthening of authentication reaction to incidents with an Antivirus program with an artificial intelligence the hardening of the operational systems with CIS (Critical Security Control) 7.0 Standard
- Upgrade of the Online Metering System with the latest operation systems with included protection mechanisms.
- The project cooperating with USAID and USEA "Just and Sustainable Energy.
- Transition Program" which focuses on safety increasing operations such as IT/OT assets discovery, the Assessment of OT Attack Vector
- Network upgrade and of the communication and safety equipments for the internet access by setting NextGen Firewall
- The transit of the communication network with adjacent TSO-s to a network that is completely private based on the optical fibers of TSO and the security standards according to ENTSO-e.
- The establishment of SIEM platform to manage and analyse the IT events increasing visibility to suspicious behaviours to cyber-security.
- Increase of safety penetration to the Transmission Network and substation hardening.
- Safety audit for CGM ENTSO-e
- Safety audit (self-assessment) OPC/STA ENTSO-e
- Safety audit (self-assessment) EAS ENTSO-e
- Conducting penetration tests on systems to identify weak points in the critical SCADA infrastructure (in process).
- Risk assessment and the weak points to the system during the reassessment process of ISO27001
- Staff training regarding cybersecurity

1.4. ELECTRICITY DISTRIBUTION

1.4.1 Activity of the Electricity Distribution System Operator (DSO company)

Electricity distribution in our country is performed by Distribution System Operator (DSO company), licensed by ERE according to the provisions of Law no. 43/2015 "On Power Sector" as amended. The Distribution System Operator owns the assets in the Electricity Distribution System, in order to deliver electricity to the customers. The limit of the distribution system with the transmision system is defined by Law no. 43/2015 "On Power Sector", as amended.

The Distribution System Operator (DSO) is responsible for ensuring the safe and sustainable development of the distribution system, the compliance of the requirements for electricity

distribution, maintenance and safe operation of the electricity distribution system throughout the territory for which it is licensed.

The Distribution System Operator (DSO company) is organized in 11 distribution areas and 42 agencies.

According to the data of DSO company, the total energy introduced in the distribution network for 2022 is **7,084,213 MWh**, from which **1,434,274 MWh** are the losses in the distribution network.

The table below are submitted the data on the main indicators of the Distribution System Operator DSO company during 2023 period.

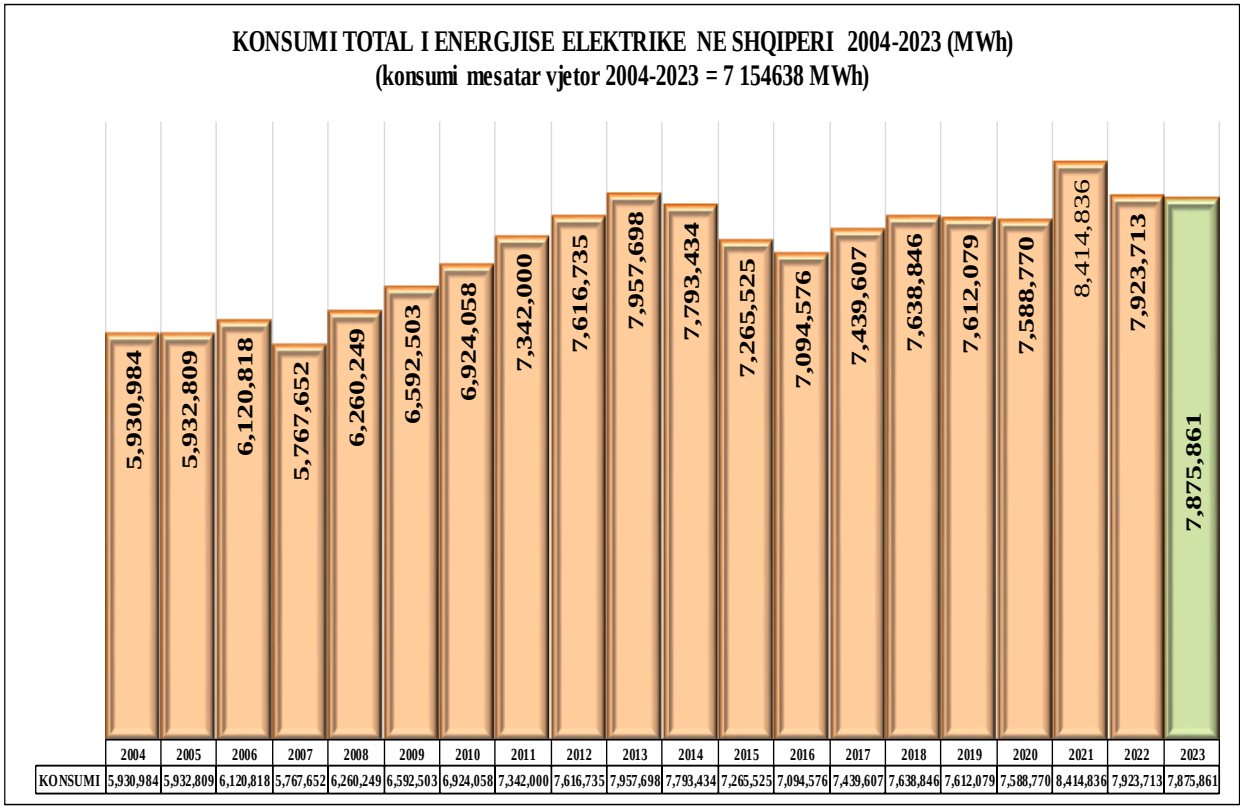
TABELA ME TE DHENA PERIODIKE (MUJORE) TE OSHEE Sh.a 2023			Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor	Progresive
A	**Energji Totale e Hyrë në OSHEE Sh.a (MWh)**	A=A.1+A.3-A1.7	699,061	657,581	613,056	558,722	504,227	501,704	609,571	599,268	505,838	495,084	583,921	733,734	7,084,213
A.1	Energji e transmetuar nepermjet OST per llogari te OSHEE Sh.a	A.1=Sum(A.1.1,A1.6)	579,063	578,104	474,777	430,748	381,351	400,494	563,277	573,575	485,373	470,263	460,400	600,279	5,997,703
A.1.1	Nga KESH -Gen nepermjet OST		411,308	474,700	310,547	226,897	129,492	178,720	422,634	477,585	398,134	347,440	189,769	327,787	3,895,014
A.1.2	Nga OST si import i OSHEE Sh.a		3,984	3,360	3,715	57,327	92,381	100,499	80,695	61,820	58,831	89,873	88,903	89,379	730,766
A.1.3	Energji e transmetuar per klientet_35kV (te dal ne treg te parregulluar furnizues te tjere)		21	19	26	30	43	19	-	-	-	-	-	-	157
A.1.4	Nga OST per llogari te klienteve te OSHEE Sh.a prodhuarnga HEC-et ne rrjetin e transmetimit		163,750	100,025	160,488	146,495	159,435	121,256	59,948	34,171	28,408	32,950	181,728	183,113	1,371,766
A.1.5	Nga TEC VLORA nepermjet OST		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A.1.6	Nga Bistrica 1,2 nepermjet OST		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A.1.7	Export OSHEE Group Sh.a		-	-	-	-	-	-	-	-	-	-	-	-	-
A.2	Energji elektrike e injektuar ne OST nga Hec-et Lokale	A.2	59,687	29,705	75,556	68,977	67,556	54,066	14,241	4,573	3,325	3,956	67,266	67,607	516,517
A.3	Energji e transmetuar direkt ne rrjetin e OSHEE Sh.a	A.3 = Sum(A.3.1, A.3.3)	119,998	79,477	138,280	127,974	122,876	101,210	46,294	25,693	20,465	24,822	123,521	133,455	1,086,510
A.3.1	HEC Ulez,Lanabregas		1,990	1,984	2,352	2,231	2,259	1,955	1,859	1,819	1,435	1,126	2,044	2,191	23,244
A.3.2	Impjantet Private/me Koncesion		115,928	74,408	132,656	121,564	114,368	92,807	36,581	16,598	13,324	18,209	117,880	128,069	982,392
A.3.3	Burimet e Rinovueshme Fotovoltaik (BRE)		2,081	3,086	3,272	4,179	6,249	6,449	7,854	7,276	5,706	5,487	3,597	3,196	58,430
A.3.4	Prodhimi i injektuar ne OSSH nga BREE-t ne Treg te Parregulluar		1,528	2,360	2,652	2,969	1,958	2,105	2,480	2,131	1,527	1,196	797	741	22,444
B	**Energji Totale ne Rrjetin e Shperndarjes (MWh)**	B=A+ A.1.3+A.2	758,748	687,286	688,613	627,700	571,783	555,770	623,813	603,841	509,163	499,041	651,187	801,341	7,578,286
C	**Humbjet Totale ne Rrjetin e Shperndarjes (MWh)**	C=C.1+C.2+C.3	195,699	131,027	144,936	117,090	95,359	89,146	109,054	97,670	75,381	87,928	118,529	172,455	1,434,274
C.1	Humbje Teknike njesite e TL (MWh)		9,646	8,281	8,784	6,506	8,231	8,106	9,590	8,151	6,124	7,168	8,117	9,463	98,166
C.2	Humbje Teknike ne Zona (MWh)		114,969	83,263	87,857	72,373	57,936	55,846	71,582	66,209	48,509	49,986	75,327	108,477	892,334
C.3	Humbje JoTeknike ne Zona (MWh)		71,085	39,483	48,295	38,211	29,193	25,194	27,883	23,309	20,748	30,773	35,084	54,515	443,774
C.1	**Humbjet Totale ne OSHEE Sh.a (%)**	C.1= C/B	25.79%	19.06%	21.05%	18.65%	16.68%	16.04%	17.48%	16.17%	14.80%	17.62%	18.20%	21.52%	18.93%
C.1.1	Humbje Teknike njesite e TL (%)		1.27%	1.20%	1.28%	1.04%	1.44%	1.46%	1.54%	1.35%	1.20%	1.44%	1.25%	1.18%	1.30%
C.2.1	Humbje Teknike ne Zona (%)		15.36%	12.27%	12.93%	11.66%	10.29%	10.20%	11.66%	11.12%	9.65%	10.17%	11.72%	13.71%	11.94%
C.3.1	Humbje JoTeknike ne Zona (%)		9.37%	5.74%	7.01%	6.09%	5.11%	4.53%	4.47%	3.86%	4.07%	6.17%	5.39%	6.80%	5.86%
D	**Energjia e përdorur në Rrjetin e Shpërndarjes**	D=Sum(D.1:D.7)	560,438	553,736	540,611	507,624	473,583	462,399	507,247	498,418	428,372	405,577	526,852	623,844	6,088,701
D.1	Shitur Klienteve FMF (MWh)	D.1=D.1.1+D.1.2	87,526	86,617	92,750	82,632	87,681	85,890	99,601	96,563	88,715	88,854	97,395	97,622	1,091,845
D.1.1	Shitur Klienteve FMF Privat (MWh)		38	29	1,747	80	119	229	50	118	76	475	440	139	3,540
D.1.2	Shitur Klienteve FMF JoBuxhetore(MWh)		1,963	1,497	(1,426)	1,484	1,604	1,842	1,813	1,984	1,637	1,756	321	3,164	17,639
D.1.3	Shitur Klienteve FMF 20/10/6 (Mwh)		85,525	85,091	92,429	81,068	85,958	83,819	97,738	94,461	87,001	86,624	96,633	94,319	1,070,666
D.2	Shitur Klienteve Private (MWh)	D.2= D.2.1+D.2.2+D.2.3	90,903	96,966	87,186	84,353	84,530	94,649	125,236	125,931	104,009	88,917	91,239	105,661	1,179,581
D.2.1	Shitur nga rrjeti i Transmetimit per llogari te OSHEE Sh.a		-	-	-	-	-	-	-	-	-	-	-	-	-
D.2.2	Shitur per nevoja te veta te OSHEE Sh.a		645	658	693	562	421	319	436	457	328	391	516	626	6,051
D.2.3	Shitur Klienteve Private (pa ate per nevoja te veta dhe Ne TL)		90,258	96,308	86,494	83,791	84,109	94,330	124,800	125,474	103,682	88,526	90,723	105,034	1,173,530
D.3	Shitur Klienteve JoBuxhetore (MWh)		3,171	3,283	3,066	2,842	2,865	2,626	3,277	3,242	2,772	2,686	3,193	3,524	36,549
D.4	Shitur Klienteve Buxhetore (MWh)		14,725	15,636	13,342	12,204	10,127	9,131	10,390	10,239	10,643	10,999	13,977	17,196	148,609
D.5	Shitur Klienteve Familjare (MWh)	D.5=D.5.1+D.5.2	304,405	321,511	268,684	256,586	220,781	216,017	254,501	257,870	218,908	210,164	253,782	332,235	3,115,442
D.5.1	Shitur Klienteve Familjare (MWh)		296,730	314,046	260,733	249,296	213,201	206,933	246,502	249,893	210,912	202,352	245,926	323,804	3,020,327
D.5.2	Shitur Klienteve Familjare per Ambjentet e Perbashketa		7,675	7,464	7,951	7,290	7,580	9,083	8,000	7,977	7,997	7,812	7,855	8,431	95,115
D.6	Energji elektrike e injektuar ne OST nga Hec-et Lokale	D.6=A.2	59,687	29,705	75,556	68,977	67,556	54,066	14,241	4,573	3,325	3,956	67,266	67,607	516,517
D.7	Energji elektrike e perdorur nga klientet ne treg te parregulluar	D.7	21	19	26	30	43	19	-	-	-	-	-	-	157
E	**Faturuar muaji Parardhes (000/leke)**		7,458,986	7,236,860	7,477,014	6,588,875	6,321,511	5,993,172	6,074,125	7,326,635	7,281,460	6,339,551	5,987,458	6,806,859	80,892,507
F	**Arketimet e muajit aktual (000 leke)**	G=F.1+F.2+F.3+F.4	6,881,621	6,813,758	7,491,687	6,124,229	6,813,596	5,811,853	5,684,626	7,440,201	7,365,263	7,213,799	6,213,162	6,581,269	80,435,065
F.1	Arketuar per faturat korrente te vitit aktual		17,571	4,658,797	5,070,755	3,091,044	4,170,066	3,615,891	3,310,557	4,414,029	4,472,047	4,133,051	3,688,197	4,436,120	45,078,124
F.3	Arketuar per faturat e tjera te vitit aktual		-		1,589,330	2,666,176	2,335,047	1,934,852	2,106,438	2,562,075	2,469,763	2,666,282	2,346,865	1,985,773	22,662,602
F.4	Arketuar per faturat e tjera te viteve te kaluara		6,864,050	2,154,961	831,603	367,010	308,483	261,110	267,632	464,097	423,452	414,465	178,100	159,376	12,694,339
F.1	**Arketimet e muajit aktual (%)**	F.1=F/E	92.3%	94.2%	100.2%	92.9%	107.8%	97.0%	93.6%	101.6%	101.2%	113.8%	103.8%	96.7%	99.4%
F.1.1	Arketuar per faturat korrente te vitit aktual (%)	F.1.1=F.1/E	0.2%	64.4%	67.8%	46.9%	66.0%	60.3%	54.5%	60.2%	61.4%	65.2%	61.6%	65.2%	55.7%
F.1.3	Arketuar per faturat e tjera te vitit aktual (%)	F.1.3=F.3/E	0.0%	0.0%	21.3%	40.5%	36.9%	32.3%	34.7%	35.0%	33.9%	42.1%	39.2%	29.2%	28.0%
F.1.4	Arketuar per faturat e tjera te viteve te kaluara (%)	F.1.4=F.4/E	92.0%	29.8%	11.1%	5.6%	4.9%	4.4%	4.4%	6.3%	5.8%	6.5%	3.0%	2.3%	15.7%
G	**Faturuar muaji Raportues (000/leke)**		7,236,860	7,477,014	6,588,875	6,321,511	5,993,172	6,074,125	7,326,635	7,281,460	6,339,551	5,987,458	6,806,859	7,982,027	81,415,549
1	Nr. Konsumatoreve gjithsej (Nr.)		1,303,679	1,305,432	1,308,515	1,308,397	1,148,821	1,312,353	1,313,477	1,316,039	1,317,798	1,319,413	1,320,631	1,322,127	1,322,127
2	Fatura te emetuara me lexim konsumi (Nr.)		1,002,695	1,004,350	1,016,651	1,018,757	1,014,495	1,027,799	1,041,646	1,050,675	1,049,321	1,048,276	1,031,022	1,031,428	12,337,115
3	Sasia e energjise se faturuar me lexim konsumi (MWh)														-
4	Fatura te emetuara me lexim "0" (Nr.)		303,472	304,589	295,744	297,428	140,844	296,170	275,928	269,684	277,861	281,533	290,882	301,047	3,335,182
5	Nr.Faturave te emetuara pa lexim (energji e pa matur) (Nr.)														-
6	Sasia e energjise se faturuar si energji e pamatur (MWh)														-
7	Nr.Faturave te emetuara pa lexim (dem ekonomik) (Nr.)		35	37	149	8	78	26	61	30	52	78	47	59	660
8	Sasia e faturuar si dem ekonomik (MWh)		535	696	702	45	230	78	3,379	2,977	433	1,017	845	262	11,199
9	Nr.Faturave per te cilat eshte arketuar kamat vonese (Nr.)		331,668	313,298	9,807	329,612					458,408	443,979			1,886,772
10	Vlera e Kamat vonesave te arketuara (000/leke)		132,185	119,494	78,782	72,486	83,076	90,849	80,794	158,719	130,732	183,502	279,354	71,574	1,481,547

Figure 37. Main indicators of DSO, FSHU and FTL companies during 2023

(Reported from OSHEE Group company)

1.4.2 Electricity consumption

The total annual electricity consumption (including the consumption of customers in the unregulated market) in Albania for the period 2004 to 2023 period, is presented graphically below:



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
KONSUMI	5,930,984	5,932,809	6,120,818	5,767,652	6,260,249	6,592,503	6,924,058	7,342,000	7,616,735	7,957,698	7,793,434	7,265,525	7,094,576	7,439,607	7,638,846	7,612,079	7,588,770	8,414,836	7,923,713	7,875,861

Figure 38. Total electricity consumption in the country throughhout the years

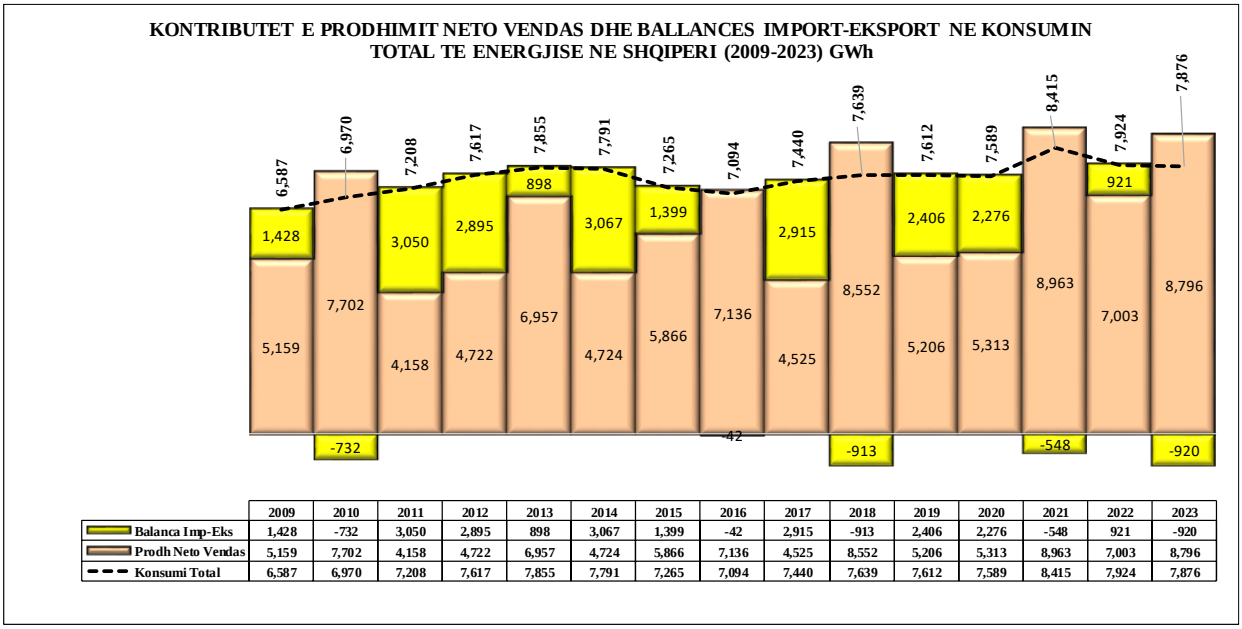
As it can be seen in the graphic presentation, the lowest electricity consumption recorded in our country is in 2007 with 5,767,652 MWh and the highest electricity consumption is the one recorded in 2021 with 8,414,836 MWh, and this last one mentioned composes the highest historic consumption in our country. The total consumption for 2023 period results 7,875,861 MWh, with approximately the same values with the consumption of 2022. The total electricity consumption for 2023 period compared to 2021 period that is the maximum consumption results with a decrease of about 538,975 MWh.

The total decrease of electricity consumption for 2023, compared maximum consumption of 2021, is about 6.4 %. At the same time, the total electricity consumption realized for 2023 is about 9.2 % higher than the average consumption indicated on the table.

This decrease of the total energy consumption, is reflected for all customer's categories, but especially for the customers that are supplied in the irregulated market, which for 2021 period have consumed about 1,361 GWh of electricity, while for 2022 these customers have consumed about 929 GWh of electricity, while for 2023 is about 858 GWh. This decrease of consumption

is due to the electricity crisis where many businesses have installed alternative plants of electricity generation as self-producers.

The total electricity consumption in the country during 2023 is covered from electricity generation realized from KESH company, independent producers of electricity, electricity priority producers, as well as from the electricity import.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Balanca Imp-Eks	1,428	-732	3,050	2,895	898	3,067	1,399	-42	2,915	-913	2,406	2,276	-548	921	-920
Prodh Neto Vendas	5,159	7,702	4,158	4,722	6,957	4,724	5,866	7,136	4,525	8,552	5,206	5,313	8,963	7,003	8,796
Konsumi Total	6,587	6,970	7,208	7,617	7,855	7,791	7,265	7,094	7,440	7,639	7,612	7,589	8,415	7,924	7,876

Figure 39. Net domestic production contributions and import-export balance of total electricity consumption in Albania

On the table above, it is evidenced the net domestic production and the import – export balance. As submitted on the above data, the domestic net production for 2023 results to be 8 796 GWh, while the total consumption of the country results to be 7, 876 GWh, with a net balance to the export 920 GWh.

Net balance of electricity exchange for 2023 period of about 920 GWh, resulted as a difference of the export realized on the quantity of about 2, 842 GWh and the realized import is realized on 1, 922 GWh value. This is due to the fact that the Albanian power system bases the electricity production on hydro resources, where for rainy periods may export electricity and for dry periods during the year, realizes the electricity import to cover the demands in the country, in other words, the production profile of the country do not always correspond for the same period with the consumption profile in our country, that shall contribute positively for the diversification of the electricity generation resources.

KONSUMI I ENERGJISE NE SHQIPERI GJATE VITIT 2023	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor	2023
Konsumi i klientëve Tarifore	413,204	437,395	372,279	355,985	318,303	322,423	393,404	397,282	336,332	312,766	362,190	458,616	**4,480,179**
Konsumi i klientëve të furnizuar si FMF	87,526	86,617	92,750	82,632	87,681	85,890	99,601	96,563	88,715	88,854	97,395	97,622	**1,091,845**
Shitur klienteve si dem ekonomik	535	696	702	45	230	78	3,379	2,977	433	1,017	845	262	**11,200**
Konsumi i Klientëve që përdorin rrjetin për energjine e blerë ne treg të liberalizuar	21	19	26	30	43	19	-	-	-	-	-		**158**
Energji për Klientet ne treg të liberalizuar lidhur në OSSH me furnizues FTL	2,078	1,828	2,363	2,941	2,650	4,147	4,132	4,776	4,976	4,519	4,962	4,779	**44,152**
Konsumi për mbulimin e humbjeve	195,699	131,027	144,936	117,090	95,359	89,146	109,054	97,670	75,381	87,928	118,529	172,455	**1,434,275**
Konsumuar nga Klientet e lidhur në OST	38,979	25,586	32,684	59,843	80,042	76,540	57,032	48,438	47,465	43,669	41,029	42,481	**593,786**
Konsumuar nga OST (humbje +nevoja vetiake)	25,216	17,110	19,532	18,151	22,863	16,197	16,646	15,842	13,113	11,825	20,363	23,408	**220,266**
KONSUMI TOTAL 2023	**763,258**	**700,278**	**665,273**	**636,716**	**607,171**	**594,440**	**683,248**	**663,548**	**566,415**	**550,578**	**645,313**	**799,623**	**7,875,861**

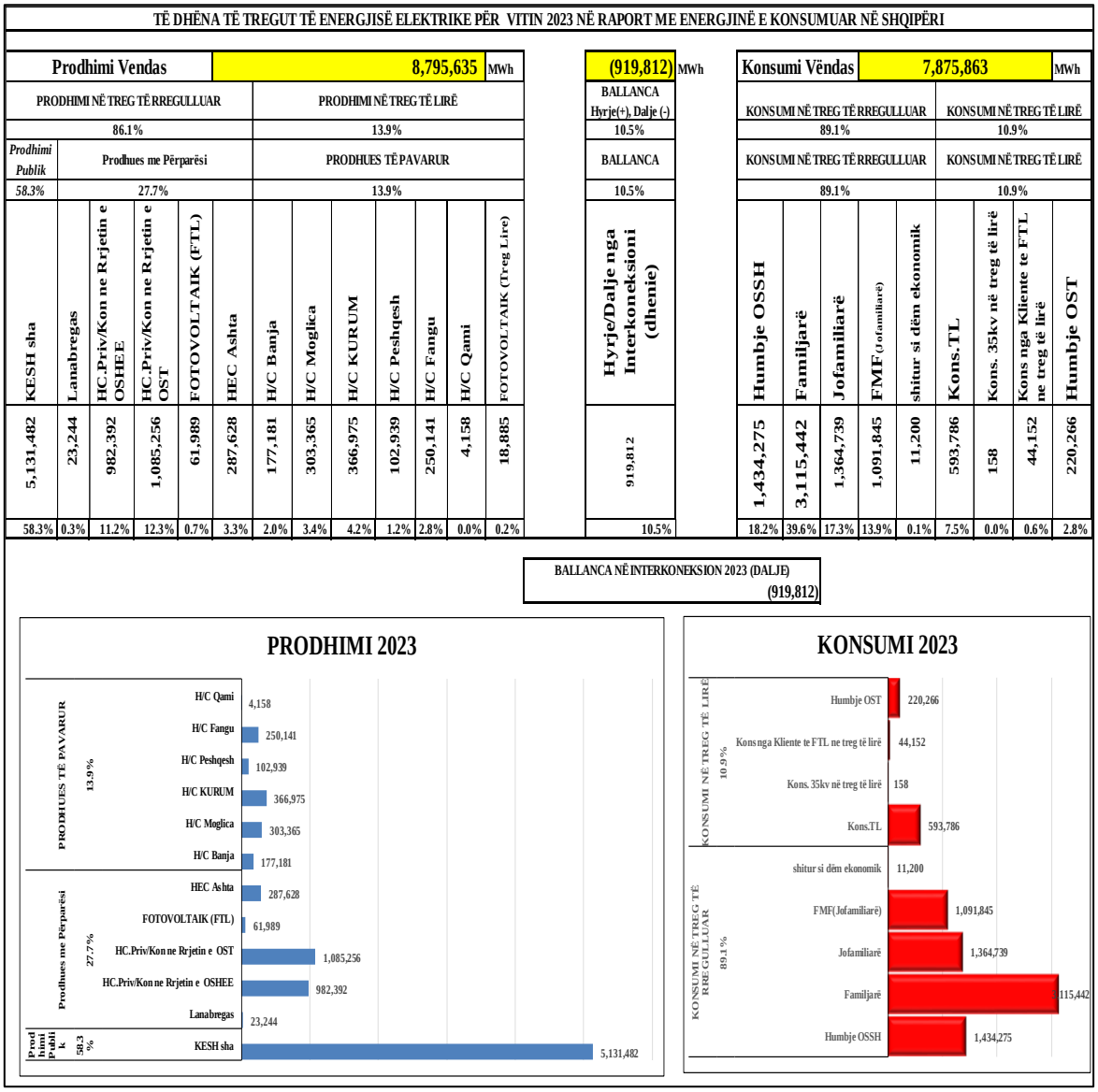


Figure 40. Components to cover consumption and the electricity consumption components, ensured for 2023

1.4.3 Structure of electricity consumption for 2023

TE DHENA MBI SHPERNDARJEN E KONSUMATOREVE SIPAS RAJONEVE E KATEGORIVE												
SHPERNDARJA MUJORE E KONSUMATOREVE	BERAT	BURREL	DURRES	ELBASAN	FIER	GJIROK	KORCE	KUKES	SHKODER	TIRANE	VLORE	TOT
	106,239	62,402	180,845	111,932	85,258	84,181	94,477	21,996	120,565	365,400	100,796	1,334,091
FAMILJARE	90,064	54,853	159,118	96,934	73,792	71,959	38,813	19,151	104,367	306,472	13,290	1,028,813
PRIVAT	14,006	6,180	19,417	12,974	9,952	9,958	9,081	2,268	14,281	55,204	13,367	166,688
BUXHETORE	1,007	690	871	948	646	1,259	45,048	319	954	1,426	63,401	116,569
JO-BUXHETORE	320	304	287	401	248	293	262	87	276	440	51	2,969
KONSUM VETIAK	10	9	11	7	4	5	628	5	12	25	10,136	10,852
FMF	832	366	1,141	668	616	707	645	166	675	1,833	551	8,200

Figure 41. Distribution of DSO company according to the region and the categories during 2023

(Source: DSO company.)

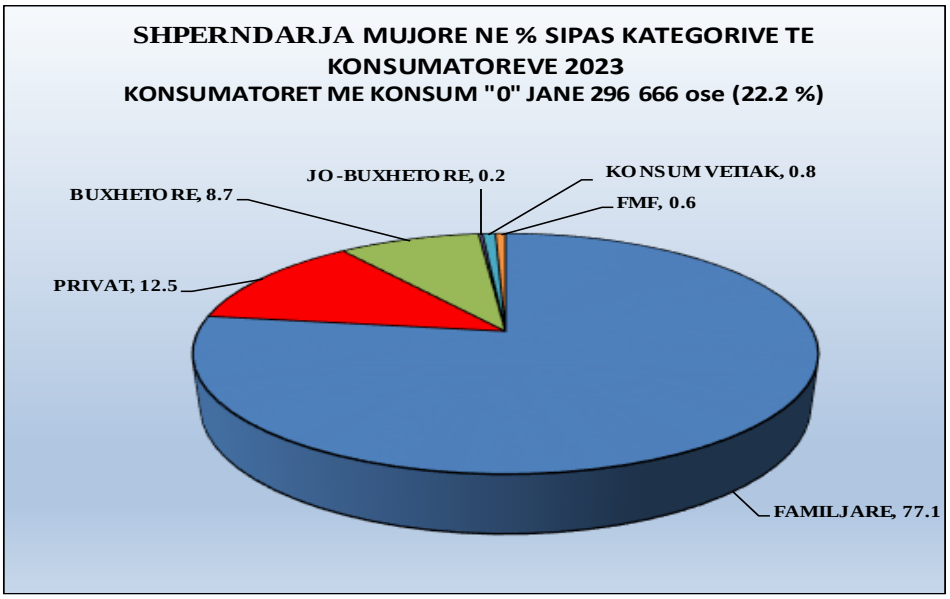


Figure 42. Distribution of the customer number for 2023 according to the categories (%)

(Source: FSHU company)

The data submitted above for 2023 period show that the total number of the customers for 2023 is 1,334,091 and the biggest part of the FSHU customers for this year is occupied from household customers, that composse 77.1 % of the total number of FSHU company customers.

In the demographic distribution of FSHU customers even for 2023 period the majority part is in Tirana, with about 27.4 % of all FSHU company customers.

The structure of FSHU company customers is reflected even on the electricity invoice structure realized for 2023 period. The household customers occupy the majority at FSHU company and the majority part of the electricity invoiced for 2023 period, or 44.5 % of all of the invoice realized for 2023 period. (81 423 531)

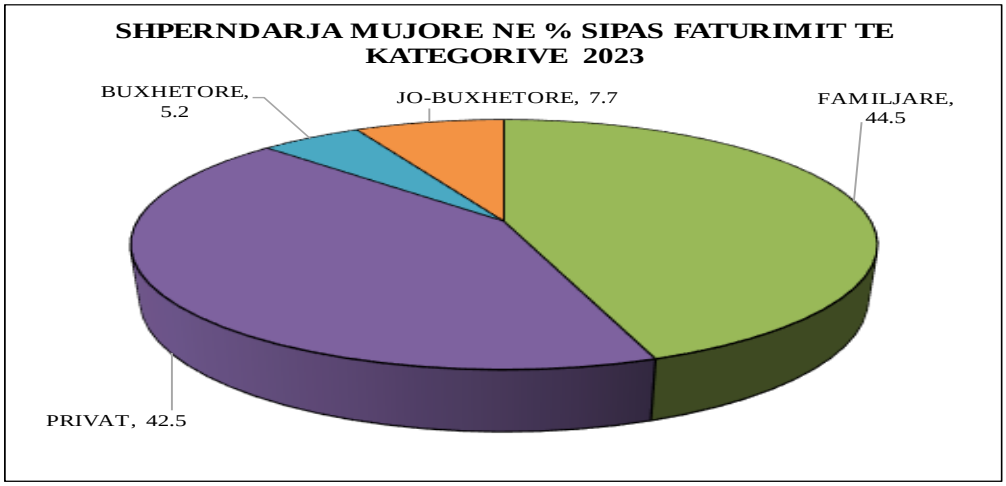
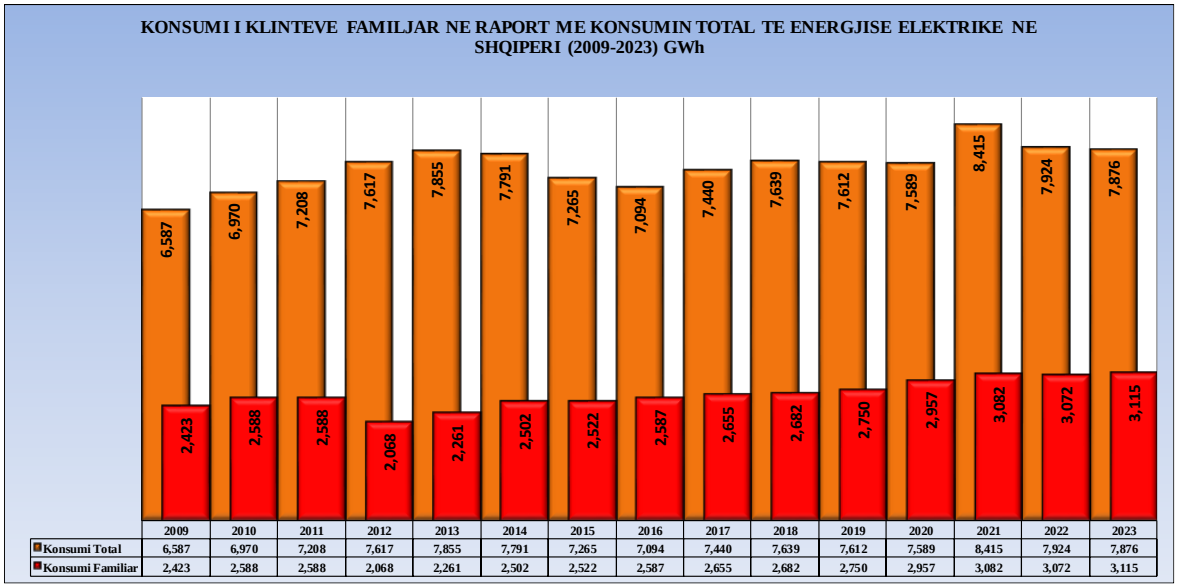


Figure 43. Invoicing reports according to customer categories for 2023

(Source: FSHU company)

On the following figure are submitted the specific weights of invoicing that are occupied by household customers categories.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Konsumi Total	6,587	6,970	7,208	7,617	7,855	7,791	7,265	7,094	7,440	7,639	7,612	7,589	8,415	7,924	7,876
Konsumi Familiar	2,423	2,588	2,588	2,068	2,261	2,502	2,522	2,587	2,655	2,682	2,750	2,957	3,082	3,072	3,115

Figure 44. Household customers to total consumption in the country throughhout the years

(Source: FSHU company)

Household customers consumption occupies about 39.5% of the total consumption, a number that is higher compared to the consumption for the same category for 2022 period, that was of about 38.8 %.

1.4.4 Profile of electricity consumption

In general the annual profile of electricity consumption, is characterized from the almost complete symmetry of winter – summer consumption.

Në vitin 2023, ashtu siç shihet ne grafikun e mëposhtëm rezultojnë vlera afërsisht të njejta me mesataren e periudhes 2009-2023 përgjatë gjithë vitit.

For 2023 period, as seen from the graph above resulted same values similar to the average of 2009-2023 period throughhout all the year.

As follows are submitted the data of average daily consumption for each month of 2023, compared to the average data of 2009 – 2023 period.

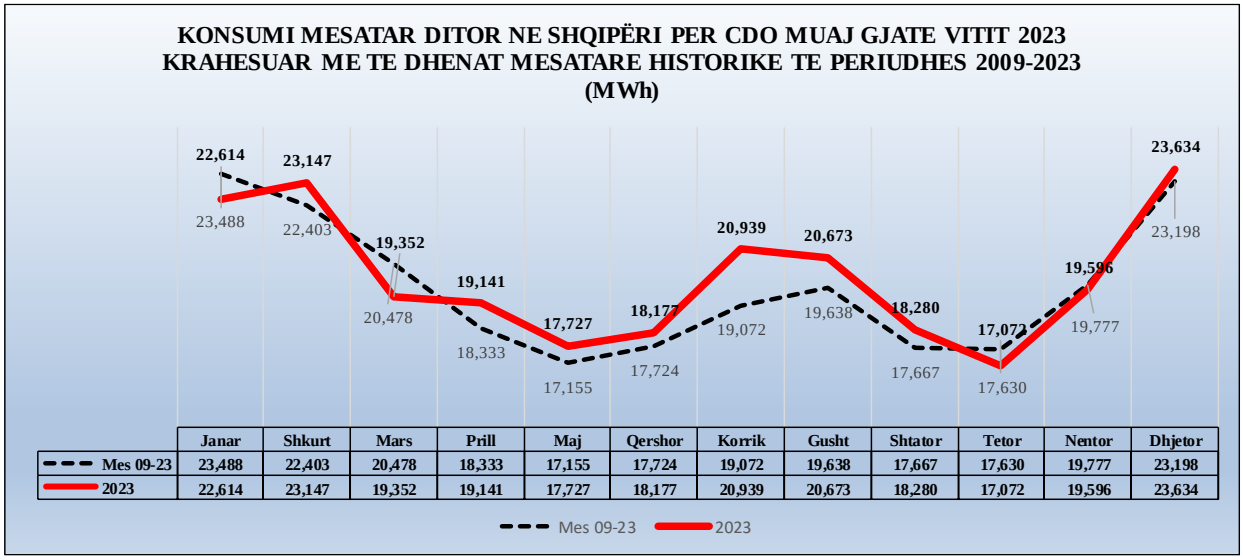


Figure 45. Average daily consumption for each month of 2023

On the graph as follows it is issued the daily average profile on hourly basis of the load for 2023 period.

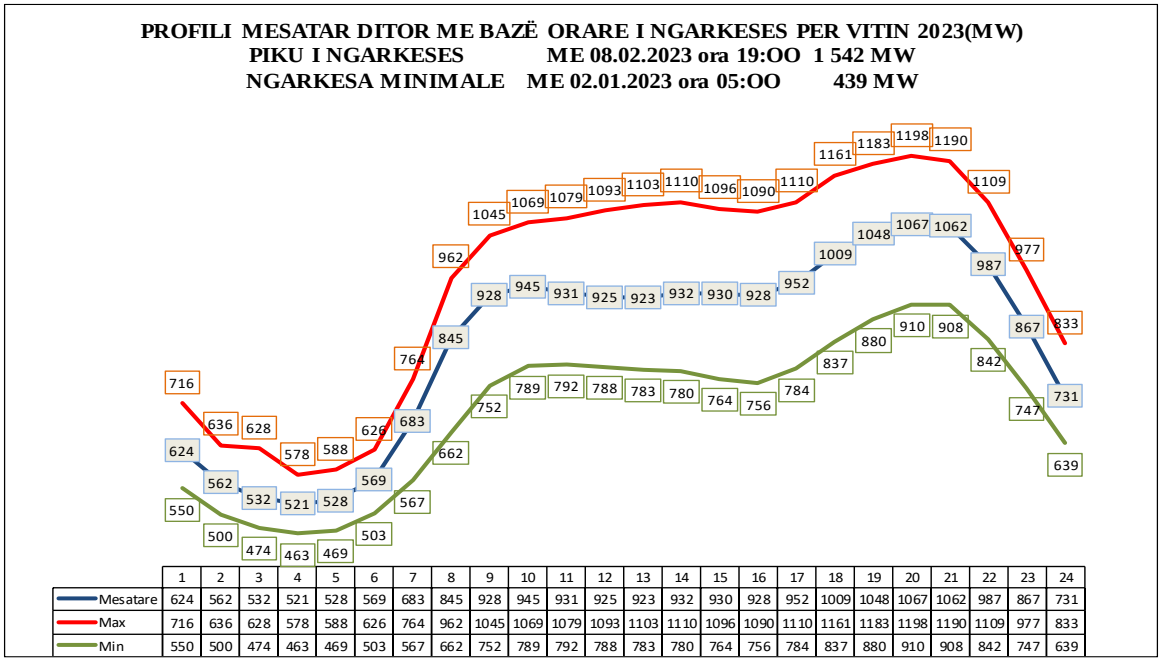
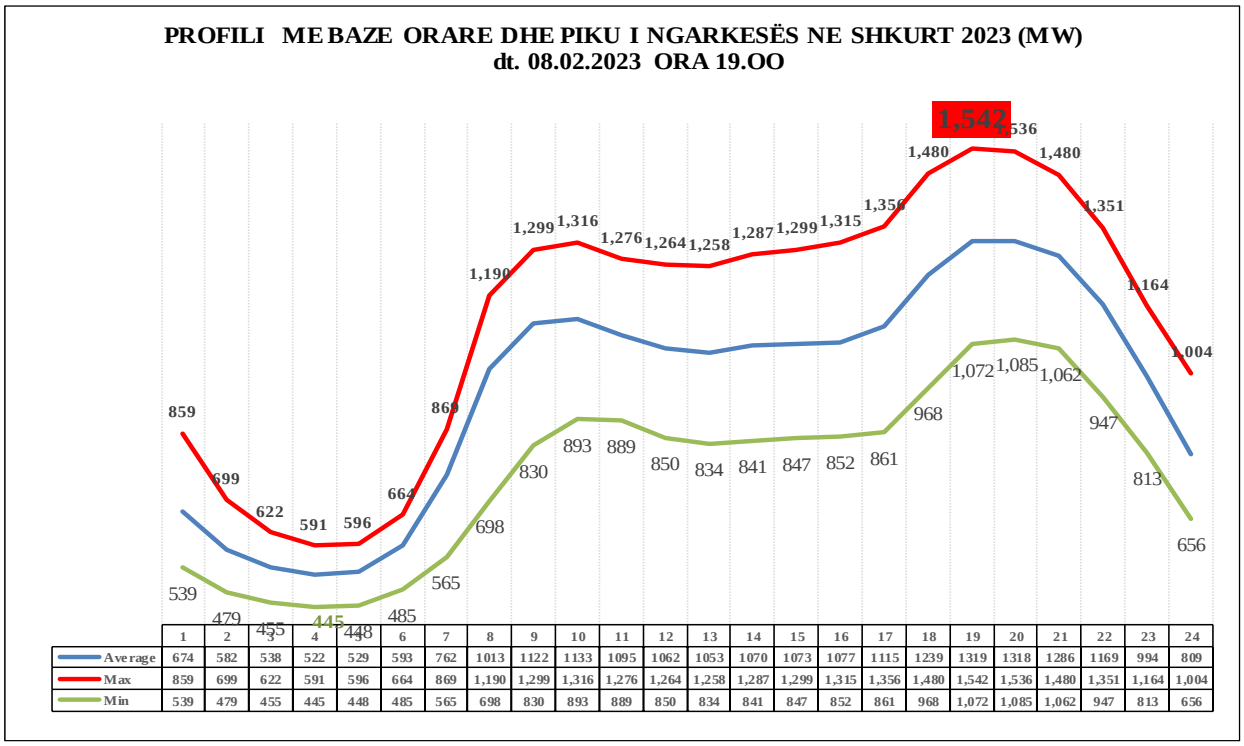
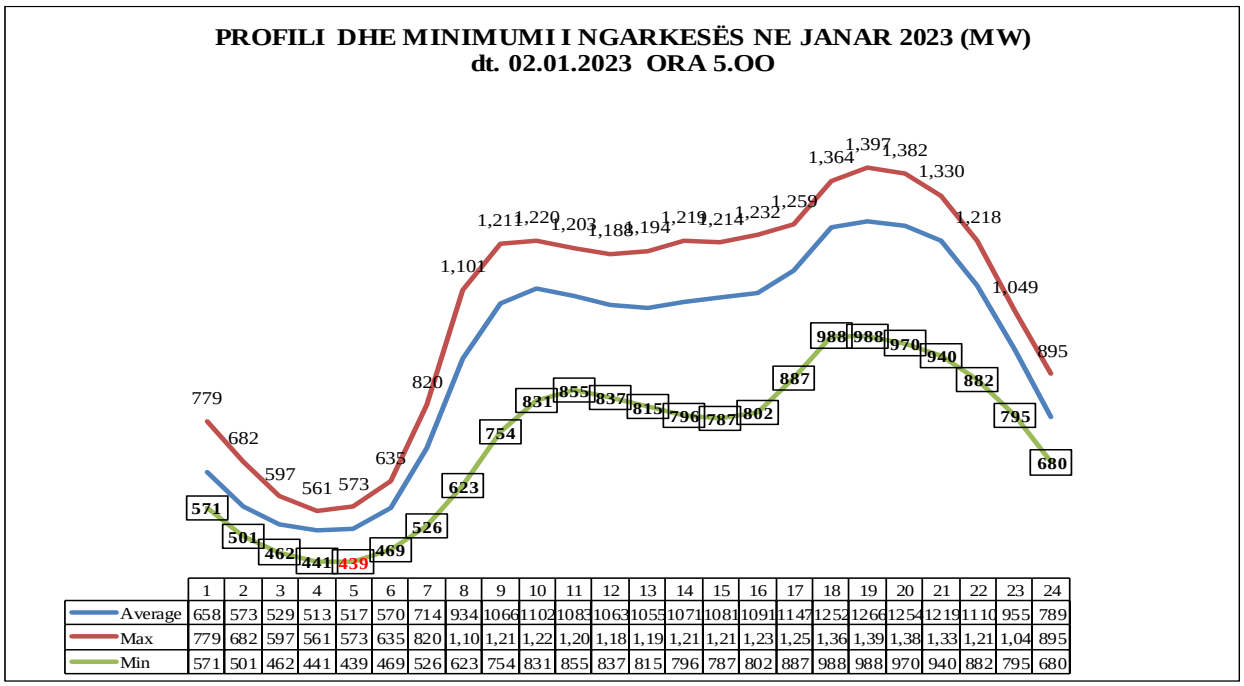


Figure 46. Average daily profile on hourly basis of the load for 2023



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Average	674	582	538	522	529	593	762	1013	1122	1133	1095	1062	1053	1070	1073	1077	1115	1239	1319	1318	1286	1169	994	809
Max	859	699	622	591	596	664	869	1,190	1,299	1,316	1,276	1,264	1,258	1,287	1,299	1,315	1,356	1,480	1,542	1,536	1,480	1,351	1,164	1,004
Min	539	479	455	445	448	485	565	698	830	893	889	850	834	841	847	852	861	968	1,072	1,085	1,062	947	813	656

Figure 47. Profile and the peak of the load in February 2023 (MW)



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Average	658	573	529	513	517	570	714	934	1066	1102	1083	1063	1055	1071	1081	1091	1147	1252	1266	1254	1219	1110	955	789
Max	779	682	597	561	573	635	820	1,10	1,21	1,22	1,20	1,18	1,19	1,21	1,21	1,23	1,25	1,36	1,39	1,38	1,33	1,21	1,04	895
Min	571	501	462	441	439	469	526	623	754	831	855	837	815	796	787	802	887	988	988	970	940	882	795	680

Figure 48. Profile and the minimum load for January 2023 (MW)

As evidenced on the above graph submission, the peak of the load for 2023 is on 08.02.2023, 19:00 hour, on the value 1542 MW, while the minimum load is registered on 02.01.2023, 05:00 hour, in the value 439 MW.

1.4.5 Indicators of electricity supplied, sold and lost for each area and agency of the Distribution System Operator (DSO) company during 2023.

As follows are submitted the data regarding the supplied, sold and lost electricity indicators in MWh, for each area and agency of the DSO company during 2023.

	Axhensi/Rajone	Energjia e Hyre MWh	Energjia e Shitur MWh	Humbjet MWh	Humbjet ne %
Dr. Rajonale Tirane	Tirana1	945,958	843,895	102,063	10.8
	Tirana2	898,872	790,182	108,690	12.1
	Tirana3	683,700	576,038	107,662	15.7
Dr. Rajonale Durres	Durres	413,499	353,926	59,573	14.4
	Kavaje	173,029	146,912	26,116	15.1
	Kruje	186,771	143,333	43,438	23.3
	Shijak	192,925	141,888	51,037	26.5
Dr. Rajonale Fier	Ballsh	43,403	38,631	4,773	11.0
	Fier	351,663	308,685	42,978	12.2
	Patos	64,145	51,850	12,295	19.2
Dr. Rajonale Elbasan	Elbasan	363,620	318,288	45,333	12.5
	Gramsh	28,626	24,290	4,336	15.1
	Librazhd	79,116	64,747	14,369	18.2
	Peqin	47,576	37,118	10,458	22.0
Dr. Rajonale Korce	Bilisht	37,835	32,489	5,346	14.1
	Kolonje	26,316	23,406	2,911	11.1
	Korce	273,688	230,975	42,712	15.6
	Pogradec	71,961	67,688	4,273	5.9
r. Rajonale Gjirokaste	Delvine	16,758	13,953	2,805	16.7
	Gjirokaster	106,055	82,043	24,012	22.6
	Permet	22,084	18,675	3,409	15.4
	Saranda	138,184	118,928	19,256	13.9
	Tepelene	30,216	22,991	7,225	23.9
Dr. Rajonale Shkoder	Koplik	76,395	41,891	34,504	45.2
	Lezhe	181,545	124,306	57,238	31.5
	Puke	38,202	25,806	12,396	32.4
	Shkoder	409,846	277,425	132,421	32.3
Dr. Rajonale Berat	Berat	126,803	107,049	19,753	15.6
	Kuçove	71,712	62,005	9,707	13.5
	Lushnje	206,083	171,519	34,564	16.8
	Skrapar	37,861	32,258	5,602	14.8
Dr. Rajonale Kukes	Has	36,013	20,958	15,055	41.8
	Kukes	119,167	76,527	42,640	35.8
	Tropoje	75,534	40,088	35,446	46.9
Dr. Rajonale Burrel	Bulqize	57,227	48,740	8,487	14.8
	Diber(Peshkopi)	95,334	69,945	25,389	26.6
	Lac	236,621	180,203	56,418	23.8
	Mat (Burrel)	73,568	56,908	16,661	22.6
	Mirdite	65,614	49,787	15,827	24.1
Dr. Rajonale Vlore	Himare	38,779	34,541	4,238	10.9
	Selenice	45,641	22,485	23,156	50.7
	Vlore	287,723	246,260	41,463	14.4

Figure 49. The data on the main indicators for each agency of the Distribution System Operator (DSO company) for 2023

As in the previous years, the highest losses belong to the Regional Directories of Tirana, Shkodra and Durrës, while the lowest level of losses during 2023 were on the Regional Directories of Përmet, Gramsh, Kolonja and Himara. Even during the 2023 period, the highest losses of electricity were on the Regional Directories of Tirana, Durres and Shkodra, while the lowest level of the losses were also on Përmet, Gramsh, Kolonja and Himara agencies.

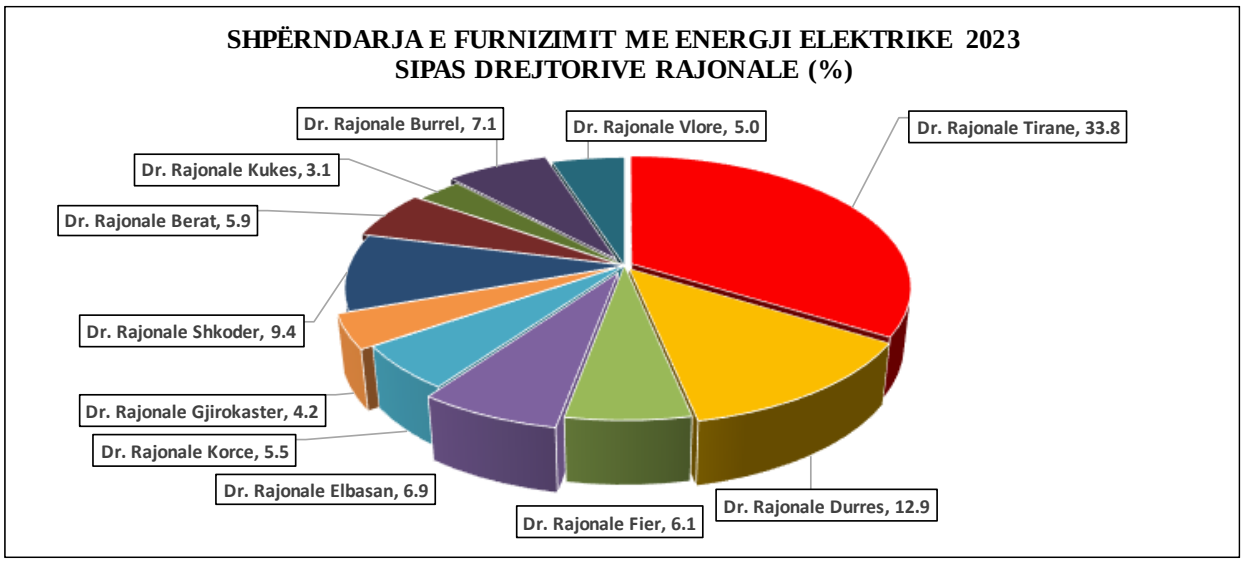


Figure 50. Electricity supply distribution according to regional categories (%)

As evidenced even in the figure, the biggest part of electricity consumption in the country for 2023 is occupied by the Regional Directory of Tirana, while the lowest part is occupied by the Regional Directory of Kukes and Gjirokastra.

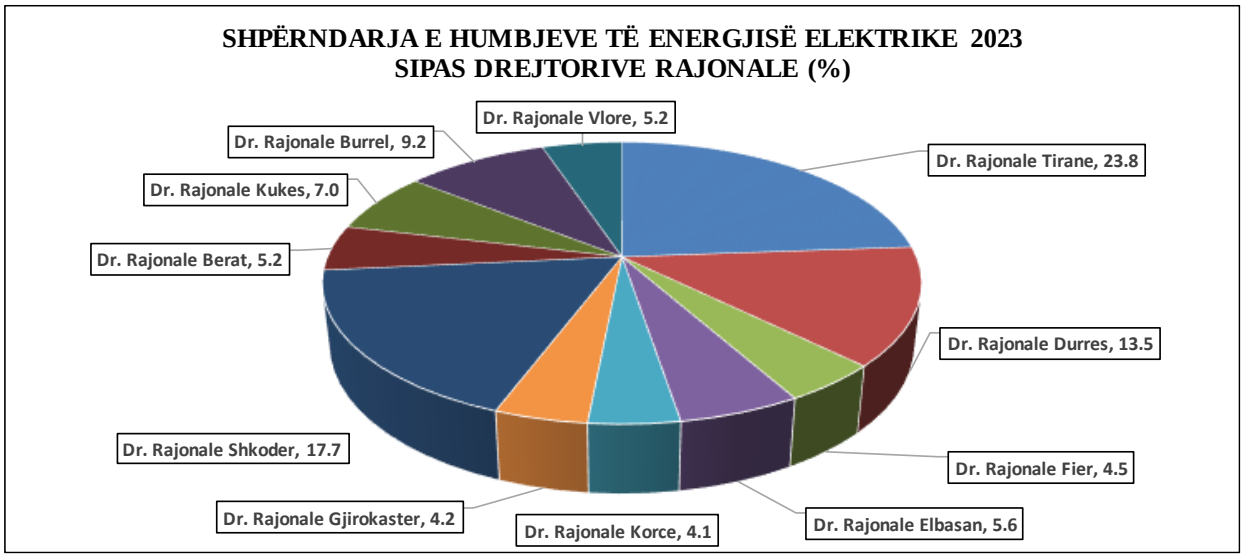


Figure 51. Distribution of the electricity losses according to the regional categories in (%)

On the following table it is submitted a comparison of the level of the losses in the distribution system, with the targets decided by Council of Minister Decision no. 758, dated 09.12.2021, "On an amendment on Council of Minister Decision no. 253, dated 24.04.2019, "On approving the financial consolidation plan of the electricity public sector".

As evidenced, the electricity losses in the distribution system during 2023 reported by OSHEE company are 18.93 %, with a difference of about 0.7% lower than the target decided by Council of Minister Decision no. 758, dated 09.12.2021, "On an amendment on Council of Ministers Decision no. 253, dated 24.4.2019, "On approving the financial consolidation plan of the electricity public sector".

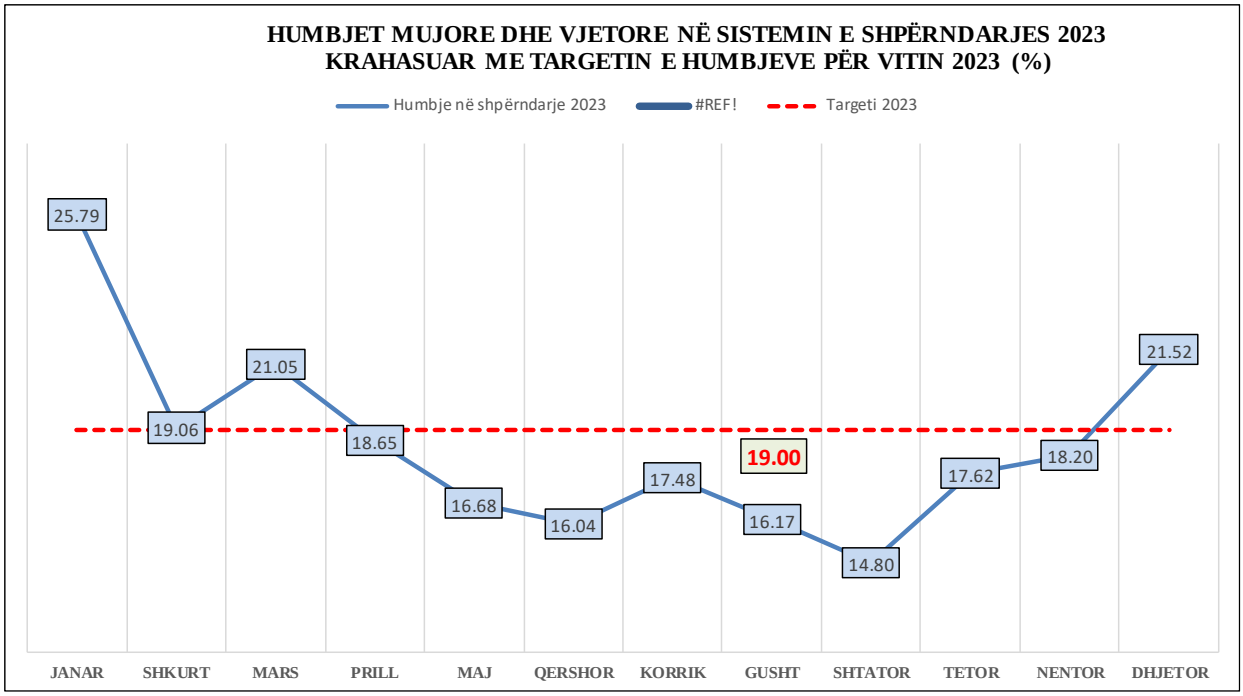


Figure 52. Monthly/annual losses in the distribution system compared to the targer of electricity losses

Submission of the contribution in the respective supply and losses according to the agencies is shown in the following figure, on which it is evidenced the electricity quantity supplied for each agency and the respective electricity losses.

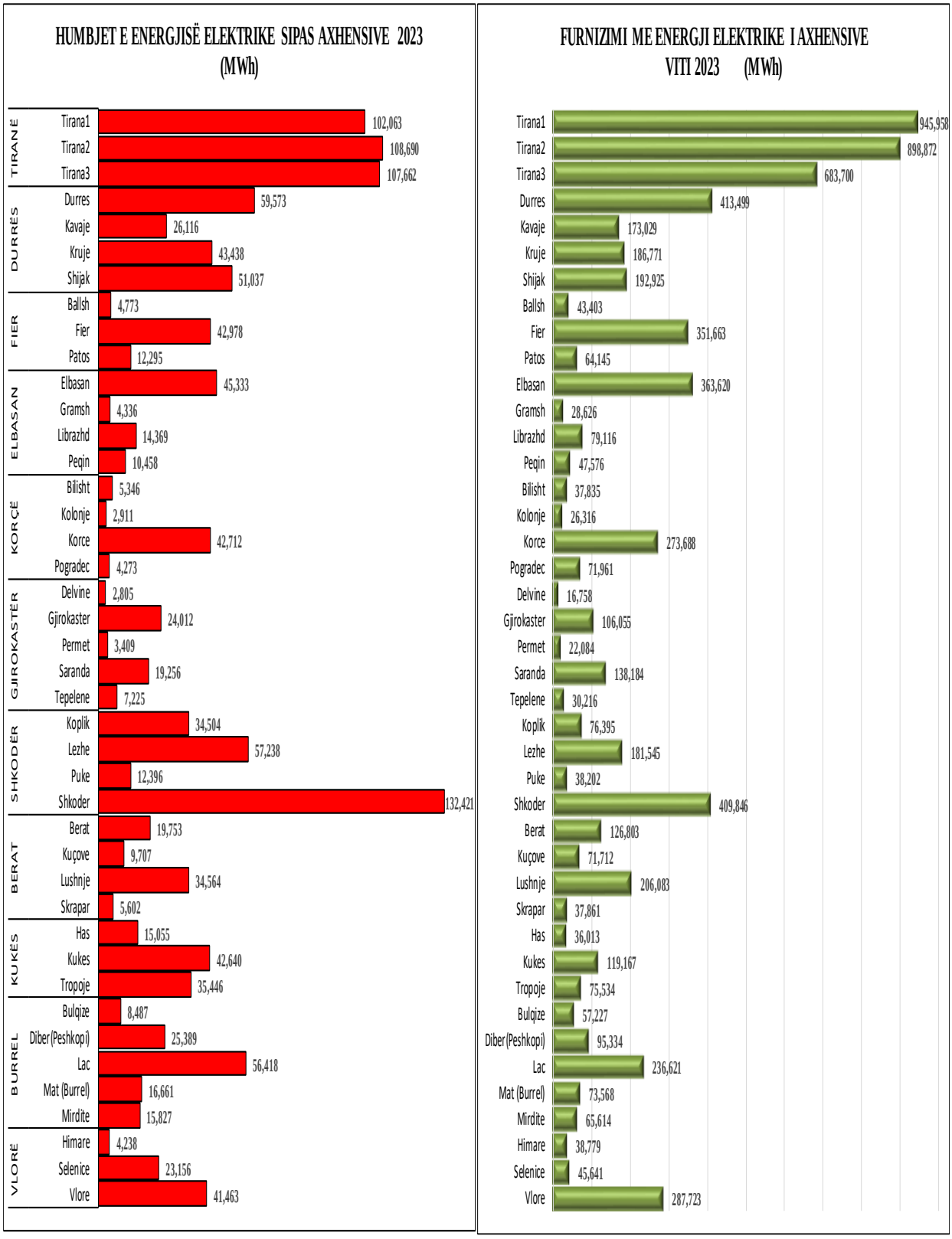


Figure 53. The quality of supply and the electricity losses in the regions of the distribution network agencies

(Source: DSO company)

Based on the above-mentioned data of the periodic or specific tables and information of the electricity market operators it is performed the Power Balance for 2023 as follows:

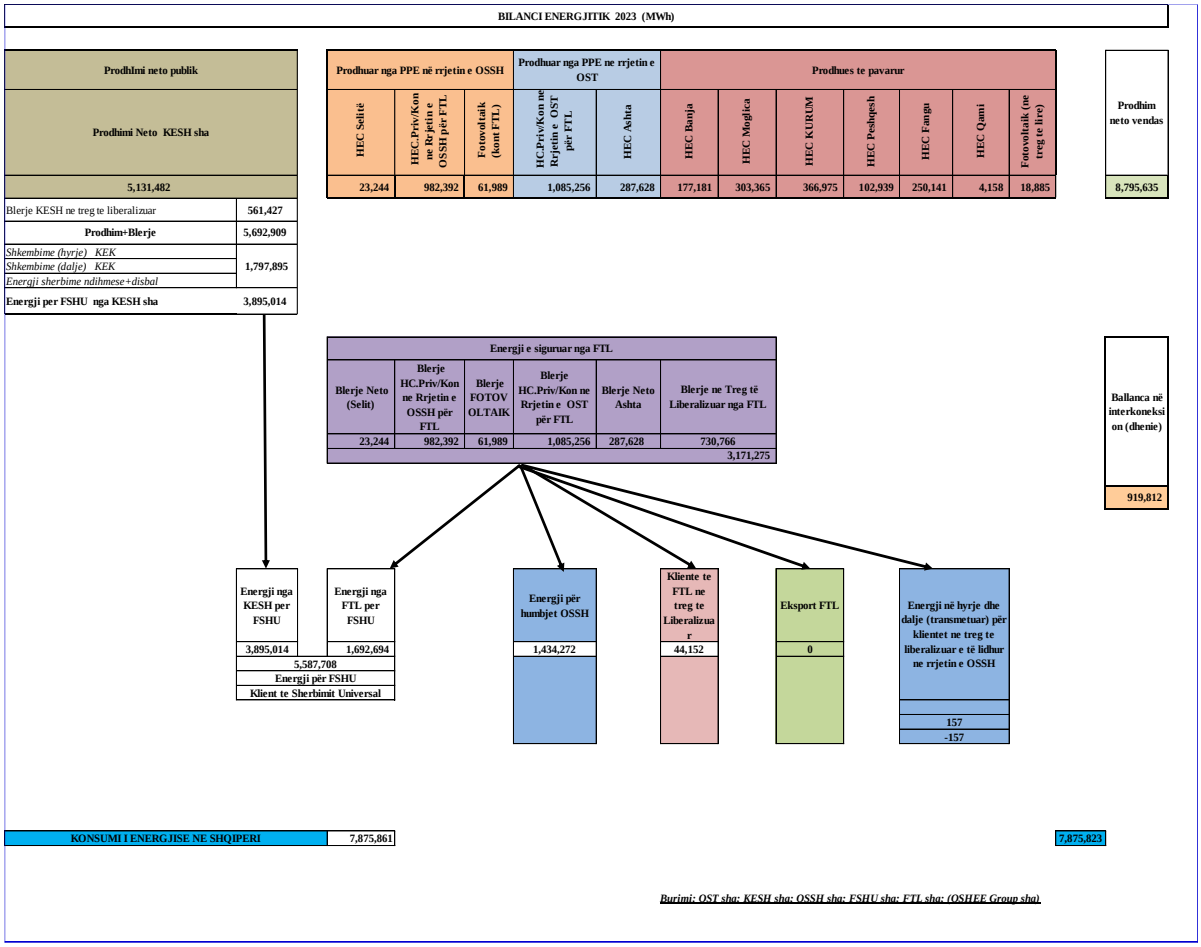


Figure 54. Power Balance for 2023 according to the reports of TSO and the DSO companies

1.4.6 Electricity sale effectiveness

During 2023, the electricity sales effectiveness continues in increased values, always refering to the determining factors in the level of electricity consumption efficiency, which are:

- level of electricity losses in distribution;
- level of collections for the invoiced electricity.

The total losses reported by the company for 2023 are **18.93** % marking a decrease in the level of losses compared to 2022.

Total level of collections reported from the DSO company is 99.4 % to the total invoiced electricity (see the table as follows of invoices – collections). This level of collections for 2023 is increased compared to the level of collections for 2022. These levels of collections include even the arrears, which are realized during the respective year.

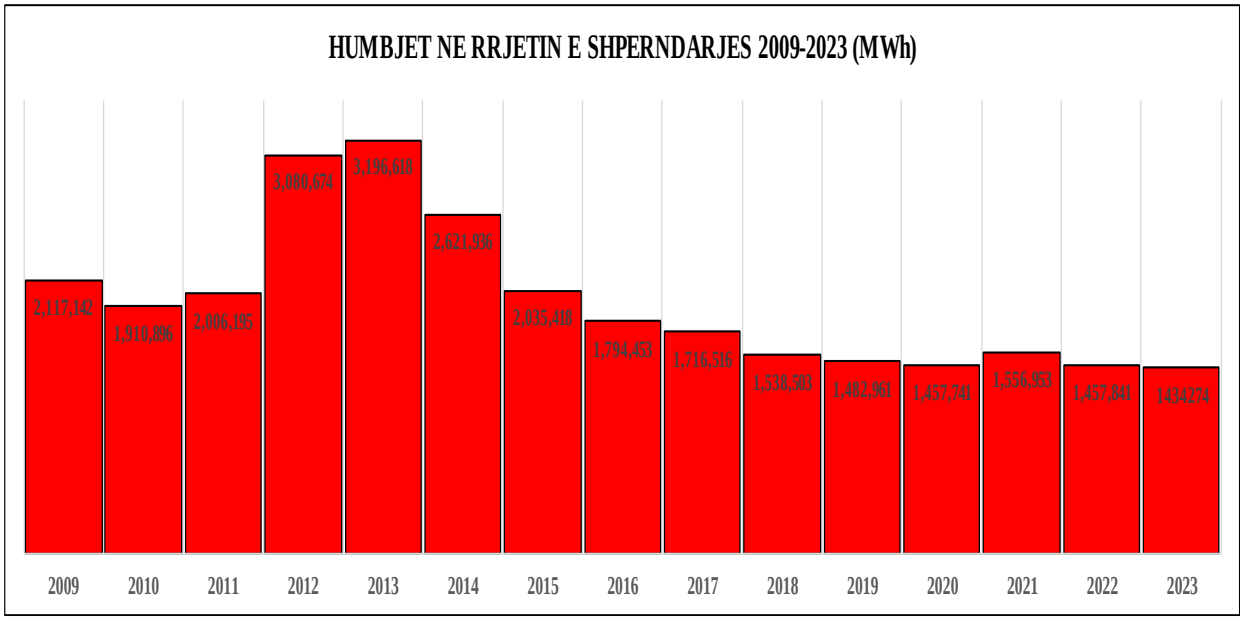
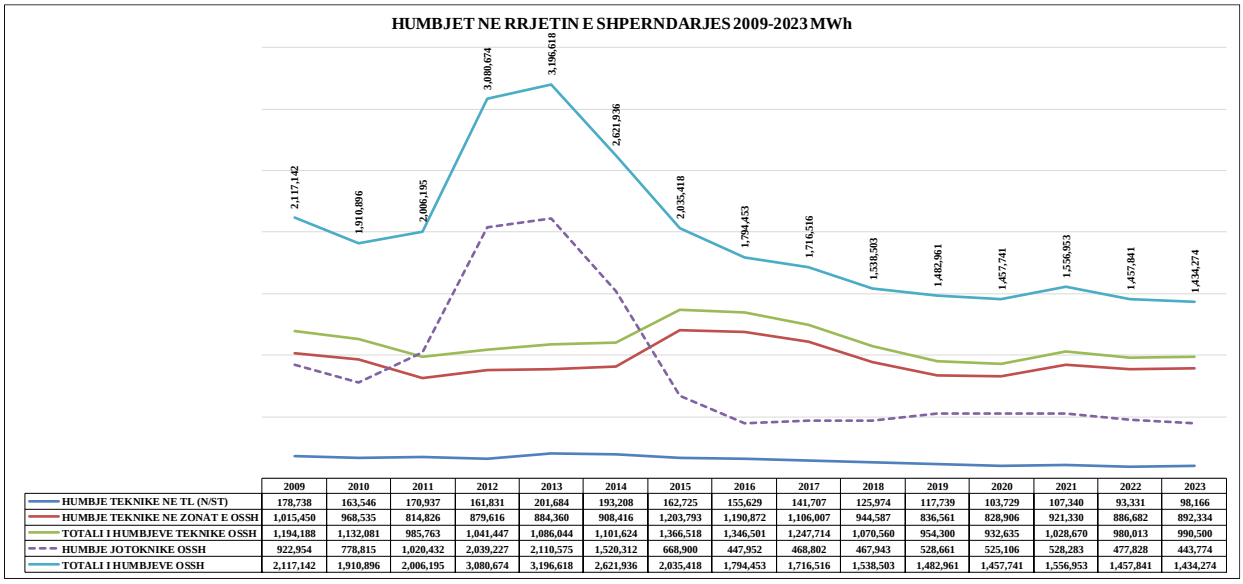


Figure 55. Annual losses in the distribution system for 2009-2023 period

(Source: DSO company)



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
HUMBJE TEKNIKE NE TL (N/ST)	178,738	163,546	170,937	161,831	201,684	193,208	162,725	155,629	141,707	125,974	117,739	103,729	107,340	93,331	98,166
HUMBJE TEKNIKE NE ZONAT E OSSH	1,015,450	968,535	814,826	879,616	884,360	908,416	1,203,793	1,190,872	1,106,007	944,587	836,561	828,906	921,330	886,682	892,334
TOTALI I HUMBJEVE TEKNIKE OSSH	1,194,188	1,132,081	985,763	1,041,447	1,086,044	1,101,624	1,366,518	1,346,501	1,247,714	1,070,560	954,300	932,635	1,028,670	980,013	990,500
HUMBJE JOTOKNIKE OSSH	922,954	778,815	1,020,432	2,039,227	2,110,575	1,520,312	668,900	447,952	468,802	467,943	528,661	525,106	528,283	477,828	443,774
TOTALI I HUMBJEVE OSSH	2,117,142	1,910,896	2,006,195	3,080,674	3,196,618	2,621,936	2,035,418	1,794,453	1,716,516	1,538,503	1,482,961	1,457,741	1,556,953	1,457,841	1,434,274

Figure 56. Graph of the annual losses in the distribution system for 2009-2023 period

(Source: DSO company)

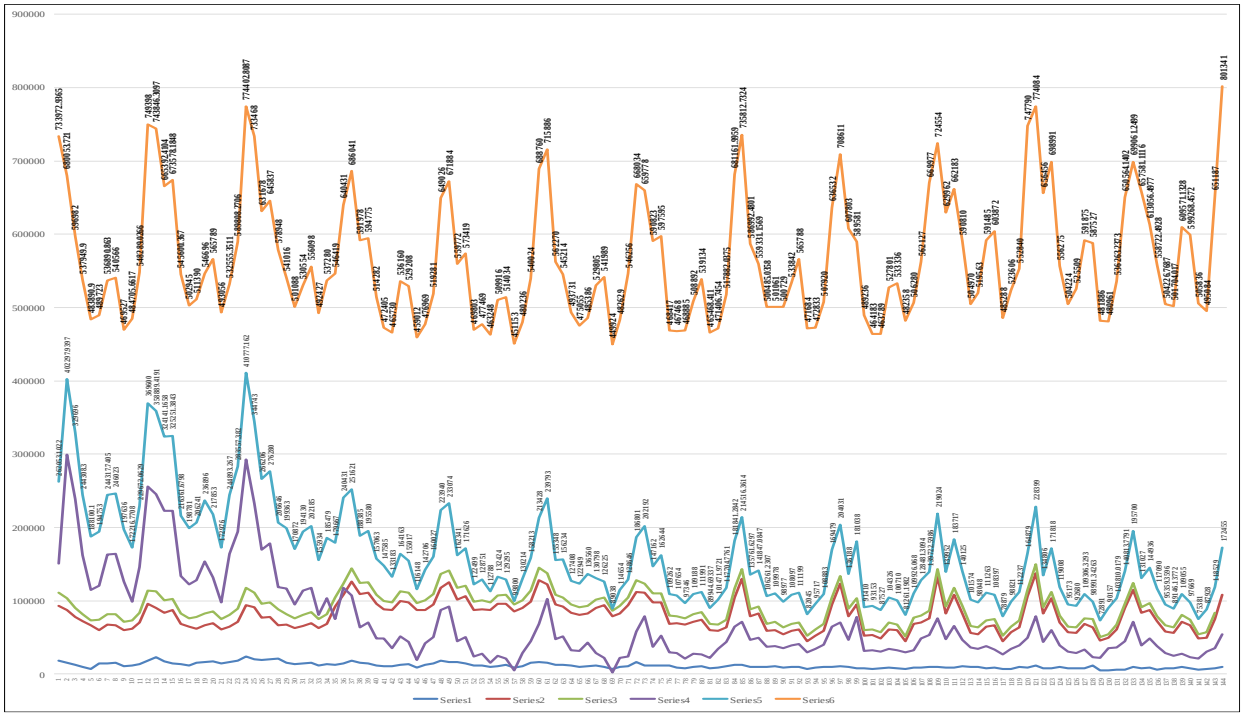
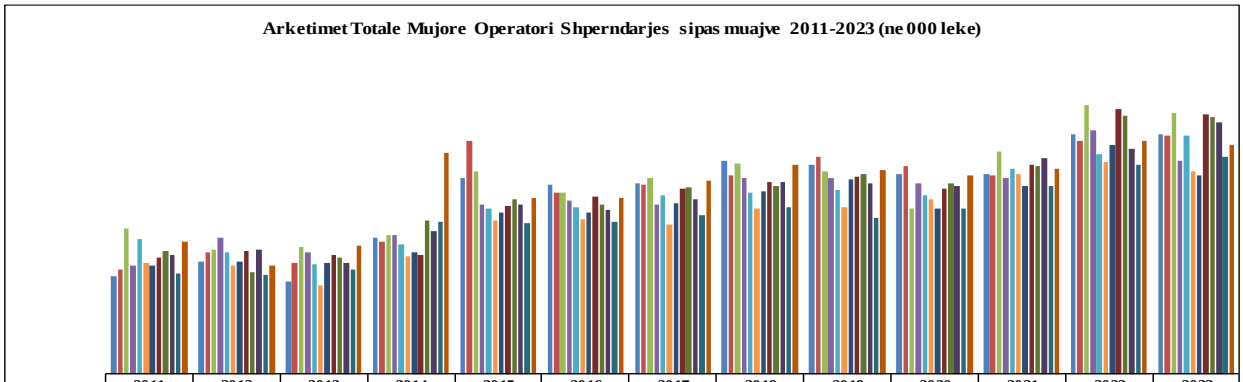


Figure 57. Annual losses in the distribution system for 2009-2023 period

(Source: DSO company)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Janar	2,795,367	3,219,851	2,661,163	3,889,070	5,618,588	5,407,628	5,463,201	6,118,178	6,012,063	5,712,421	5,737,382	6,859,193	6,881,621
Shkurt	2,988,857	3,497,033	3,180,000	3,778,119	6,686,289	5,199,755	5,424,919	5,683,429	6,214,348	5,959,484	5,681,538	6,664,376	6,813,758
Mars	4,167,734	3,567,717	3,632,233	3,971,150	5,797,438	5,204,630	5,625,505	6,016,056	5,809,420	4,729,831	6,378,961	7,719,627	7,491,687
Prill	3,094,055	3,908,236	3,498,228	3,972,164	4,837,198	4,965,408	4,857,514	5,618,824	5,627,003	5,478,206	5,604,601	6,995,838	6,124,221
Maj	3,861,601	3,485,316	3,163,722	3,719,457	4,739,629	4,781,174	5,133,217	5,214,970	5,282,041	5,118,635	5,886,818	6,306,324	6,813,596
Qershor	3,180,000	3,095,872	2,536,344	3,360,657	4,391,053	4,449,663	4,286,856	4,738,737	4,771,267	4,992,372	5,746,417	6,055,583	5,811,853
Korrik	3,125,240	3,208,757	3,192,674	3,489,991	4,618,755	4,621,375	4,901,744	5,224,991	5,561,263	4,727,688	5,377,882	6,545,583	5,684,626
Gusht	3,320,682	3,541,445	3,414,288	3,426,607	4,836,347	5,067,095	5,295,261	5,518,612	5,644,126	5,327,794	6,001,630	7,572,519	7,440,201
Shtator	3,544,505	2,902,556	3,346,193	4,413,100	4,993,295	4,858,541	5,333,323	5,400,919	5,728,875	5,471,536	5,945,864	7,399,844	7,365,263
Tetor	3,415,000	3,576,101	3,202,196	4,104,334	4,850,612	4,685,278	5,007,534	5,489,875	5,453,169	5,384,384	6,192,739	6,440,598	7,213,799
Nentor	2,890,000	2,843,466	2,990,258	4,363,624	4,318,698	4,363,587	4,543,379	4,788,703	4,476,170	4,733,894	5,374,118	5,984,099	6,213,161
Dhjetor	3,805,907	3,104,644	3,677,650	6,350,653	5,028,688	5,063,116	5,530,070	5,999,241	5,856,208	5,703,406	5,883,170	6,690,562	6,581,270

Figure 58. The level of monthly collections for 2011-2023 period

(Source: FSHU company)

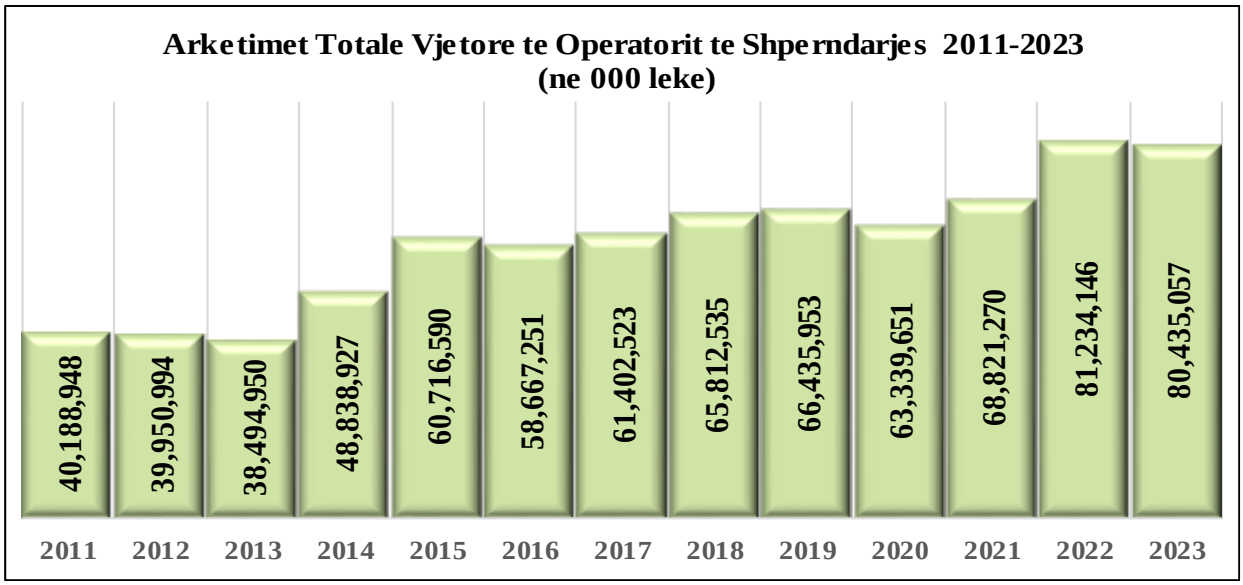


Figure 59. Total annual collections for 2011 – 2023

NIVELI I HUMBJEVE (%) 2009-2023														
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor		
2009	40.75	37.05	38.05	32.9	33.44	30.75	32.60	30.20	25.34	30.67	33.44	36.89		
2010	38.62	35.41	36.90	31.37	35.17	31.45	26.94	29.69	21.47	20.61	22.16	29.05		
2011	55.55	38.00	36.95	23.11	24.85	21.29	21.88	19.41	22.95	25.15	32.20	35.70		
2012	35.72	59.16	55.23	45.41	38.87	39.77	45.51	45.51	42.09	35.53	41.89	49.32		
2013	51.12	48.71	48.29	39.66	39.52	40.33	43.33	38.50	35.08	45.98	48.08	53.04		
2014	47.00	42.14	42.78	35.69	36.85	34.10	36.59	36.36	31.67	34.52	32.88	37.54		
2015	36.68	31.82	32.88	30.54	31.24	28.60	30.62	29.29	25.30	29.92	30.82	34.50		
2016	34.69	29.00	29.93	26.07	26.97	24.35	25.97	25.15	22.12	27.11	29.30	30.99		
2017	33.50	27.63	28.66	25.81	25.88	28.31	24.69	23.29	19.79	23.76	23.55	27.90		
2018	30.65	24.91	27.22	23.33	23.03	20.76	21.46	20.77	19.32	21.53	22.73	26.70		
2019	29.25	23.21	26.5	21.4	22.10	19.92	20.42	19.81	17.54	20.40	21.58	24.76		
2020	28.22	21.61	28.36	17.4	19.10	18.65	19.69	18.87	16.80	21.21	22.79	20.49		
2021	27.87	20.1	25.92	21.1	17.92	18.34	18.75	17.93	16.22	18.56	19.88	20.25		
2022	28.42	19.66	23.68	18.2	17.08	17.30	18.42	16.81	14.94	18.36	18.38	19.76		
2023	25.79	19.06	21.05	18.65	16.68	16.04	17.48	16.17	14.80	17.62	18.20	21.52	18.93	

Niveli i Arketimeve (%) 2009-2023														
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor		
2009	69.32	85.95	74.38	86.58	86.31	76.37	75.40	72.46	83.20	80.82	61.77	70.01		
2010	55.37	66.28	86.63	89.46	86.70	79.42	74.84	124.98	84.20	70.81	56.15	66.48		
2011	67.26	57.61	87.66	71.61	96.73	73.00	65.00	81.00	66.00	63.86	51.47	87.30		
2012	59.80	79.20	78.50	78.00	94.70	83.50	91.60	102.90	74.00	98.00	72.60	78.00		
2013	61.40	63.70	86.20	80.70	79.10	69.60	87.90	90.10	78.50	84.30	89.00	102.00		
2014	84.90	77.10	85.90	85.50	81.90	80.20	86.70	83.60	102.60	101.00	101.90	141.00		
2015	112.70	120.50	103.70	86.60	95.70	97.10	98.40	104.70	95.30	100.30	92.20	100.70		
2016	92.10	87.00	95.60	90.10	99.10	92.00	94.20	96.70	91.50	96.70	90.30	96.70		
2017	85.20	87.60	105.70	94.50	105.70	91.80	104.80	97.40	94.60	103.80	92.70	100.10		
2018	96.39	95.69	105.82	98.92	111.64	100.16	105.00	102.12	93.03	108.76	96.24	108.94		
2019	90.7	92.6	99.8	102.4	102.50	94.00	104.40	99.30	93.90	104.70	89.60	110.70		
2020	91.4	91.6	77.5	106.8	101.80	102.20	96.80	95.30	96.60	101.10	91.50	101.80		
2021	86.4	88.9	102.1	91	101.20	110.70	96.90	94.10	90.70	114.70	96.90	101.50		
2022	90.6	84.3	102.7	90.5	98.00	97.90	99.90	105.00	100.60	104.50	102.30	102.90		
2023	92.3	94.2	100.2	92.9	113.7	95.70	93.60	101.60	101.20	113.80	103.80	96.70	99.4	

Efektiviteti i shitjeve (%) 2009-2022														
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor		
2009	41.1%	46.8%	53.6%	57.9%	50.8%	52.2%	48.8%	50.6%	62.1%	56.0%	41.1%	44.2%		
2010	34.0%	56.0%	56.4%	59.5%	51.5%	51.3%	91.3%	87.9%	66.1%	56.2%	43.7%	47.2%		
2011	29.9%	54.3%	45.2%	74.4%	54.9%	51.2%	63.3%	65.3%	50.9%	47.8%	34.9%	56.1%		
2012	38.4%	32.1%	34.9%	51.7%	51.0%	55.2%	56.1%	56.1%	42.9%	63.2%	42.2%	39.5%		
2013	30.0%	44.2%	41.7%	47.7%	42.1%	52.4%	51.1%	55.4%	51.0%	45.5%	46.2%	47.9%		
2014	45.0%	49.7%	48.9%	52.7%	50.6%	57.1%	53.0%	53.2%	70.1%	66.1%	68.4%	88.1%		
2015	71.4%	69.6%	60.2%	65.8%	69.3%	68.3%	72.6%	74.0%	71.2%	70.3%	63.8%	66.0%		
2016	60.2%	67.0%	66.6%	72.4%	69.6%	69.7%	71.6%	72.4%	71.3%	70.5%	63.8%	66.7%		
2017	56.7%	75.4%	70.1%	78.3%	65.8%	78.9%	73.4%	74.7%	75.9%	79.1%	70.9%	72.2%		
2018	66.8%	77.0%	75.8%	85.9%	79.4%	82.5%	80.2%	80.9%	75.1%	85.3%	74.4%	79.9%		
2019	64.2%	73.4%	80.5%	79.8%	75.3%	83.1%	79.0%	79.6%	77.4%	83.3%	70.3%	83.3%		
2020	65.6%	55.5%	88.2%	82.4%	83.1%	77.7%	76.5%	77.3%	80.4%	79.7%	70.6%	80.9%		
2021	62.3%	75.6%	71.8%	83.1%	90.4%	78.7%	76.5%	77.2%	76.0%	93.4%	77.6%	80.9%		
2022	64.9%	78.4%	74.0%	81.3%	81.0%	81.5%	85.7%	87.3%	85.6%	85.3%	83.5%	82.6%		
2023	68.5%	76.2%	79.1%	75.6%	94.7%	80.3%	77.2%	85.2%	86.2%	93.7%	84.9%	75.9%	80.6%	

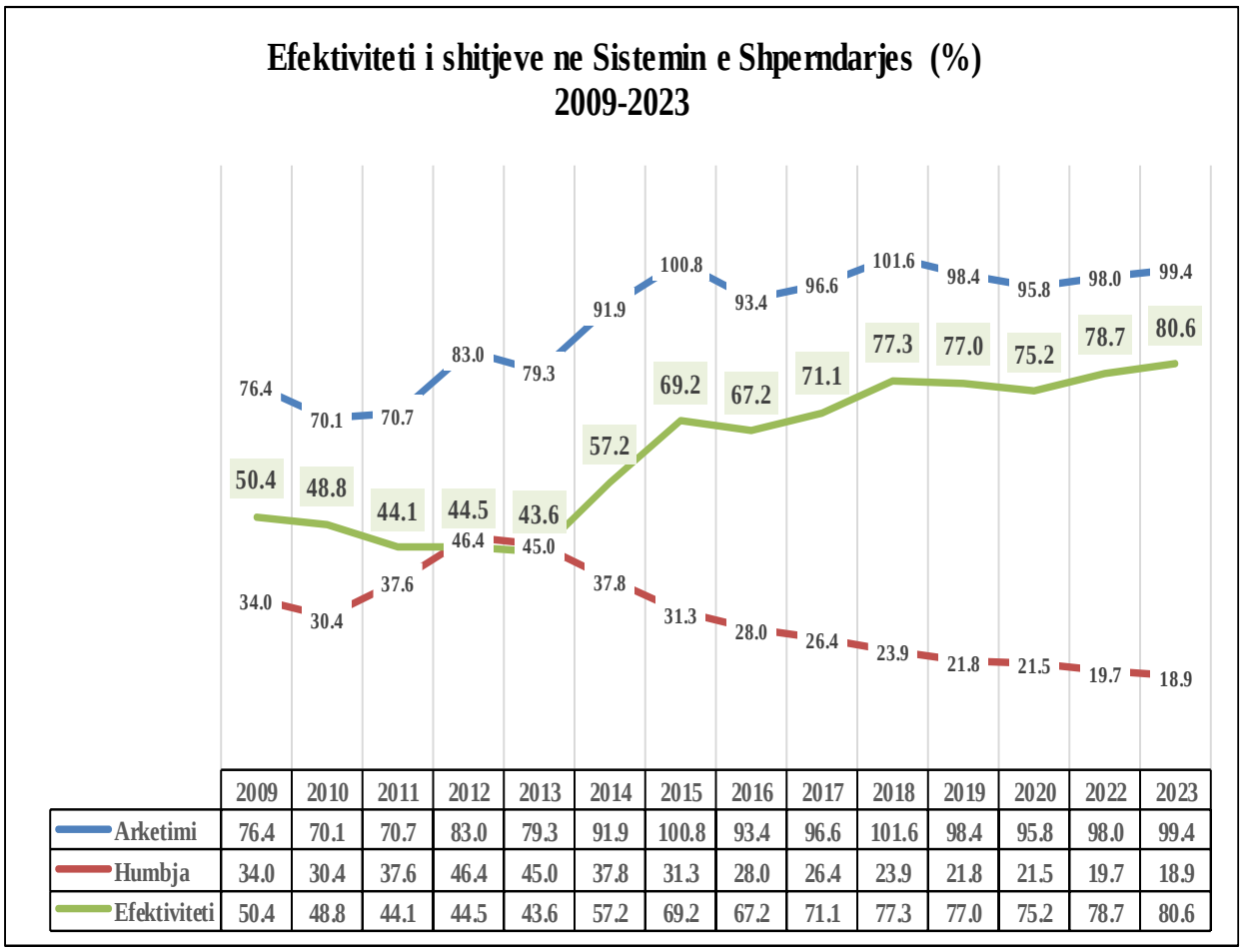
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2022**	**2023**
Arketimi	**76.4**	**70.1**	**70.7**	**83.0**	**79.3**	**91.9**	**100.8**	**93.4**	**96.6**	**101.6**	**98.4**	**95.8**	**98.0**	**99.4**
Humbja	**34.0**	**30.4**	**37.6**	**46.4**	**45.0**	**37.8**	**31.3**	**28.0**	**26.4**	**23.9**	**21.8**	**21.5**	**19.7**	**18.9**
Efektiviteti	**50.4**	**48.8**	**44.1**	**44.5**	**43.6**	**57.2**	**69.2**	**67.2**	**71.1**	77.3	77.0	75.2	78.7	80.6

Figure 60. The progress of sales effectiveness of the Distribution System Operator (%)

(Source: DSO company)

The sales effectiveness of FSHU company represents the percentage (%) of electricity that is sold and collected. For 2023, the effectiveness of sales for FSHU company is 80.6 %, or 1.9 % higher than for 2022.

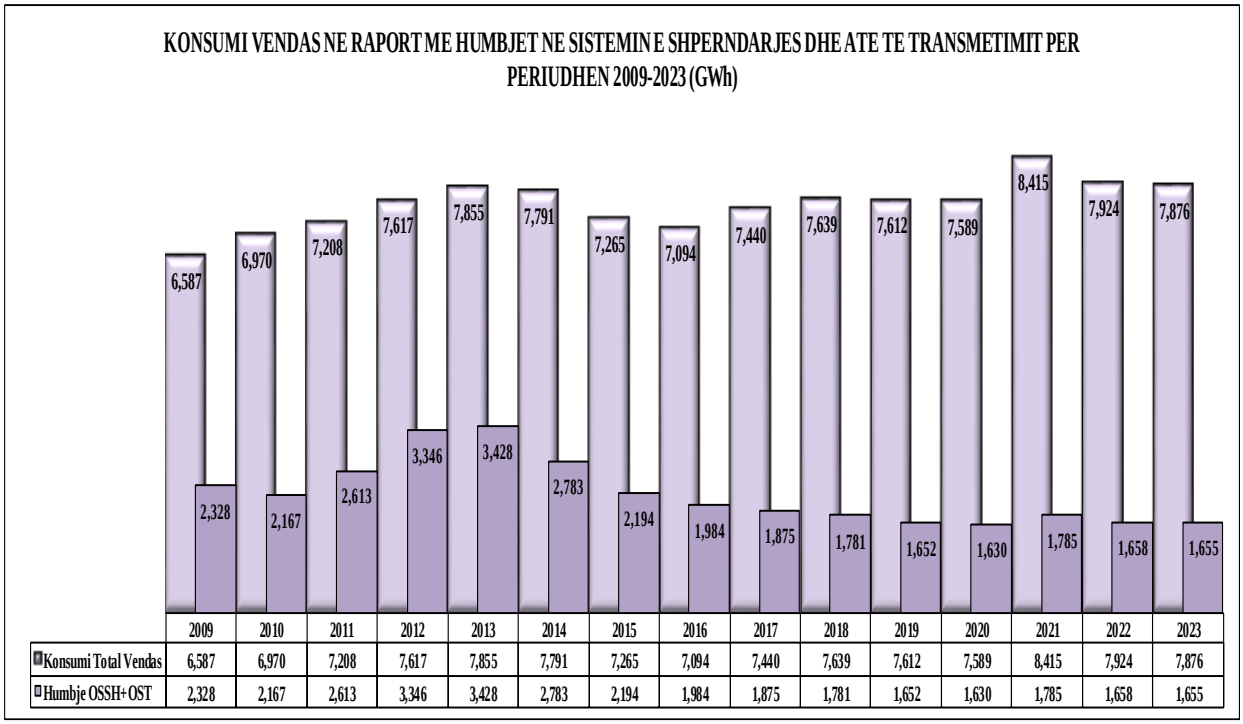
The effectiveness of the sales for 2009- 2023 period is submitted on the graph as follows:



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2022	2023
Arketimi	76.4	70.1	70.7	83.0	79.3	91.9	100.8	93.4	96.6	101.6	98.4	95.8	98.0	99.4
Humbja	34.0	30.4	37.6	46.4	45.0	37.8	31.3	28.0	26.4	23.9	21.8	21.5	19.7	18.9
Efektiviteti	50.4	48.8	44.1	44.5	43.6	57.2	69.2	67.2	71.1	77.3	77.0	75.2	78.7	80.6

Figure 61. Sales effectiveness of the sales of FSHU company / OSHEE Group company, 2009-2023

(Source: FSHU company / OSHEE Group company)

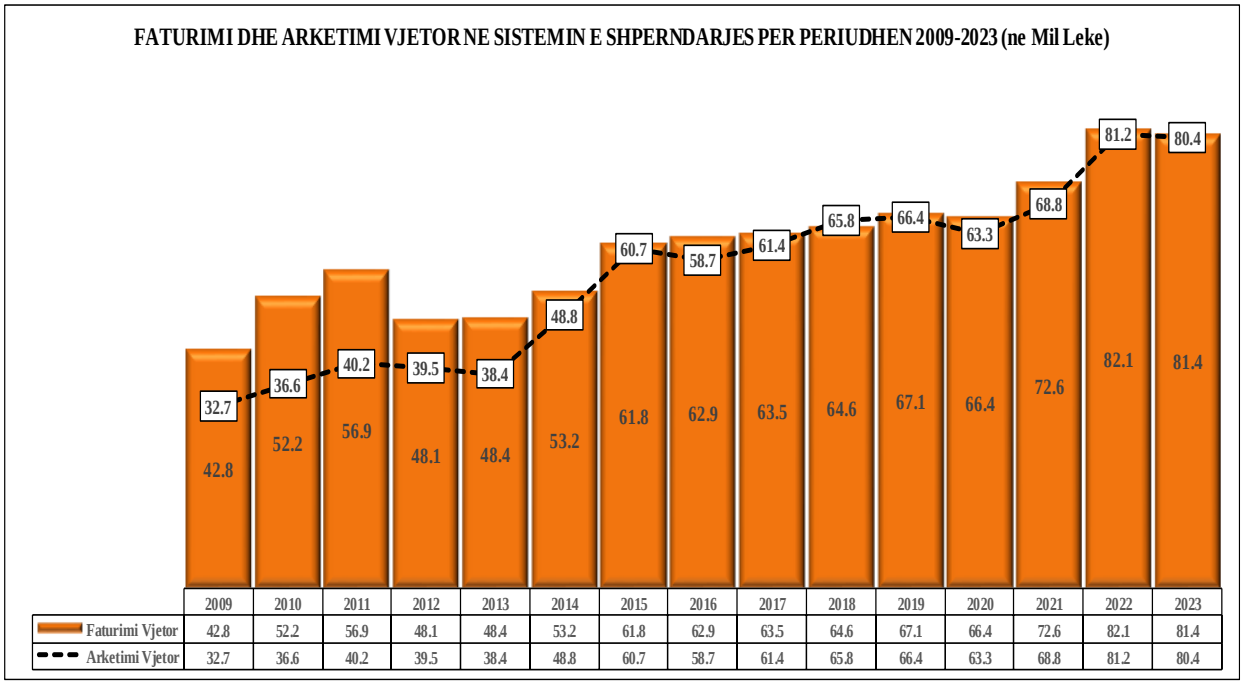


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Konsumi Total Vendas	6,587	6,970	7,208	7,617	7,855	7,791	7,265	7,094	7,440	7,639	7,612	7,589	8,415	7,924	7,876
Humbje OSSH+OST	2,328	2,167	2,613	3,346	3,428	2,783	2,194	1,984	1,875	1,781	1,652	1,630	1,785	1,658	1,655

Figure 62. Total losses to the Electricity introduced in the Power System to the consumption

On the above figure it is submitet the progress of total electricity losses, that includes the losses in the distribution system and those in transmission system during 2009 – 2023 period. The data show that the electricity losses in absolute values are generally decreased. For 2023, the electricity losses in the distribution and transmission system are 1,655 GWh, compared with 2022 period, it is notified a decrease of the total electricity losses with about 3 GWh. At the same time shall be evidenced the fact that the decrease of electricity consumption for 2023, compared to 2022, is about 48 GWh.

On the following figure are submitted the data for the invoice – collection of electricity during 2009 – 2023 period. As shown even on the graph, until 2014 the difference between the invoicing and the collection has been considerable. The difference between the invoicing and the collection reached the maximum level in 2011 of about 30%. For 2023 period, the difference between the invoicing and collection is 1.0 milliard ALL, or about 1.23% of the invoiced electricity amount. The considerable decrease of the difference between the invoiced electricity and the collected one initiated on 2015 and continued with a considerable progress on the next years.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Faturimi Vjetor	42.8	52.2	56.9	48.1	48.4	53.2	61.8	62.9	63.5	64.6	67.1	66.4	72.6	82.1	81.4
Arketimi Vjetor	32.7	36.6	40.2	39.5	38.4	48.8	60.7	58.7	61.4	65.8	66.4	63.3	68.8	81.2	80.4

Figure 63. Invoicing/collection 2009-2023, VAT included

(Source: DSO company)

1.4.7 Assets of the Electricity Distribution Operator

The table as follows submits the data regarding the assets under DSO company for 2023, like the substations, lines, cabins and transformers in the electricity distribution network.

The data on the DSO assets include the data on the main element of the electricity distribution network, such as: The number of the substations, transformers, the length of the air and cable lines as well as the number of the electricity cabins.

- The total number of electricity cabins in the distribution network for 2023 is 26,151
- Total length of the lines in medium voltage in the distribution system is 17,505 km.
- Total length of the network in medium voltage in the distribution system is 48,259 km.
- Total length of the electricity distribution network in medium and low voltage results 65, 764 km.

In details the data are issued on the table as follows:

TE DHENAT E RRJETIT OSSH PER VITIN 2023

NENSTACIONE,KABINA DHE TRANSFORMATORE		KABINAT	TIPI DHE NUMRI I KABINAVE												NUMRI TOTAL I KABINAVE	FUQIA E INSTALUAR (kVA)				NUMRI I TRANSFORMATOREVE TE FUQISE TM/TU			
			METALIKE			MURATURE			BOX			SHTYLLORE											
Numri i Nënstacioneve	177		6 kV	10kV	20kV	6 kV	10kV	20kV	6 kV	10kV	20kV	6 kV	10kV	20kV		6 kV	10kV	20kV	Total	6 kV	10kV	20kV	Total
Numri i transformatoreve ne nenstacione	313	Gjithsej (Total)	321	270	11	2539	3734	4236	59	89	2082	6728	5953	129	26,151	1,555,856	1,762 ,351	2,932,41 4	6,250,621	9,680	10,097	7,025	26,802
Numri i Kabinave total	26,151	Pronesi OSHEE	245	196	3	1,615	2,581	2,136	41	53	1,994	1,981	2,412	88	13,345	769,415	1,053,921	1,742 ,1 85	3,565,521	3,909	5,305	4,489	13,703
Numri i Transformatorëve TM/TU	26,802	Pronesi Jo e OSHEE	76	74	8	924	1,153	2,100	18	36	88	4,747	3,541	41	12,806	786,441	708,430	1, 19 0,229	2,657,285	5,771	4,792	2,536	13,064

Gjatesia Totale e rrjetit TM (km)	17,505	Gjatesia Totale e rrjetit TU (km)	48,259
Linja 35 kV (km) Ajrore	1,245	Ajror me percjelles te xhveshur (km)	17,140
Linja 35 Kv (km) Kabllore	18	Ajror me kabell ABC(km)	6,261
Linja 20 Kv (km) Ajrore	238	Kabllor PVC, XLPE	4,676
Linja 20 Kv (km) Kabllore	2,442	Kabell Koaksial	20,182
Linja 10 Kv (km) Ajrore	7,509		
Linja 10 Kv (km) Kabllore	410		
Linja 6 Kv (km) Ajrore	4,876		
Linja 6 Kv (km) Kabllore	768		

Figure 64. The data on the main assets of DSO company.

2. ELECTRICITY MARKET

The Electricity Market even during 2023 period, operated according to Council of Minister Decision no. 650, dated 10.10.2022 on some amendments and additions to Decision no. 584, dated 08.10.2021, of the Council of Ministers, "On announcing the emergency situation for the electricity supply" as amended.

The decision for announcing the emergency situation for the electricity supply comes as the result of a general situation of electricity price increase in international markets. This decision creates the opportunity to the government to intervene with financial instruments as well as administrative instruments to confront this situation.

With the operation of the Albanian Power Exchange ALPEX company on 12.04.2023 it initiated to be implemented Council of Minister Decision no. 519, dated 13.07.2016 "On Approving the Electricity Market Model", as amended with Council of Minister Decision no. 872, dated 27.12.2022.

The above mentioned Council of Ministers Decisions have defined the Electricity Market participants in Albania, as well as the role and responsibilities of each market participant charged with public service obligation, serving as electricity market model.

The operation of the electricity market even for 2023 continued to be based on the electricity market rules and the effective regulatory framework legislation.

During 2023 it continued the liberalization process of Electricity Market regarding the establishment of the technical conditions and the regulatory and by-legal framework for the issue in the open market even for the customers connected in medium voltage (35kV, 20kV, 10kV, 6kV) implementing Law no. 43/2015 "On Power Sector", as amended and the respective by-legal acts.

This process followed with the issue in the open market of the customers connected in 20 kV, 10kV, 6kV voltage, to guarantee the rights of the electricity suppliers, and also of the customers, ERE fulfilled the legal regulatory framework with the necessary basis to guarantee safe, transparent operation and on non-discriminatory basis of the electricity market.

2.1 Monitoring the Electricity Market Activities

2.1.1 Monitoring the Electricity Market

Pursuant to Law no. 43/2015 "*On Power Sector*", *as amended* Article 7, Article 20, letters ç), d), f) and g), Article 22, Article 58, point 9, Article 62, point 4 and Article 72, letter dh); Council of Ministers Decision no. 244, dated 30.03.2016, as amended "*On approving the conditions to impose public service obligation for the licensees on power sector, which perform the electricity generation, transmission, distribution, and electricity supply*", as amended Article 13; as well as the conditions of licenses issued by ERE, the services of operators licensed by

ERE are monitoring object regarding the meeting of the legal obligations and the implementation of ERE rules, decisions and orders.

To ensure the most accurate and timely reporting by the licensees and electricity market participants with ERE Board Decision no. 203, dated 12.12.2019, are approved the "Rules to monitor the electricity market" On these rules there are defined the reporting procedures and forms to send the information and data at ERE from the electricity market participants and the licensees.

ERE is in process of developing an electronic platform which shall enable to electricity market participants to complete all the obligations deriving from EU Directives and Regulations as well as Law no. 43/2015 "On Power Sector" as amended and law no. 102/2015 "On natural gas sector" as amended, and shall simultaneously serve to all interested parties to obtain the necessary information and data as soon as possible. Also, this shall positively contribute following the improvement of the data publication practices from ERE implementing Article 19, letter k) and Law no. 43/2015 "On Power Sector" as amended.

From the analysis of the results and the process of the issues and information received from ERE, it is judged according to the case to develop verifications, analysis, hearing sessions and monitorings.

Also, it is analysed the situation of periodic reporting for the licensees where are found delays or failures to deliver on time from them to meet the obligation for periodic reporting within the terms defined from the entities, regarding ERE findings it continued with the relevant correspondence in the framework of improving these practices.

Representatives from ERE are members of the working groups of international organizations with which ERE has already established cooperation agreements.

In this framework ERE information provided from the periodic reports send to various institutions and organizations that collaborate with ERE, also its participation at the meetings that are within its scope of work, these monitored and analysed data serve also as a contribution at the practices of these institutions as well as in completing the questionaires and correspondences.

To increase the transparency in the electricity market, ERE continued to monitor the implementation of ERE Board Decision no. 118, dated 27.07.2017, that approved the "Rules for the data publication based on the electricity market", keeping the respective correspondences with the respective operators.

The main (4) four months data that are most frequent for electricity market operation continued to be published even for 2023 regularly on ERE website, according to the provisions of law no. 43/2015 "On Power Sector" as amended. These data issue the information and detailed reports regarding electricity production, transmission, distribution and electricity supply and for the electricity market in our country.

In order to ensure the implementation of the legal and by-legal provisions of the obligations related to transparency in the energy market, ERE periodically monitored the official website

of the main operators in the energy market. It results that for 2023 these obligations are implemented mainly by operators in the framework of increasing transparency and in each case by ERE are done the official letters requiring the operators to improve this process by identifying the relevant obligations that shall be complied implementing the respective acts.

From the operators, it is noticed the improvement of the information and the data published in the framework of transparency, mainly TSO company, on its website and through the transparency platform of ENTSO-E, this is due to the fact that TSO company is a member of ENTSO – E and is obliged to publish the information even on the transparency platform of this organization. Although improvements of this process shall continue and become one of the objectives of ERE in continuation, this is underlined even during 2023 and following the official communication of ERE with the Energy Community Secretariat and TSO company.

2.1.2 Periodic monitorings of TSO company

I. Allocation of interconnection capacities
On the table as follows are submitted the interconnection capacities allocation according to the borders.

Auction Month	Period	Albania - Monte Negro				Albania - Greece				Albania - Kosovo			
		ATC sold in the Auction		Auction Price		ATC sold in the Auction		Auction Price		ATC sold in the Auction		Auction Price	
		Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
		[MW]	[MW]	[Euro/MWh]	[Euro/MWh	MW	MW	Euro/MWh	Euro/MWh	MW	MW	Euro/MWh	Euro/MWh
January	01.01.2023-31.01.2023	100	100	3.14	1.62	200	150	3.05	3.55	200	200	1.28	0.92
February	01.02.2023-28.02.2023	100	100	4.5	3.58	200	150	10.33	3.5	200	200	2.1	1.21
March	01.03.2023-12.03.2023	100	100	2.77	2.21	200	200	8.22	0.63	200	200	1.44	0.88
	13.03.2023-15.03.2023	50	50	4.44	3.88								
	16.03.2023-31.03.2023	100	100	2.77	2.21								
April	01.04.2023-30.04.2023	100	100	2.91	1.2	200	200	6.98	1.24	200	200	1.21	0.91
May	01.05.2023-31.05.2023	100	100	1.55	0.9	200	200	7.50	0.58	200	200	0.14	0.08
June	01.06.2023-30.06.2023	100	100	2.31	1.75	200	200	10.00	0.66	200	200	0.88	0.64
July	01.07.2023-31.07.2023	100	100	0.88	1.5	200	200	5.77	0.6	200	200	0.24	0.55
August	01.08.2023-31.08.2023	100	100	0.66	1.5	200	200	4.7	0.88	200	200	0.19	0.98
September	01.09.2023-30.09.2023	100	100	0.81	2.33	200	200	3.5	0.69	200	200	0.26	1.47
October	01.10.2023-31.10.2023	100	100	1.5	2.17	200	200	3.50	0.9	200	200	0.33	0.91
November	01.11.2023-30.11.2023	100	100	1.46	1.5	200	0	2.33	0	200	200	0.51	1.11
December	01.12.2023-31.12.2023	100	100	2.31	1.7	200	50	6.54	1.01	200	200	0.91	1.51

		Albania - Monte Negro	Albania - Greece	Albania – Kosovo

Annual Auction	Period	ATC sold in the Auction		Auction Price		ATC sold in the Auction		Auction Price		ATC sold in the Auction		Auction Price	
		Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
		MW	MW	Euro/MWh	Euro/MWh	MW	MW	[Euro/MWh]	[Euro/MWh]	[MW]	[MW]	Euro/MWh]	[Euro/MWh
2023 Period	01.01.2023-31.12.2023	200	200	3.69	2.25	200	200	3.98	4.23	200	200	0.50	1.1

Figure 65. The data on the Capacities Allocation Auctions in the Transmission System during 2023

(Source: TSO company)

As it can be seen, in most cases there has been congestion in capacities allocation by the imports /exports.

For the capacities allocation in interconnections, during 2023 are followed the procedures according to the harmonized rules of the Coordinated Office of Capacities Allocation of the Interconnection for the Southeast Europe (SEE CAO).

The Auctions for the capacities in interconnection are held in conformity with the terms and procedures defined on the Auction Regulation on Capacities Allocation at SEE CAO.

It is worth mentioning that there were no complaints from Market Participants, participated in the auction, about the deadlines, procedures, auction process, bid evaluation process, determination of winners and auction prices, communication and publication of notice of auction and their results.

Electricity Market implementation is also a mutual cooperation and assessment process between Market Operators and Market Participants, according to their respective role in the energy market.

2.1.3 Imbalances to the electricity market

Implementing the “Albanian Electricity Balancing Market Rules” approved with ERE Board Decision no. 106, dated 02.07.2020, TSO company beginning from 1 April 2021 operated on the electricity balancing market implementing these rules with financial effects for the electricity market participants making the calculations for the imbalances invoicing for each market participant that are responsible for the imbalances caused on hourly basis. These rules set clear principles of a competitive and dynamic market regarding the electricity balancing.

The Council of Ministers according to Article 100 of the Constitution and point 4, of Article 99, Law no. 43/2015, "On Power Sector", as amended issued decision no. 389 dated 09.06.2022, “On handling the imbalances caused from electricity priority producer”. The effectiveness of this decision fully completes the legal framework for handling the imbalances in electricity market.

Above all on this Council of Minister Decision, Paragraph III “General Principles” on the respective points 1 and 2 it is defined that:

According to Article 22.5, of Law no.7/2017, “On the promotion of energy from renewable resources”, and the balancing market rules, approved by ERE, the electricity priority producers

are responsible for the imbalances and their respective costs that they cause to the system, according to the Albanian electricity balancing market rules, approved by ERE.

The electricity priority producers, which have an electricity sale – purchase contract with the company charged with public service obligation for the electricity purchase from the renewable resources, from 1 April 2021 that are automatically part of the Balancing Group of the Operator for Renewable Energy (OER).

The imbalances of the market participants during 2022 are calculated and invoiced on mothly basis, for 1-hour time period.

The market operation is a continuous monitoring object by the ERE.

Implementing the "Albanian Electricity Market Balancing Rules" approved with ERE Board Decision no. 106, dated, 02.07.2020 for the January -December 2023 period, and according to the hourly data received from the Commercial Mettering Sector of TSO company and the nominations of the Balancing Market Participants on the electronic plarform of Market Management, there are calculated the Disbalances on hourly/daily basis.

The table with the data as follows:

MWh	Jan	Febr	March	April	May	June	July	Aug	Sept	Oct	November	Dec
Negative Imbalance	25,937.64	17524.907	21,378.62	20890.13901	19,378.13	15542.50678	20624.85619	17561.2704	14046.6732	20732.3839	25224.7085	31209.2641
Positive Imbalance	38,827.16	34008.985	35,332.30	36108.07804	24,472.83	27591.96646	24,388.90	21861.0092	21,616.01	19450.6464	37,643.73	32124.5567
System in Total [MWh]	64764.8023	51533.892	56710.92374	56998.21705	43850.96252	43134.47324	45013.75623	39422.2796	35662.6789	40183.0304	62868.4354	63333.8208

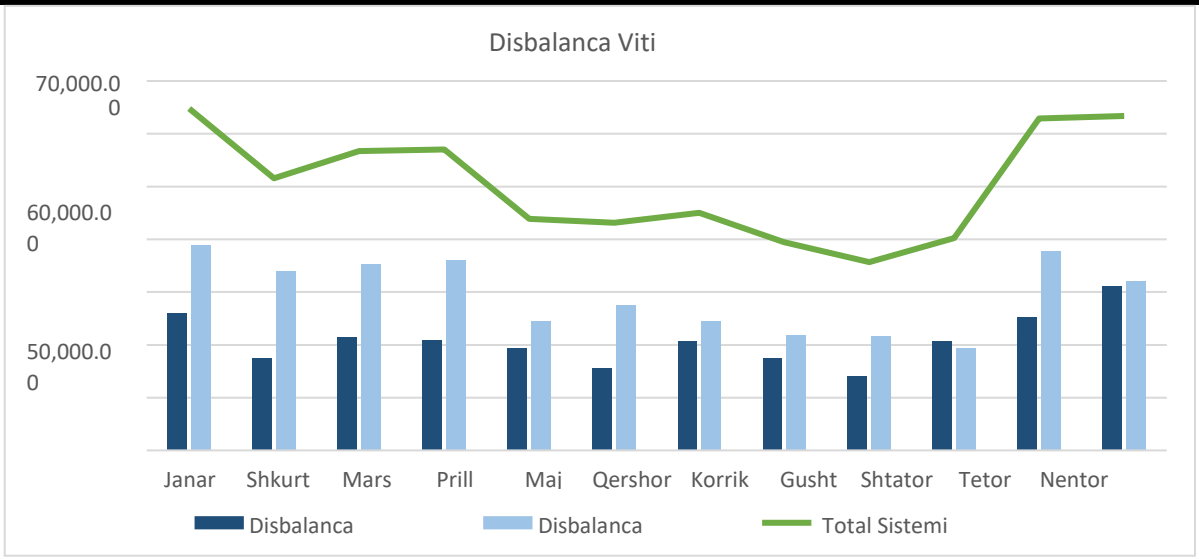


Figure 66. Total imbalances for 2023 (MWh)

(Source TSO company)

2.1.4. Supervision of Licensees during 2023 (MWh)

During 2023, ERE, within the framework of licensee supervision, continued the work with the control and evaluation of the information derived from the reports related to the licensed activity for each subject, in accordance with the conditions of the respective licenses. Based on the obligations stemming from the licenses in the field of electricity and natural gas activity, there were periodic monthly and progressive 3- or 4-month reports

Based also on the annual reporting on the amount of electricity produced, many of the licensees have resulted in a positive financial performance. From the reports, it is observed that the parties, in accordance with the contract for the sale and purchase of electricity from the producers, primarily carry out the act-reconciliations with the Free Market Supplier (FTL).

From the examination of the reports, it was found that during 2023, some of the licensees have identified issues related to voltage fluctuations and power disconnection, mainly the licensees in the production of photovoltaic electricity in the Sheqeras Topojan area, Fier. From the reports of the Distribution System Operator company within the Annual Report of its activity for 2023, it results that the "Reconstruction and strengthening of the 35kWh TPP/Fier-Hoxhare line segment" has already been completed, these interventions that have served in improving the distribution network, increasing security and quality of service in the area where the issues were reported.

Also, regarding to the reporting of licensed subjects on the fulfillment of the license conditions, in order to facilitate the work and their reporting as complete and correct as possible, during 2023 work has begun on the standardization and digitization of these reports, to create the possibility that each licensee to submit their reports through this digital platform and these data to be received and processed in real time, to then continue with the relevant reviews and analyses. This platform shall become operational during 2024.

During 2023, ERE carried out the monitoring of licensed subjects in electricity production, trading and supply activity, with the object of verifying the keeping of separate accounts, in accordance with the legal provisions and conditions of the license with which these companies have been issued .

After carrying out the monitoring and analysis of the documentation submitted by the subjects, as well as developing the relevant correspondence with the monitored subjects, in relation to the findings of this monitoring, it turned out that only 7 (seven) of all the licensed subjects do not fulfill this obligation in these three activities. With ERE Board decision no. 388, dated 28.12.2023, it has been estimated that these subjects should be given the opportunity to correct this violation by 31.03.2024, leaving them with the task of reflecting the separate accounts for each licensed activity in the financial statements of 2023.

2.1.5 Transactions performed by KESH company in the liberalized (irregulated) Market during 2023

During 2023, ERE has monitored, through periodic reporting, electricity purchase in the open market from the partially regulated company KESH company, where it results that the weighted average price of electricity purchase in the open market from KESH company charged with the public service obligation is around 110.52 EUR/MWh, while the weighted average price of electricity sale in the open market by KESH company results in about 87.55 EUR/MWh.

KESH company during 2023, sold/purchased and exchanged electricity in the irregulated market mainly for optimization, in accordance with the "Electricity Trading Regulation by the Albanian Power Corporation KESH company" approved by Decision no. 2762/8, dated 06.06.2019, of the Ministry of Infrastructure and Energy, in the role of the owner of KESH company and the "General rules on performing electricity commercial activity by the Albanian Power Corporation company" approved by Decision no. 5233/1, dated 12.06.2020, of the General Shareholders' Assembly.

Below it is presented a table with data of the most detailed transactions carried out during 2023 by KESH company

Blerje energji elektrike sipas detyrimit për shërbim publik të vendosur me VKM 456/2022 & 449/2023							
Shoqëria	Periudha	Statusi	Sasia	Çmimi	Vlera	TVSH	Vlera me TVSH
			MWh	Euro/MWh	Euro	Euro	Euro
Janar	01-31.01.2023	Blerje	-	-	-	-	-
Shkurt	01-28.02.2023	Blerje	-	-	-	-	-
Mars	01-31.03.2023	Blerje	-	-	-	-	-
Prill	01-30.04.2023	Blerje	-	-	-	-	-
Maj	01-31.05.2023	Blerje	-	-	-	-	-
Qershor	01-30.06.2023	Blerje	-	-	-	-	-
Korrik	01-31.07.2023	Blerje	108,125.00	112.64	12,179,724.08	1,341,357.68	13,521,081.76
Gusht	01-31.08.2023	Blerje	107,700.00	107.60	11,588,616.00	420,374.40	12,008,990.40
Shtator	01-30.09.2023	Blerje	89,772.00	104.85	9,412,439.28	979,228.20	10,391,667.48
Tetor	01-31.10.2023	Blerje	161,710.00	107.84	17,438,810.72	2,023,433.68	19,462,243.92
Nentor	01-30.11.2023	Blerje	89,000.00	121.47	10,811,086.00	885,914.00	11,697,000.00
Dhjetor	01-31.12.2023	Blerje	5,120.00	120.86	618,812.00	123,762.40	742,574.40
TOTALE		**Blerje**	**561,427.00**	**110.52**	**62,049,488.08**	**5,774,070.36**	**67,823,557.96**

SHITJE ENERGJI ELEKTRIKE NE KUSHTET E PRURJEVE TE MEDHA					
Shoqëria	Periudha	Statusi	Sasia	Çmimi	Vlera
			MWh	Euro/MWh	Euro
Janar	01-31.01.2023	Shitje	135,690.00	109.01	14,792,103.12
Shkurt	01-28.02.2023	Shitje	40,686.00	95.79	3,897,117.32
Mars	01-31.03.2023	Shitje	-	-	-
Prill	01-30.04.2023	Shitje	-	-	-
Maj	01-31.05.2023	Shitje	215,137.00	62.80	13,509,555.03
Qershor	01-30.06.2023	Shitje	96,024.00	85.68	8,227,773.12
Korrik	01-31.07.2023	Shitje	-	-	-
Gusht	01-31.08.2023	Shitje	-	-	-
Shtator	01-30.09.2023	Shitje	-	-	-
Tetor	01-31.10.2023	Shitje	-		
Nentor	01-30.11.2023	Shitje	80,600.00	102.99	8,301,300.76
Dhjetor	01-31.12.2023	Shitje	71,400.00	101.72	7,262,752.44
TOTALE		**Shitje**	**639,537.00**	**87.55**	**55,990,601.79**

Figure 67. Performed transactions during 2023 from KESH company.

(Source KESH company)

The graphic of Figure 68 below presents the balance (input - output) import-export of electricity for the 10-year period 2014 - 2023.

For the last 10-years, our country results to generally be a net importer of electricity except of the 2016, 2018, 2021 and 2023 period. Shall be clarified that the submitted values represent all entry and exit flows from all electricity market participants in Albania.

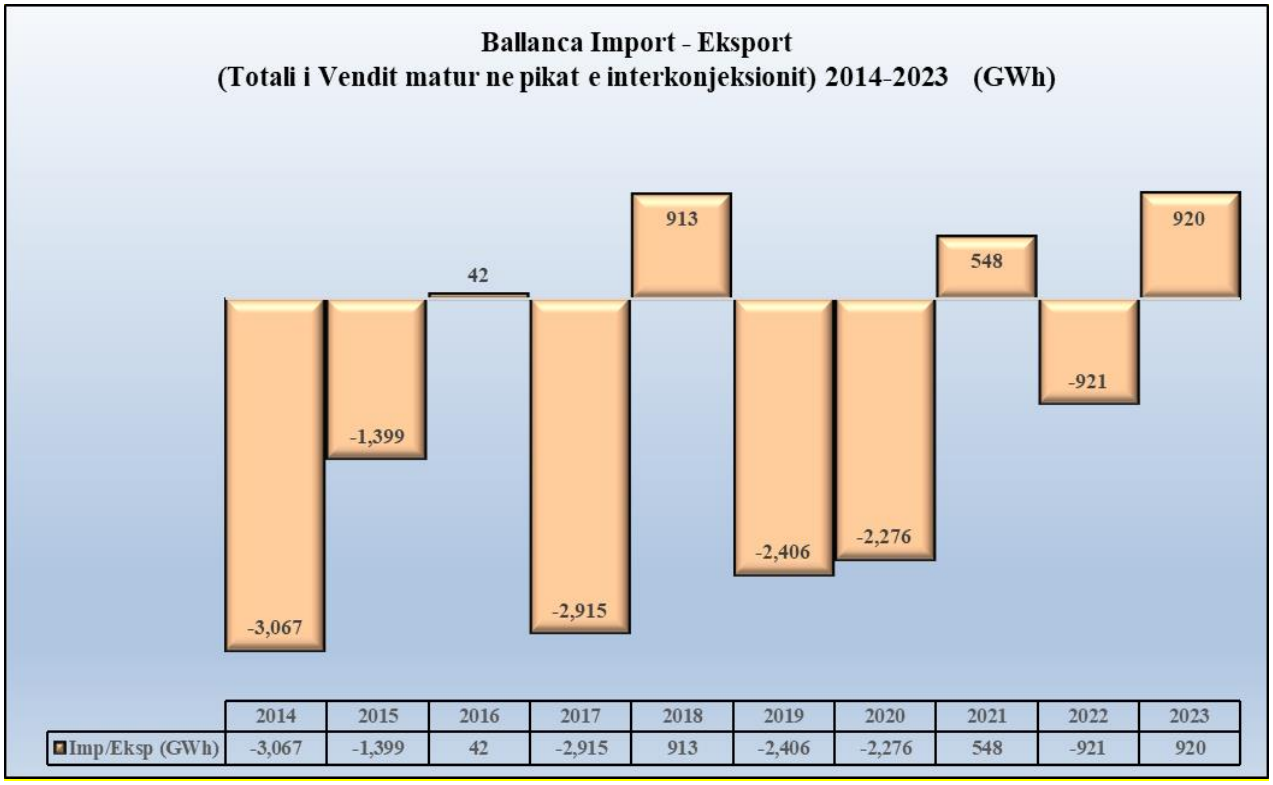


Figure 68 Import – Export balance of electricity throughhout the years

(Source: TSO company)

2.1.6 Recomendations for the market operators and participants from the monitorings

Throughout 2023, within the framework of exercising the monitoring operation from ERE, for the market operators and participants are issued the recommendations and obligations as follows:

Full implementation of the Rules for the publication of the basic data of the Electricity Market, approved with ERE Board Decision no. 118, dated 27.07.2017, from TSO company and OSHEE Group company within the increase of the transparency level in the electricity market;

Rigorous implementation of ERE Board Decisions no. 106, dated, 02.07.2020 "On approving the Albanian Electricity Balancing Market Rules", from the involved TSO and the guarantee of its financial neutrality as defined on these rules;

The implementation of full criteria for OSHEE Group allocation, in three licensed DSO, FSHU and FTL companies, including their reporting form of the data at ERE according to the allocation;

The taken of the measures from TSO, OSHEE GROUP company and KESH company for full implementation of the provisions of the Regulation for Cybersecurity of Critical Infrastructure in Power Sector with ERE Board decision no. 126 dated 30.07.2020.

2.2 Regulation on wholesale energy market integrity and transparency (REMIT)

With ERE Board Decision no. 126, dated 17.05.2021, the Regulation for the Wholesale Energy Market Integrity and Transparency (REMIT) was approved. The Regulation for the Wholesale Energy Market Integrity and Transparency transposes REMIT Regulation no. 1227/2011 as approved and adopted for the Contracting Parties of Energy Community and aims to define the criteria that prevent the abusive practices that may happen and affect the wholesale energy market. At the same time the regulation helps the proper operation of these markets considering their specific characteristics.

2.2.1 Obligations deriving from the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT)

The Regulation on Wholesale Energy Market Integrity and Transparency, prohibits the energy trading from internal persons of the companies. This is due to the fact that these persons possess internal information regarding the energy products that shall be traded and as consequence the inclusion of these persons in trading enegy products may prevent competition, transparency and distorts the energy market.

2.2.2 Monitoring and registration of the participants in the market implementing REMIT regulation

ERE shall monitor the commercial activity of the wholesale energy products to detect and prevent trade based on the flow of internal information and national market manipulation

ERE shall cooperate at regional level through the Energy Community Regulatory Board in conducting wholesale energy markets monitoring. For wholesale energy market monitoring, ERE shall also cooperate with the Competition Authority, or any other body for market monitoring. In conducting market monitoring, the Competition Authority or the body of market monitoring shall have the same rights and obligations as ERE.

Market participants entering into transactions with wholesale energy products in Albania, or show interest to enter into such transactions through the trading procedures, shall be registered at ERE.

2.2.3 Registration of market participants according to REMIT

During 2023 ERE, implementing REMIT regulation established a specific part on its website at the “Energy Market” session. On this item are found the respective documets of the regulation including Annex A on which it is respectively submitted Form 1, this form shall be used to submit the Information from ERE to Energy Community Regulatory Board (ECRB) in case of doubts for abusive influences to the Contracting Parties based on article 4(1) of ECRB, procedural act 01/2020, as well as Form 5 which shall be used to establish a national register of market participants that shall be published.

The main focus of ERE work for this year has been in updating the National Register of REMIT in Albania, that is published on ERE website. As follows there is the REMIT register established during 2023:

Regjistri Kombetar REMIT_Shqiperi

Nr.	Vendi	Kodi i ECRB	Data e paraqitjes	Emri Ligjor i Kompanisë	Forma Ligjore	Adresa e Kompanisë (Zyrat Qëndrore)	Qyteti ku ndodhet Kompania	ZIP Code	Kodi EIC i Kompanisë	Kodi BIC i Kompanisë	Kodi LEI i Kompanisë	NIPT i Kompanisë	Website i kompanise	Webpage ku janë publikuar informacionet e brendshme
1	Shqiperi	ECRB-AL-20220105-001	05.01.2022	GSA	SHPK	Njesia Bashkiake Nr.5 Rr. Ibrahim Rugova 64.	Tirane	1019	22XGSA N	SGSBALTX		J61820031J	www.gsa.al	www.gsa.al
2	Shqiperi	ECRB-AL-20220225-001	25.02.2022	GEN-I Tirana	SHPK	Ish-Noli Business center, Rr. Ismail Qemali Nr. 27	Tirane	1000	23X---120709GEN0	SGSBALTX		K81413005A	https://www.gen- i.eu/at/en/	https://www.gen-i.eu/at/en/
3	Shqiperi	ECRB-AL-20220216-001	16.02.2022	AlbEsp Trading & Consulting	SHPK	Rruga "Vaso Pasha" Nr. 20	Tirane	1001	54X-1-10101AESPF			M122210081	www.albesptc.al	www.albesptc.al
4	Shqiperi	ECRB-AL-20220601-001	01.06.2022	Korporata Elektroenergjitike Shqiptare	SH.A	Rruga "Viktor Eftimiu"	Tirane	1023	23X--130918APC-M	SGSBALTX		J61817005F	www.kesh.al	www.kesh.al
5	Shqiperi	ECRB-AL-20220228-001	28.02.2022	NOA Energy Trade	SHPK	Bulevardi "Deshmoret e Kombit" Kullat binjake kati 2	Tirane	1001	23X--150630-N-6			L42203031A	www.noaenergy.al	
6	Shqiperi	ECRB-AL-20220225-001	25.02.2022	Operatorit te Sistemit te Transmetitit	SH.A	Autostrada Tirane-Durres KM 9 Kashar	Tirane	1051	10XAL-KESH J	SGSBALTX		K42101801N	www.ost.al	www.ost.al/te-dhena/
7	Shqiperi	ECRB-AL-20220218-001	18.02.2022	INFO-Telecom	SHPK	Rruga "Faik Konica" Nr1 Pallati kuq perball fakultetit ekonomik	Tirane	1001	54X-1-1100-INFTI	SGSBALTX		K92402002P	www.infotelecom.al	
8	Shqiperi	ECRB-AL-20210712-001	12.07.2021	ReNRGY Trading Group	SHPK	Rruga "Dervish Hima" Nr1 Tirane	Tirane	1010	54X-101RN102618R			L81818026N	www.rnrgy.com	www.rnrgy.com
9	Shqiperi	ECRB-AL-20220218-001	18.02.2022	Tirana International Development	SHPK	Rruga "Sami Frasheri" Nr5, shkalla F, kati ,1 Zyra 2	Tirane	1001	54x-1-0101-TID-F	PUPPALTR		J82427007R		
10	Shqiperi	ECRB-AL-20220218-001	18.02.2022	ENER TRADE	SHPK	Rruga e Elbasanit, Objekti Park Gate , Kati 1	Tirane	1001	54X-101ET0911180	USALALTR	894500OX1HJLANDKZY22	L82118017S		https://www.linkedin.com/company /ener-trade-shpk/mycompany
11	Shqiperi	ECRB-AL-20230203-001	03.02.2023	Energy Financing Team Tirana	SHPK	Rruga Murat Toptani, Qendra e Biznesit EUROCOL, Kati 3	Tirane	1001	54X-EFT-TIRANA-V			L71801017U	www.eft-group.net	
12	Shqiperi	ECRB-AL-20230207-001	07.02.2023	Energy 24	SHPK	Rruga Ismail Qemali Pall 11 Kati 2 (Pallati Telesport)	Tirane	1001	54-I-1011EN-248			L91331002S		
13	Shqiperi	ECRB-AL-20230216-001	16.02.2023	Future Energy Trading and Exchange Dynamics	SHPK	Rruga Bilal Golemi, Ndertesa 28 Hyrja 7 Ap 14	Tirane	1019	54-X-I-101FETED-J	SGSBALTX		M21421046C	www.fuentedynamics.com	
14	Shqiperi	ECRB-AL-20230220-001	20.02.2023	Ayen AS Energji	SH.A	Rruga Papa Gjon Pali II, ABA Business Center,	Tirane	1001	23X--150416-A--N	SGSBALTX		L11731504A	http://www.ayen.com.tr/	http://www.ayen.com.tr/en/ayen-as-energji-sha-arnautluk
15	Shqiperi	ECRB-AL-20230220-001	20.02.2023	Ayen Energy Trading	SH.A	Rruga Papa Gjon Pali II, ABA Business Center, Nr.601	Tirane	1001	23X--140426-AY-W	SGSBALTX		L32130008F	http://www.ayen.com.tr/	
16	Shqiperi	ECRB-AL-20230222-001	22.02.2023	EZ-5 ENERGY	SHPK	Rruga Vaso Pasha, Pasuria me Nr. 3/64+1-7/2, Zona Kadastrale 8270	Tirane	1019	54X-11LKE250319U	SGSBALTX		L91325503D	https://www.ez-5energy.com	https://www.ez-5energy.com
17	Shqiperi	ECRB-AL-20230217-001	17.02.2023	Devoll Hydropower	SH.A	ABA Business Center, Zyra Nr. 1206, Rruga "Papa Gjon Pali II"	Tirane	1010	23X--150409-DHP5	SGSBALTX	529900FCS5S6HQ1B8S98	K82418002C	https://www.statkraft.al/	https://www.eex-transparencv.com/power/albania/production/availabilitv
18	Shqiperi	ECRB-AL-20230310-001	10.03.2023	ENSCO Trading (Albania)	SHPK	Njesia Bashkiake nr. l 0, Rruga Bogdaneve, Vila nr.22, nr.2	Tirane	1019	54X-110IESA1019G	HYVEDEMM591		L9l8l9025L	https://www.ensco.eu/	
19	Shqiperi	ECRB-AL-20230316-001	16.03.2023	Lengarica & Energy	SHPK	Rruga Jul Variboba, Vila nr. 10, Tirane	Tirane	1022	54X-L-1010H-LENU	USALALTR		K83026602A	www.ensohydro.at	
20	Shqiperi	ECRB-AL-20230317-001	17.03.2023	FURNIZUESI I TREGUT TE LIRE	SH.A	Bulevardi "Gjergj Fishta", Ndertesa Nr. 88, H. 1, Kati i IV, Njesia Administrative Nr. 7,	Tirane	1023	54X-101 0IFT0220P	AL37202110060000000001446945		L81530029T	www.oshee.al	www.oshee.al
21	Shqiperi	ECRB-AL-20230317-002	17.03.2023	KURUM INTERNATIONAL	SH.A	Rruga Ibrahim Rugova, pallati nr. l 4 KT, "Green Park", Ap.nr.39, kati 6, Njesia Administrative Nr.5	Tirane	1001	23X-131115Kl--1	SGSBALTX (RAIFFEISEN BANK) NCBAALTX (BKT)	K02727230T	K02727230T	www.kurum.al	www.kurum.al
22	Shqiperi	ECRB-AL-20230317-003	17.03.2023	Danske Commodities Albania	SHPK	Rruga.Ibrahim Rugova, Sky Tower, Godina nr. 5, Kati 9, Zyra 91	Tirane	1000	23X--121120DCALG	SGSBALTX		L21702005R	www.danskecommodities.com	
23	Shqiperi	ECRB-AL-20230320-001	20.03.2023	Dragobia Energy	SHPK	Rruga "Papa Gjon Pali II", Ndeitese Nr. 12, ABA Business Center	Tirane	1010	54X-I-l1 1DRG-0l W	SGSBALTX / PUPPALTR		K92025004T		
24	Shqiperi	ECRB-AL-20230320-002	20.03.2023	Natyre Energy	SHPK	Rruga Prush Nr 48,Vaqarr	Tirane	1041	54X-L01-EN-11YRL	USALALTR		L72220033M	www.natyreenergy.com	
25	Shqiperi	ECRB-AL-20230317-003	20.03.2023	Fumizuesi i Sherbimit Universal	SH.A	Bulevardi "Gjergj Fishta", Ndertesa Nr. 88, H. 1, Kati i 2, Njesia Administrative Nr. 7,	Tirane	1023	54X-0101IFSH022Q			L81530016L	www.fshu.al	
26	Shqiperi	ECRB-AL-20230323-001	23.03.2023	LAJTHIZA INVEST	SH.A	Lajthize, Njësia Administrative Qafë-mali,	Fushe -Arrëz	4402	54X-L-101 lLTH-IS	PUPPALTR XXX		J98009202P	www.laithiza.al	
27	Shqiperi	ECRB-AL-20230324-001	24.03.2023	Hec-i Bishnica 1,2	SHPK	Blvd: B.Curri, E.T.C, kati IV, zyra 5/2,	Tirane	1017	54X-1-10011HB12W	AL84202110750000001002955860		K82403011S		
28	Shqiperi	ECRB-AL-20230324-002	24.03.2023	Heci Tervolit	SHPK	Komuna Pishaj Gramsh	Gramsh	3301	54X-1-21010IHTEI	ALI 62021121900000000013351925		K73621202N	www .hecitevolit.com	www .hecitevolit.com
29	Shqiperi	ECRB-AL-20230331-001	31.03.2023	Axpo Albania	SH.A	Rruga e Rinasit, Tirana Business Park, Nd.07, Fushe Preze	Tirane		23X—150330-AA-K	SGSBALTX	529900ZABTUMR58SS885	K51628010V	www.axpo.com	www.axpo.com
30	Shqiperi	ECRB-AL-20230331-002	31.03.2023	ADA SOLAR SE	SHPK	Rruga "Dervish Hima", Ada Tower	Tirane	1001	54X-1-01 00lADS-6			L81906036J		
31	Shqiperi	ECRB-AL-20230406-001	06.04.2023	Operatori i Sistemit te Shperndarjes	SH.A	Bulevardi "Gjergj Fishta", Ndertesa 88, Kati V,Hyrja 1	Tirane	1023	54X-1010FT0220P	AL15212110160000000001386653		L81530018E	www.ossh.al	www.ossh.al
32	Shqiperi	ECRB-AL-20230414-001	14.04.2023	G.S.K	SHPK	Rruga e Barrikadave, Pasuria nr.5/735+1-2,Zona Kadastarle 8360	Tirane	1010	54X-I0101-G1SK-N	SGSBALTX		M01707503J		
33	Shqiperi	ECRB-AL-20230511-001	11.05.2023	GJO-SPA POWER	SHPK	Kthesa e Kamzes, Pallati perballe spitalit Hygeia, Kati IV, Kashar	Tirane	1025	54X-HEC-LAPAI075	USALALTR		K87920201S		
34	Shqiperi	ECRB-AL-20230511-002	11.05.2023	Erdat Lura	SHPK	Kthesa e Kamzes, Pallati perballe spitalit Hygeia, Kati IV, Kashar	Tirane	1025	54X-HEC-LURA-069	USALALTR		K82321008Q		
35	Shqiperi	ECRB-AL-20230515-001	15.05.2023	TEODORI 2003	SHPK	Rruga "Vaso Pasha", Godina 10, Hyrja 1, Ap. 6	Tirane	1057	54X-L-110-TE-ALU	AL87213110440000000001134377		K42300106L		
36	Shqiperi	ECRB-AL-20230524-001	24.05.2023	KROI MBRET ENERGJI	SHPK	Rezidenca Olimpik, Kryqezimi i Rrugeve Liman Kaba dhe Prokop Mima,Shkalla 3	Tirane		54X-101-KR-10-E5	CDISALTRXXX		L29326401S		
37	Shqiperi	ECRB-AL-20230612-001	12.06.2023	Proinfinit Consulting	SHPK	Njësia Bashkiake Nr.5, Rr. Tish Daija, Zona Kadastrale 8260 Nr. Pasurie 6/759+3-14, Kompleksi Kika 2, Objekti 7, Shkalla 7, Kati 5	Tirane	1060	54X-PRO-INFIN-I8	SGSBALTXXXX		M21525012S	www.proinfinitconsulting.com	
38	Shqiperi	ECRB-AL-20230620-001	20.06.2023	Hydro Energy Sotira	SHPK	Elbasan Kusbove SOTIRE Godine 1-katesbe e HEC,9(Qendrore) Sotire Gramsh,zona kadastrale 3494 me nr.246/5	Gramsh,Sotire		54X-I-0111SO-H-X	AL76208110080000020485935301 (EURO) AL52208111010000020485935302 (ALL)		K97212802C	infosotirayahoo.com	
39	Shqiperi	ECRB-AL-20230712-001	12.07.2023	Albanian Green Energy	SHPK	Rruga "Abdi Toptani", Torre Drini,Apartamenti 61	Tirane	1001	54X-I-1011AGEF	USALALTR010		K71624027U	www.essegei.eu	
40	Shqiperi	ECRB-AL-20230712-002	12.07.2023	Balkan Green Energy	SHPK	Rruga "Abdi Toptani", Torre Drini,Apartamenti 61	Tirane	1001	54X-10001BGE-R	USALALTR010		K71624026M	www.essegei.eu	
41	Shqiperi	ECRB-AL-20230712-001	12.07.2023	SOLE 24 DOOELSHKUP	SHPK	Bulevardi "Deshmoret e Kombit", Hotel Rogner ,Kati II	Tirane	1001	54X-I-110-SOLE-3	CDISALTRXXX		M31625022G		
42	Shqiperi	ECRB-AL-20230711-002	11.07.2023	Idro Energia Pulita	SHPK	Lagjia.17, Rr"Jahja Ballhysa", Kompleksi Jedas, 2006	Durres		54X-I-0111EN-P-O	AL62208110080000021065735302 (EURO) AL89208110080000021065735301 (ALL)		L01305510P	idroenergiapulitashpk@gmail.com	
43	Shqiperi	ECRB-AL-20230711-003	11.07.2023	"Emikel"	SHPK	Lagja Qende, Zk24/3, Pasuria 268, Godina e Centralit Lenie	Gramsh	3301	54X-E-SHPK-16044	EMPOALTRXXX		K23418201C		
44	Shqiperi	ECRB-AL-20230718-001	18.07.2023	DUFERCO SHQIPERIA	SHPK	Rruga Myrtezim Kellici, Pallati ALFAM, Shk1, Apartamenti 5,Njesia Bashkiake nr 2	Tirane	1001	54X-I-01DU-SHQ-B	PUPPALTRXXX		L91813010D	www.dufercoenergia.com	
45	Shqiperi	ECRB-AL-20230906-001	06.09.2023	GLOBAL TECHNICAL MECHANICS	SHPK	Shtiqen, Aeroporti I Kukesit	Kukës	8502	54X-I-GL01-MEC-P	SGSBALTX		L71529026M		
46	Shqiperi	ECRB-AL-20230914-001	14.09.2023	C & S ENERGY	SHPK	Rruga e Kavajes, Nr. 151, Njesia Bashkiake Nr.7, Tirane	Tirane	1003	54X-I-0111-CS1-E	EMPOALTR		K92402005Q		
47	Shqiperi	ECRB-AL-20230914-002	14.09.2023	HEC LLENGE	SHPK	Rruga e Kavajes, Nr. 151, Njesia Bashkiake Nr.7, Tirane	Tirane	1003	54X-I-LL01-HEC-0	UNALALTR		L22125012H		
47	Shqiperi	ECRB-AL-20231101-001	01.11.2023	Karavasta Solar	SHPK	Bulevardi Bajram Curri, Godina ETC, kati 14, Tirane	Tirane	1000	54X-S-1010-KV8-C	USALALTR	894500GBPUL7MP051P27	M02020001J	www.Karavastasolar.com	www.Karavastasolar.com
48	Shqiperi	ECRB-AL-20231204-001	04.12.2023	M&K Energy Trading Co	SHPK	Rr "1 MAJI", Pasuria Nr.3/1103+4-N15, vol.59, fq. 229, Zone Kadastrale Nr 8561	Korce	7001	54X-L-11010MK-1S	FINVALTR		M04516001I		
49	Shqiperi	ECRB-AL-20231204-002	04.12.2023	Erseka Solar Park 1	SHPK	Rr.Anastas Lakce, Kompleksi Favina, Nr. pasurie 3/1149-N2, Korce	Korce	7001	54X-I-11ER-SO1-O	FINVALTR		M24816001T	https://www.ersekasolarpark.com/	
50	Shqiperi	ECRB-AL-20231221-001	21.12.2023	Balkan Energy Trade	SHPK	Rr.Sami Frasheri, pallati TID, Nobis Wellenes Center ,Shkalla C, Kati 1, Apartamenti 2, Njesia Bashkiak Nr.5	Tirane	1001	54X-B-1010-ET9-T	NCBAALTX		L62022010A		

Burimi: ERE

Figure 69. Register of market participants according to REMIT 2023

2.2.4. Monitoring the implementation of cyber security obligations for 2023

The Regulation for Cyber security of Critical Infrastructure in Power Sector, approved with ERE Board Decision No. 126 dated 30.07.2020, defines the rules and measures that must be taken by licensed subjects in the power sector who have responsibility to guarantee cyber

security in the critical infrastructures that they own and operate, in order to ensure the uninterrupted supply of electricity to customers. Article 6 of this regulation defines the obligation of the subjects charged with the implementation of this regulation for periodic reporting once every 6 months, for issues related to cyber security. Regarding the monitoring by ERE for the implementation of this obligation during 2023, it was observed:

During 2023, there were no reported attacks on the systems of companies in the power sector.

TSO company is the first company in the power sector in Albania certified with the ISO 27001 standard (03.08 2021). For 2023, TSO company reported that it has ensured readiness and established a sustainable and well-thought-out cyber security program through enhanced technical measures to enhance cyber security in IT and OT infrastructure. The company fulfilled the obligation to submit periodic self-assessment reports for both half-years in accordance with the format defined in ERE Regulation. An increase in the level of completion of the necessary documentation defined in the Regulation was found from 90% in the first part of the year to 92% in the second part. TSO company has consistently demonstrated continuous improvement in cybersecurity reporting. However, from the analysis of the additional documentation requested by ERE for the reporting of the first 6 months, deficiencies were observed.

OSHEE company during 2023, did not inform about the progress of the certification process with the ISO 27001 standard, which is an obligation defined in Article 10 of the Cyber Security Regulation. Meanwhile, OSHEE company informed that it had published the procedure "General assessment on Cybersecurity and the performance of tests on Infrastructure and Technological Platforms" and that it was in the phase of reviewing the offers. The company did not present the self-assessment report for the first six months of 2023, while from the report for the second 6-month of 2023, it turned out that the company had drafted or was in the process of drafting 29% of the self-assessment report documents. It is considered positive that OSHEE company resumed reporting on cyber security after a long hiatus.

KESH company has completed the procedures and was licensed with the ISO 27001 standard during 2022. The company submitted electronically the self-assessment reports for the first and second biannuals of 2023 on cyber security in accordance with the format defined in the Regulation on cyber security. The documentation completion rate is reported to be 100% for each of the two periods. In view of the analysis of the self-assessment report for the first 6 months, KESH company was requested to submit additional documentation. There was no response from the company regarding this request. Meanwhile, ERE is waiting for the completion of the request for additional documentation for the analysis of the self-assessment report for the second 6 months.

The process of assistance from the United States Agency for International Development (USAID) and the National Association of Regulatory Services Commissioners (NARUC) for the implementation of the Regulation on the Cyber Security of Critical Infrastructures in the Power Sector has continued through 2023. ERE has built a collaboration with USAID/NARUC, the main purpose of which is technical assistance for raising the capacities of the Regulator in terms of better examination of the self-assessment reports

presented by the companies. Within this framework, USAID/NARUC offered training for the staff of ERE and OIKI companies. During this training, the cyber security legislation in Albania was reviewed and a methodology was presented for effectively assessing the cyber readiness of companies.

In January 2023, the final draft of the document "Regulatory Assessments of Cyber Maturity in the Albanian Power Sector" prepared by NARUC was submitted at ERE. This document finalized and summarized the findings of the analysis of the legislation on cyber security and laid out an implementation plan to address the observations identified in the analysis, also proposed a methodology to establish a process that supports effective regulatory assessments of the maturity of the company, based on the premise that every company shall implement ISO27001.

Following the program of the above-mentioned agreement, USAID/NARUC organized in April 2023 the second part of the Web-based training for the energy regulators of Southeast Europe and Eurasia. The purpose of this webinar was to assess the maturity of Critical Information Infrastructures. In this webinar, ERE presented the main conclusions obtained from the personalized technical assistance and shared the experience with other partner regulators. Among the most important conclusions, the following are evaluated:

- Law No. 2/2017 is in accordance with the ISO27001 standard.
- ISMS ISO27001 certification is important for ERE, as certification by an accredited auditing organization establishes the confidence that the company follows ISO 27001 processes in the future.
- Compliance with the security measures of Law No. 2/2017 is demonstrated through internal audits twice a year for the ISO27001 standard by certified companies. This facilitates ERE as it shall only have to evaluate the ISMS internal audit report, which shall be significantly less complicated and shorter than the self-assessment reports of Law no. 2/2017.

The above conclusions were implemented for the evaluation of the self-assessment reports of companies certified with the ISO 27001 standard, starting from the second part of 2022.

Following the collaboration with USAID, ERE representatives participated in the webinar of May 23 where the decision of the US Federal Energy Regulatory Commission (FERC) was presented to encourage voluntary investments in cyber security. Likewise, communication with USAID has continued regarding the exchange of information on issues such as: updates on definitions of critical information infrastructure, reporting on progress in cyber security in the power sector, etc.

The Energy Community Secretariat, which monitors the progress of the power sector, in the Annual Implementation Report for 2023 dated November 1, 2023, in the chapter about Albania, has addressed cyber security as an integral part of the security of supply issue. In total, as regards the degree of implementation of the acquis, security of supply is estimated at 75%, i.e. with a significant increase compared to 2022, where this indicator was estimated at 61%. The report noted that "In accordance with national rules for cyber security in the power sector, electricity companies submitted self-assessments for cyber security, which were reviewed by

the regulator. The transmission system operator TSO company and the electricity production company KESH company have fulfilled their duties, while the distribution system operator DSO company could not submit the required documentation". Considering the fact that this report was completed at the end of 2023, while the reporting obligation for the second 6-month was at the end of January 2024, it is estimated that the above estimates do not reflect the situation for the second half of the year, which was improved regarding to OSHEE company. Also, this report highlights the fact that during 2023 there were no serious cyber attacks in the power sector.

Within the framework of strengthening and maintaining cyber security standards for the regulator itself, ERE has developed the procedure with the object "Improving the protection and security of ERE network and the implementation of the firewall" and has finalized the contract with the winning economic operator.

3. ALBANIAN POWER EXCHANGE (ALPEX)

3.1. Progress of the Establishment of the Albanian Power Exchange ALPEX company.

Based on Council of Ministers decisions, respectively No. 322, dated 15.05.2019 and No. 609, dated 11.09.2019, in October 2020, the Albanian Power Exchange (ALPEX) was founded as a Shareholder Company, in joint ownership of the Transmission System Operators of Albania (TSO) and Kosovo (KOSTT).

On 27 April 2016, to comply with the objectives of the third legislative package in electricity area of EU for the establishment of the European electricity internal market and based of the decisions taken on Western Balkans summit, held in Vienna on 27 August 2015, Albania and Kosovo engaged for the establishment of the operators (exchanges) for the operation and the day ahead market coupling (DAM) and intra day market (IDM) in a regional market.

In June 2018 the transmission system operators TSO, KOSTT, the Regulatory Authorities ERE and ERO signed the memorandum of understanding for day ahead electricity market coupling.

In December 2020 the Energy Regulatory Office in Kosovo (ERO) approved KOSTT request to delegate to ALPEX the authority for the day ahead and intra day market organization for the market in Kosovo. While ALPEX opened on 6 May 2021 its branch in Prishtina that shall focus the management of the market participants for Kosovo, other regulatory issues etc.

On the same line with the WB6 Memorandum of Understanding, dated 21 October 2021 another Framework Agreement was signed between TSO, KOSTT, ERE and ERO for the day ahead and intra day market coupling. Albania and Kosovo signed the Framework Agreement as well as other successful agreements, necessary for the operation of the day ahead and intra day market coupling.

At the beginning of 2021, ALPEX started to work on the preparation of the terms of reference for the selection of the Service Provider with the assistance of USAID.

At the end of 2021, the selection of this Service Provider was achieved with the winning combination of operators led by the Athens Stock Exchange "Hellenic Exchanges - Athens Stock Exchange S.A.", the Greek Electricity Exchange Group with its two companies "Hellenic Energy Exchange S.A." and "Enex Clearing House S.A.

Pursuant to the obligations of the Energy Community Treaty, Albania and Kosovo have committed to implement the Third Energy Community Package, which guides the parties regarding the establishment and operation of a competitive electricity market. As a result, the market models in both countries envisage that through ALPEX the European Target Market Model, for the Day Ahead (DAM) and Intraday (IDM) Markets, shall be implemented.

Initially, it is predicted that the market for DAM and IDM shall be established with at least two control areas (Albania and Kosovo) by implementing in the future projects for joining other potential markets.

3.2. Operation of the Albanian Power Exchange

ALPEX company operates based on ERE Board decision no. 347, dated 27.12.2022 "On the approval of the Electricity Market Rules (ALPEX Rules - General Conditions, Definitions, Trading Procedure as well as Clearing and Settlement Procedure)", as well as ERE Board decision no. 106, dated 23.03.2023 "On approving some additions to the Electricity Market Rules, approved by ERE Board Decision No. 347, dated 27.12.2022".

At the same time, based on ERE Board Decision no. 127, dated 07.04.2023 "On the approval of the Market time unit" the operation of the Albanian Power exchange started at 00:00 on 12.04.2023.

3.3. Power exchange membership for the bidding zone Albania

With the commencment of the operation of the Albanian Power Exchange by ALPEX company on 12.04.2023, the registration of members in this exchange continued. During 2023, the number of registered exchange members is - 17 (seventeen). Raiffeisen Bank Albania is also a General Member of the Power Exchange Clearing. Tirana Bank, which is in the first phase of membership with ALPEX, has applied to become a General Clearing Member.

Below is the list of members registered in ALPEX company during 2023.

1. Transmission System Operator – TSO company
2. Free Market Supplier - FTL company
3. Universal Service Supplier - FSHU company
4. Albanian Electric Power Corporation - KESH company
5. Distribution System Operator – DSO company
6. Ener Trade company
7. EZ-5 Energy company
8. GEN-I TIRANA company
9. ReNRGY Trading Group company
10. Future Energy Trading and Exchange Dynamics company
11. Nature Energy company
12. NOA company
13. Danske Commodities
14. GSA company
15. Energy Financing Team Tirana company
16. Devoll Hydropower company
17. Dragobia Energy company

The Albanian Power Exchange has predicted that the market for the day ahead market and for the intraday market shall operate with two control areas Albania and Kosovo, implementing in the future projects for other potential market couplings. In this process ALPEX company has continued with the membership of members for the bidding area in Kosovo. The General Member of Clearing in Kosovo is ProCredit Bank Kosovo.

3.4. Power exchange membership for the bidding zone Kosovo

The number of registered exchange members is - 4 (four)

1. Transmission and Market System Operator – KOSTT company
2. Energy Corporation of Kosovo - KEK company
3. Hydroeconomic Enterprise "Ibër-Lepenc" company
4. Kosovo Electricity Supply Company - KESCO company

3.5. Market Operation

During 2023, ALPEX has put into use the ETSS trading platform for Exchange members and the EMCS platform for general clearing members. The ETSS trading platform has been accessible at all times to the relevant users and has performed without affecting the normal operation of the trading activity. Trading is carried out daily according to the relevant trading calendar, published on ALPEX company website.: www.alpex.al.

ALPEX in implementation of ERE Board decision no. 139, dated 14.04.2023 "On the approval of the minimum and maximum allowed price limits for the day ahead market", applies the second auction in order to protect the market from prices that are considered wrong or unstable, these in reference to the Minimum Allowed Price Limit 0 (zero) euro/MWh and Maximum Allowed Price Limit for the Day Ahead Market 900 euro/MWh.

During 2023, the second auction was activated seven times, where the prices after this auction were stable.

ALPEX market is dominated by the volumes of public companies of the power sector based on the contract for difference such as the purchases to cover the losses of TSO company and the volumes of the Supplier of Last Resort (FMF), whereas the sale from the volumes of KESH company. From November 2023, an increase in trading activity on the power exchange by private companies, which continues to be at low levels, has been established. Meanwhile, some members of the power exchange, private companies, continue not to be active on the power exchange with the argument that after the beginning of Albania-Kosovo market coupling, their activity in offering on the power exchange shall increase.

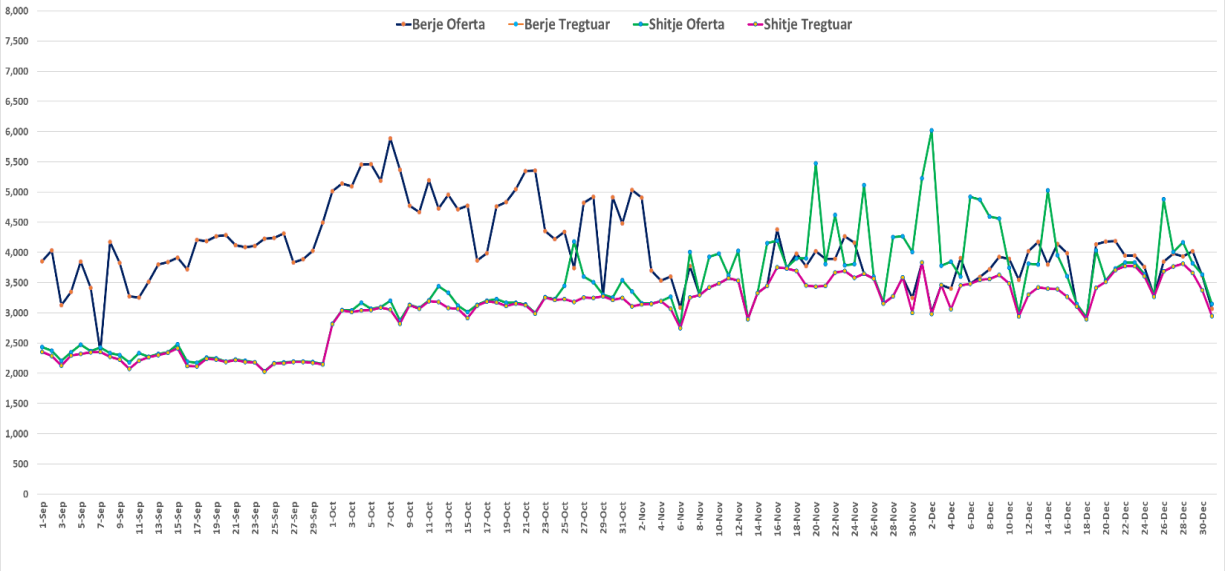


Figure 70. Data on bids and purchases - sales in ALPEX company

3.6. Clearing and settlement

Clearing activity and settlement transactions in ALPEX company throughout April 12 and following until December 31, 2023, were carried out periodically through the general clearing members and the settlement bank Raiffeisen Bank Albania (RBAL).

3.7. Day-ahead market coupling between Albania and Kosovo

Concurrently with the daily activity of trading, clearing and settlement for the Day Ahead Market in the Bidding Zone of Albania, ALPEX company has worked to launch the Day Ahead Market for the bidding area of Kosovo, in order to achieve the market coupling between Albania and Kosovo.

Referring to Article 4 of the Framework Agreement on electricity market coupling between Albania and Kosovo, signed on 21.10.2021, between the Energy Regulator Authority of Albania (ERE), Energy Regulatory Office of Kosovo (ZRE), the Transmission System Operator of Albania (TSO) and the Transmission System and Market Operator of Kosovo (KOSTT), it has been determined that the Regulators shall agree to determine the respective NEMO (Nominated Electricity Market Operator) at the same time in both countries.

For this purpose, on 17.07.2023, in Pristina, Kosovo, a joint meeting was held between ERE and ERO (Kosovo Energy Regulatory Office), with the aim of reviewing and approving the application of the Albanian Power Exchange - ALPEX company to be defined/appointed as the Nominated Electricity Market Operator (NEMO) for the bidding area of Albania and Kosovo.

Subsequently, the Regulators decided to designate/appoint the Albanian Power Exchange - ALPEX as the Nominated Electricity Market Operator (NEMO) for the bidding area of Albania and Kosovo, respectively with:

- ERE Board decision no. 228, dated 17.07.2023 "On the designation of the "Albanian Power Exchange ALPEX" company as the Nominated Electricity Market Operator (NEMO);
- ERO Board decision V_1748_2023, dated 17.07.2023.

Also, after the appointment as NEMO for the bidding area of Albania and Kosovo, according to the obligations arising from the Framework Agreement on electricity market coupling between Albania and Kosovo, the respective TSO and NEMO established a Steering Committee for the governance of the electricity market coupling, which is effective from the date of determination of the respective NEMOs.

During this period of time, tests were conducted through the Service Providers of ALPEX, TSO, KOSTT and SEE CAO in order to test and control the functionality and integration of the Platforms, accompanied by simulation tests, within the framework of electricity market coupling between Albania and Kosovo . ALPEX company informs that all the scenarios of market coupling have been tested, which in total are 11. With the completion of these test-scenarios, the testing period (dry-run) of the market coupling had to start, but due to the fact that from the provider of TSO service required some changes in the connections between the platforms, these test-scenarios should be repeated in most of them. Tests resumed on December 4, 2023. Ten (10) tests out of ten (10) were conducted. With the completion of these tests, the simulation of seven market coupling scenarios began, which ended on 03/01/2024, and then the process of testing by power exchange members of the two bidding areas shall begin until the initiation of the market coupling.

ALPEX is also conducting the dry-run process together with the exchange members of the two bidding zones until the initiation of the market coupling.

Referring to Article 5 of the "Framework Agreement for electricity market coupling between Albania and Kosovo", it is the competence of this Steering Committee (TSO and NEMO) to decide on the Commencment Day of electricity market coupling between Albania and Kosovo decision which shall be immediately notified to ERE and ERO.

In parallel with this, ALPEX has signed all the necessary agreements for the process of market coupling between Albania and Kosovo.

The Settlement Bank in the Kosovo market shall be Procedit Bank Kosova, for which the relevant agreement was signed. Also, Procedit Bank Kosova shall be one of the General Clearing Members.

ALPEX shall perform the role of the transfer agent (shipping agent) for the electricity market coupling for both bidding areas, based on the methodology for the calculation and distribution of income which is being reviewed by the regulatory authorities.

It is predicted that everything shall be technically ready around the end of January 2024 for the launch of the Day Ahead Market in Kosovo, which also coincides with the launch of the Albania-Kosovo electricity market coupling. The Steering Committee shall propose the launch date and then with the decision of the Regulatory Authorities of both countries (ERE and ERO) the date for the start of market operation in Kosovo and the Albania-Kosovo market coupling shall be determined.

3.8. Trading and clearing data

During April 12, 2023 – December 31, 2023 period, ALPEX company has continued the activity of electricity trading in the bidding area of Albania. The data for this activity are provided in the tables below.

Data of the Day in Advance Market				
Progressive 2023	**Min Daily**	**Max Daily**	**Daily Average**	**Total**
Volume in MWh	2,029	4,450	3,125	827,541
Price (€/MWh)	€ 7.97	€ 362.07	€ 100.15	106,536

Table 71. Data of the Day in Advance Market

Invoices (purchase-sale)				
Period	**Min Daily**	**Max Daily**	**Daily Average**	**Total**
April 2023	€ 603,528	€ 943,110	€ 820,251	€ 15,584,772
May 2023	€ 354,052	€ 917,353	€ 680,946	€ 21,109,325
June 2023	€ 364,373	€ 1,040,447	€ 699,688	€ 20,990,665
July 2023	€ 363,934	€ 909,319	€ 614,872	€ 19,061,041
August 2023	€ 306,359	€ 742,373	€ 460,430	€ 14,273,353
September 2023	€ 310,387	€ 595,900	€ 462,417	€ 13,872,502
October 2023	€ 433,607	€ 988,393	€ 674,380	€ 20,905,782
November 2023	€ 298,267	€ 1,020,396	€ 716,160	€ 21,484,804
December 2023	€ 341,465	€ 1,189,196	€ 658,727	€ 20,420,561
Total 2023	€ 298,267	€ 1,189,196	€ 635,238	€ 167,702,808

Table 72. Invoices (purchase-sale)

Traded volumes in MWh				
Period	**Min Daily**	**Max Daily**	**Daily Average**	**Total**
April 2023	2,779	3,698	3,434	65,252
May 2023	3,045	3,989	3,626	112,420
June 2023	3,154	4,450	3,736	112,089
July 2023	2,223	4,153	2,978	92,327
August 2023	2,190	2,551	2,397	74,293
September 2023	2,029	2,414	2,224	66,715
October 2023	2,817	3,278	3,115	96,552

November 2023	2,750	3,753	3,379	101,357
December 2023	2,893	3,836	3,437	106,536
Total 2023	2,029	4,450	3,135	827,546

(Alpex data)

Table 73. Traded Volumes in MWh

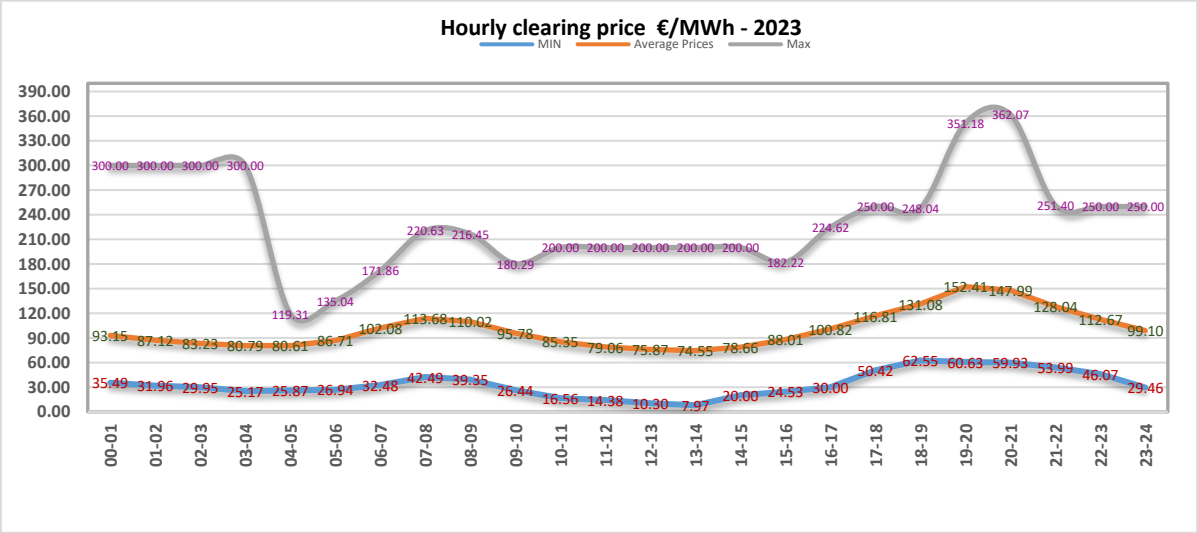


Table 74. Hourly clearing price in €/MWh - 2023

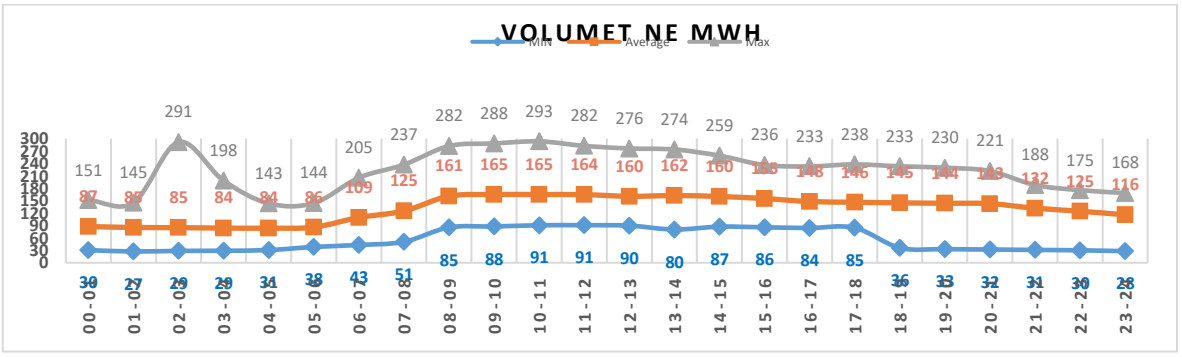
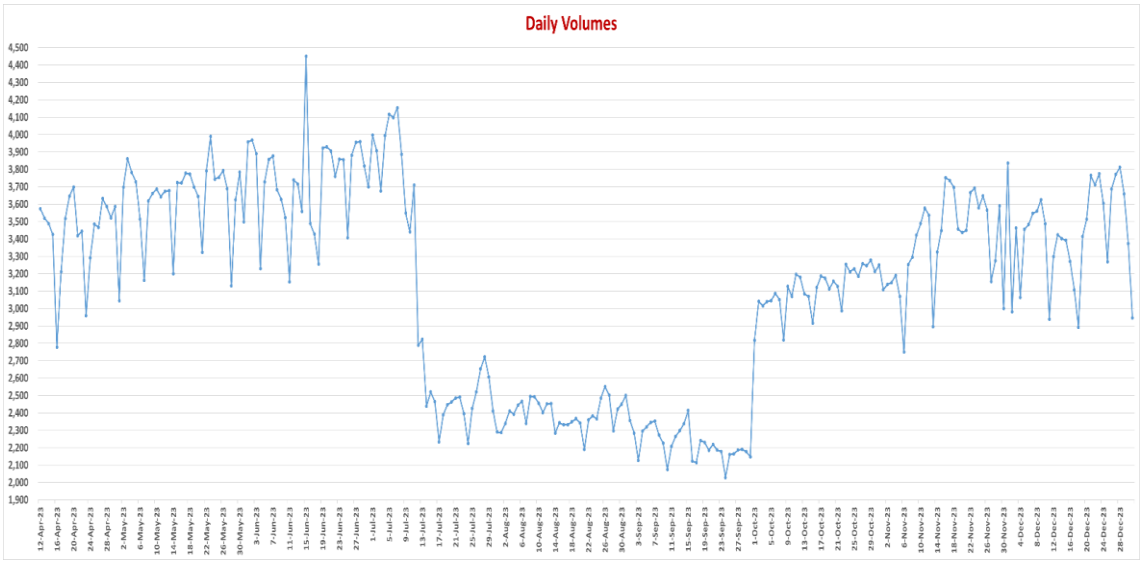


Table 75. Volumes in MWh

Average daily volumes traded on ALPEX are presented in the graphic below:



ALPEX company conducted the analysis between the average prices issued in the local market and those of the Hungarian Power Exchange HUPX to find the correlation between them. The data shows that in 73.8% of cases, prices follow the same trend (increasing or decreasing), while the average price in HUPX is lower in 52.9% of cases, while in ALPEX in 47.1% of cases.

The following table provides the comparative data of the average prices issued in the domestic market with those of the Hungarian Power Exchange HUPX.

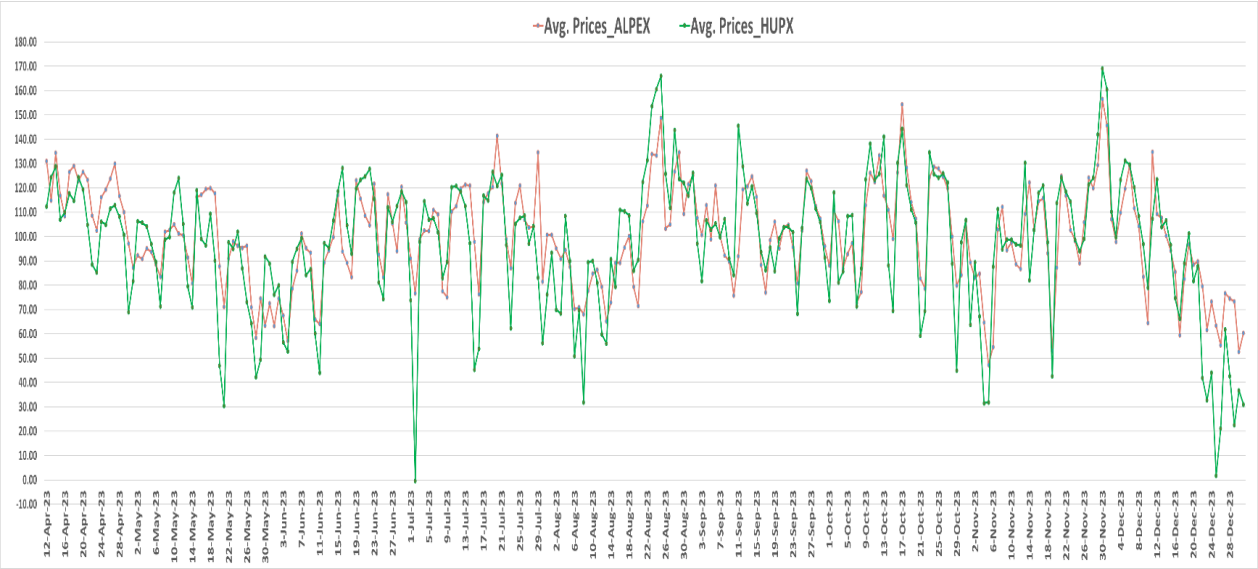


Table 76. Comparative data of the average prices issued in the domestic market with those of the Hungarian Power Exchange HUPX.

4. LICENSING, ISSUE OF AUTHORIZATIONS AND SUPERVISION OF ELECTRICITY MARKET ACTIVITIES DURING 2023

4.1 Licensing and applications handled by ERE during 2023

During 2023, ERE, within its field of activity, has reviewed and taken the relevant decisions related to the applications for the licensing of subjects in the various activities of the power sector, in accordance with the legal and by-legal framework in force.

For the submitted applications, the transparency provided for in the procedures for licensing, pursuant to law no. 43/2015 "*On Power Sector", as amended*, Law no. 102/2015 "*On Natural Gas Sector", as amended, " The Regulation on the Procedures and Terms for License Issue, Modification, Transferring, Renewal or License Termination in the Power Sector" recently amended with ERE Board decision no. 220 dated 01.09.2022, as well as " The Regulation on the Procedures and Terms for License Issue, Modification, Transferring, Renewal or License Termination in the Natural Gas Sector".*

During 2023, 16 applications for licensing in electricity production activity were submitted. Due to the complexity presented by the applications themselves, as a result of the need for these subjects to exercise their activity in accordance with the legal framework for environmental protection, integrated management of water resources, other development permits, business plans of these subjects, constant correspondence has been developed with institutions such as the Ministry of Infrastructure and Energy, the National Environment Agency, the Water Resources Management Agency, the National Inspectorate of Territorial Defense, National Agency of Protected Areas, State Cadastral Agency, etc. As a practice of a licensing procedure, hearing sessions were held with the applicants during this year as well, in order to clarify the licensing documentation. For all applications, the relevant decisions of the Board for the opening of licensing procedures have been made and publications were made in the print media, on the web and in ERE's social networks, for obtaining possible opinions from interested parties. In addition, each application for licensing has been subjected to a careful analysis of the regularity and correctness of legal, administrative, financial, technical documentation, as well as the receipt of relevant water use permits or environmental permits, issued by other institutions in accordance with the activity that the subjects have requested to be licensed in ERE.

Also, case by case, in implementation of licensing decisions throughout 2023, ERE has continued to follow the implementation of the conditions and review the respective decisions, for those licenses granted with conditions, the validity of which is conditioned by the defined deadlines in the permits/authorizations granted by other bodies.

From the analysis of the data and documentation of the applications, it has been found that there are problems related to the term of permits/approvals of other bodies, which are different from the terms defined in the authorization/contract signed with MIE for the construction and administration of new generating sources of electricity.

In the electricity production activity for 2023, 15 subjects have been licensed, as follows:

No.	Subject	Electricity Producer	Installed capacity	ERE Board decision
1.	"ATEANI" company	"Shutri" 1 HPP	0.37 MW	No. 107, dated 23.03.2023
		"Shutri" 2 HPP	1.6 MW	
2.	"SUN AVENUE" company	Photovoltaic Plant	2 MW	No. 72, dated 13.03.2023
3.	"SUNPOWER 2017" company	Photovoltaic Plant	2 MW	No. 73, dated 13.03.2023
4.	"KORPORATA ELEKTROENERGJITIKE SHQIPTARE (SH.A KESH)"	"Tigri 1" TPP	50 MW	No. 109, dated 27.03.2022
		"Tigri 3" TPP	60 MW	
5.	"TPLANI HC" company	"Valbona" HPP	2.1 MW	No. 111, dated 27.03.2023
6.	"Sun Energy Solutions" company	Photovoltaic Plant	2 MW	No. 123, dated 04.04.2023
7.	"Erseka Solar Park 1" company	Photovoltaic Plant	20 MW	No. 176, dated 18.05.2023
8.	"NOVA SOLAR PARK" company	Photovoltaic Plant	50 MW	No. 242, dated 03.08.2023
9.	"ALB SUN ENERGY" company	Photovoltaic Plant	2 MW	No. 250, dated 16.08.2023
10.	"Erseka Solar Park 2" company	Photovoltaic Plant	20 MW	No. 253, dated 23.08.2023
11.	"G.S.K" company	Photovoltaic Plant	2 MW	No. 254, dated 23.08.2023
12.	"Joint Venture 2B 1979 dhe 2T" company	Photovoltaic Plant	1.95 MW	No. 268, dated 11.09.2023
13.	"IDI 2005" company	Photovoltaic Plant	2 MW	No. 303, dated 23.10.2023
14.	"Gealb Energy" company	"Guri i Bardhë 1" HPP	5.36 MW	No. 361, dated 07.12.2023
		"Guri i Bardhë 2" HPP	3.94 MW	
15.	"GERTI" company	"Mireshi" HPP	1.9 MW	No. 362, dated 07.12.2023

As it can be seen from the table above, in total during 2023, the production capacity of electricity has increased by 229.22 MW, of which 125.27 MW from the production of electricity from hydro and thermal sources and 103.95 MW from the production of electricity from photovoltaic sources.

Also, during 2023 with ERE Board decision no. 142, dated 24.04.2023, it was decided to renew the license of "ECO-ELB" company in electricity production activity from the urban waste processing plant, Elbasan District.

Regarding the production activity during 2023, 2 requests were approved for the modification bof the license in the electricity production activity.

- With ERE Board decision no. 150, dated 28.04.2023, it was decided to modify the license of "KURUM INTERNATIONAL" company, for the production of electricity from "Shkopet" HPP, changing the installed capacity of this HPP from 24 MW to 28 MW.

- With ERE Board decision no. 177, dated 18.05.2023, it was decided to modify the license of "SEKA HYDROPOWER" company, approved with ERE board decision no. 146, dated 10.09.2020,as amended, adding to this license also "Zais"HPP, with an installed capacity of 2295 kW.

4.2 Licensing in the electricity supply activity

ERE has continued throughout 2023 to license subjects in electricity supply activity. The table below presents the subjects licensed by ERE in electricity supply activity, which for 2023 are 6 such.

Licensees in electricity supply activity during 2023

No.	Subject	ERE Board Decision
1.	"G.S.K" company	Decision no. 22, dated 09.02.2023
2.	"NATYRE ENERGY" company	Decision no. 71, dated 13.03.2023
3.	"Energy24" company	Decision no. 124, dated 04.04.2023
4.	"PROINFINIT CONSULTING" company	Decision no. 187, dated 06.06.2023
5.	"SPV BLUE 1" company	Decision no. 233, dated 19.07.2023
6.	"Swiss Balancing Pool" company	Decision no. 372, dated 26.12.2023

At the same time, during 2023, 7 requests for license renewal in electricity supply activity were submitted at ERE and approved, due to the end of their 5-year validity period.

- With ERE Board Decision no. 121, dated 04.04.2023, it was decided to renew the license of "Free Market Supplier" (FTL) company, in electricity supply activity.

- With ERE Board Decision no. 130, dated 04.07.2023, it was decided to renew the license of "GEN-I TIRANA" company, in electricity supply activity.
- With ERE Board Decision no. 165, dated 15.05.2023, it was decided to renew the license of "ENER TRADE" company, in electricity supply activity.
- With ERE Board Decision no. 190, dated 06.06.2023, it was decided to renew the license of "ReNRGY Trading Group" company, in electricity supply activity.
- With ERE Board Decision no. 271, dated 19.09.2023, it was decided to renew the license of " Albanian Power Corporation" (KESH) company, in electricity supply activity.
- With ERE Board Decision no. 272, dated 19.09.2023, it was decided to renew the license of "AYEN ENERGY TRADING" company, in electricity supply activity.
- With ERE Board Decision no. 288, dated 09.10.2023, it was decided to renew the license of "EZ-5 ENERGY" company, in electricity supply activity.

4.3 Licensing in electricity trading activity

Throughout 2023, ERE has continued to license subjects in electricity trading activity. The table below presents the subjects licensed by ERE in electricity trading activity. As evidenced, for 2023, 10 licenses were issued by ERE in electricity trading activity.

No.	Subject	ERE Board Decision
1.	"Balkan Energy Trade" company	Decision no. 18, dated 06.02.2023
2.	"G.S.K" company	Decision no. 21, dated 06.02.2023
3.	"NATYRE ENERGY" company	Decision no. 66, dated 03.03.2023
4.	"ATEANI ENERGY" company	Decision no. 108, dated 23.03.2023
5.	"Energy Market Albania" company	Decision no. 138, dated 14.04.2023
6.	"PROINFINIT CONSULTING" company	Decision no. 188, dated 06.06.2023
7.	"SPV BLUE 1" company	Decision no. 232, dated 19.07.2023
8.	"GLOBAL TECHNICAL MECHANICS" company	Decision no. 238, dated 27.07.2023
9.	"EU GREEN ENERGY" company	Decision no. 246, dated 19.08.2023
10.	"Swiss Balancing Pool" company	Decision no. 371, dated 26.12.2023

During 2023, 8 requests for license renewal in electricity trading activity were submitted at ERE and approved, due to the end of their 5-year validity period:

- With ERE Board Decision no. 19, dated 06.02.2023, it was decided to renew the license of "ReNRGY Trading Group" company, in electricity trading activity.
- With ERE Board Decision no. 131, dated 04.07.2023, it was decided to renew the license of "GEN-I Tirana" company, in electricity trading activity.
- With ERE Board Decision no. 144, dated 24.04.2023, it was decided to renew the license of "AEE" company, in electricity trading activity.

- With ERE Board Decision no. 166, dated 15.05.2023, it was decided to renew the license of "ENER TRADE" company, in electricity trading activity.
- With ERE Board Decision no. 189, dated 06.06.2023, it was decided to renew the license of "FREE MARKET SUPPLIER" company, in electricity trading activity.
- With ERE Board Decision no. 247, dated 09.08.2023, it was decided to renew the license of “HYDRO SETA” company, in electricity trading activity.
- With ERE Board Decision no. 273, dated 19.09.2023, it was decided to renew the license of “AYEN ENERGY TRADING” company, in electricity trading activity.
- With ERE Board Decision no. 289, dated 09.10.2023, it was decided to renew the license of “EZ-5 ENERGY” company, in electricity trading activity.
- With ERE Board Decision no. 373, dated 26.12.2023, it was decided to renew the license of “ENERGY24” company, in electricity trading activity.

4.4 License recognition

During 2023, ERE has exercised its activity in the recognition of licenses issued by a regulatory authority of another country, Contracting Party of the Energy Community, a Member State of the European Union, or another country with which a bilateral agreement has been signed. , for mutual recognition of licenses between ERE and the relevant regulatory authority.

On the following table are issued the recognised licenses and it is evidenced the type of their activity.

No.	Subject	Regulatory Authority that issued the license	Type of activity	ERE Board decision
1	SOLE 24 DOOEL Skopje - Branch in Albania" Branch of the foreign company	Energy and Water Services Regulatory Commission of the Republic of Macedonia	Electricity supply and trading	Decision no. 206, dated 28.04.2023
2	FUTURE ENERGY TRADING AND EXCHANGE DYNAMICS company; Branch in Tirana", branch of the foreign company	Energy Regulatory Office of the Republic of Kosovo	Electricity supply	Decision no. 216, dated 04.07.2023

In the following, in a graphic way, the data among the years of the licensing of the subjects in the activity of the power sector are presented.

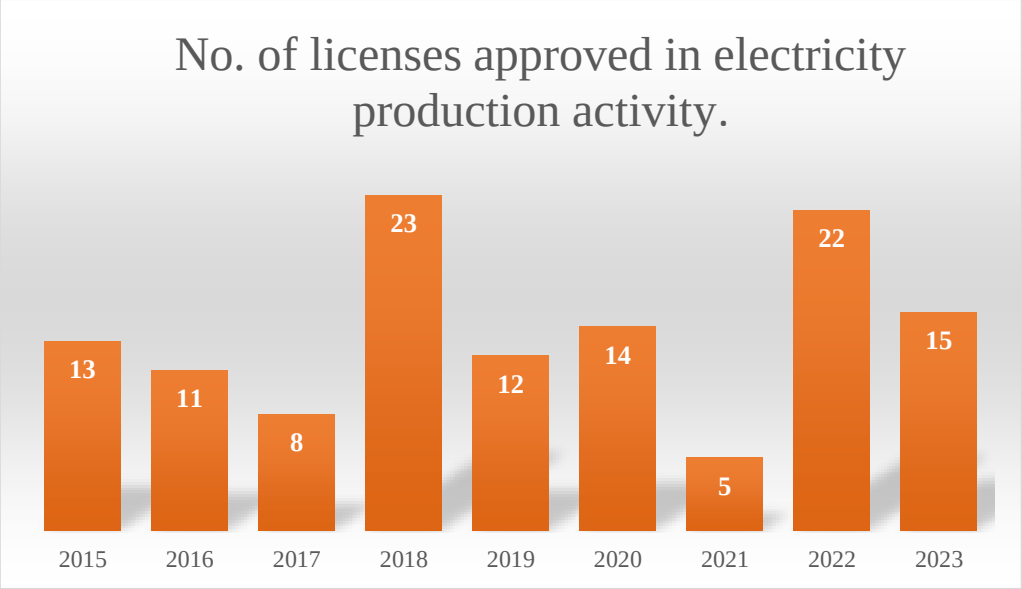


Table 77. No of licenses approved in electricity production activity

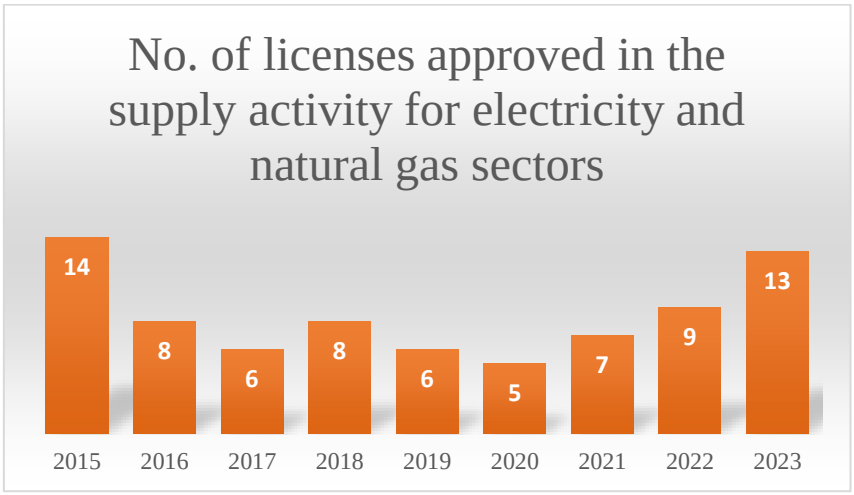


Table 78. No. of licenses approved in the supply activity for electricity and natural gas sector

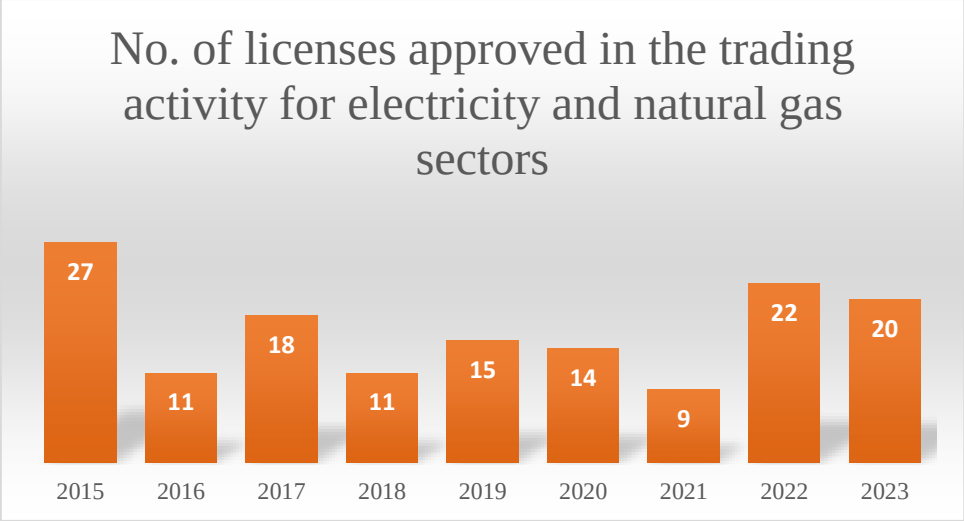


Table 79. No. of licenses approved in trading activity for electricity and natural gas sectors

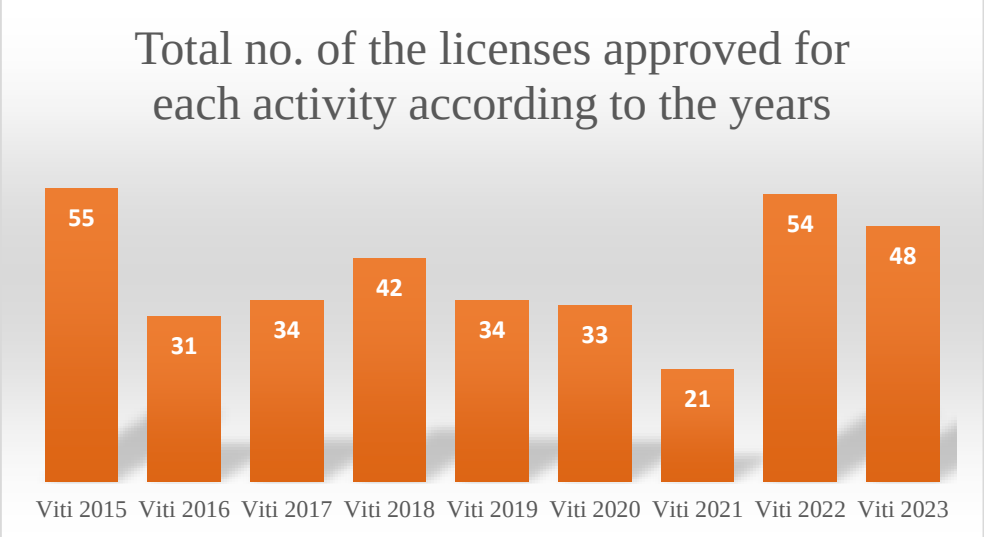


Table 80. No. of the licenses approved for each activity throughhout the years

4.5 Licensing in natural gas activities

During 2023, ERE did not carry out licensing processes and there were no license modifications in the natural gas sector.

4.6 Requests for which it was decided not to open the procedure or to refuse to grant approval by ERE

ERE, during this year, has taken into consideration other requests of licensees, for which it was decided not to open the procedure or refuse to grant approval because the applicants lacked essential documentation in their applications.

During this year, ERE has decided not to open the procedure/not to consider the request, respectively for 3 (three) applications for licensing in production; 4 (four) applications for licensing in traqding; 2 (two) applications for licensing in supply; 6 (six) decisions for not considering the request for authorization by ERE; 1 (one) decision to dismiss the request for the review of the Board's decision and modification of the license in electricity production activity; as well as the rejection of the request in licensing production for 1 (one) application.

Likewise, the suspension of the Board's decision-making was decided, namely for 1 (one) application for licensing in electricity production activity; 1 (one) application for license transfer in the electricity production activity; 1 (one) application for license renewal in the electricity production activity; 1 (one) application for license modification in the electricity production activity, 1 (one) application for licensing in electricity trading activity.

As a result of the impossibility of completing the application documentation on time, ERE Board has taken 18 (eighteen) decisions to postpone the administrative deadline for final decision-making on these applications.

In addition to the above, within the context of fulfilling the licensing conditions by the licensees, 42 (forty-two) decisions were made for the review of these decisions.

During 2023, 1 (one) license in the electricity trading activity was revoked due to non-payment of the adjustment payment; 1 (one) license, in electricity production activity due to the violation of the conditions of the license; 2 (two) licenses at the request of the licensees themselves, respectively in electricity trading and that of supplying activity.

4.7 Granting of Authorizations by ERE for 2023

The licensees, in accordance with the legislation in force and the conditions of the license, have the obligation to obtain the authorization of the ERE for the transfer of immovable assets, the change of the legal status of the licensee, the change of the partner/shareholder that controls the interests of the licensee and setting quotas/shares of the partner/shareholder who controls the licensee's interests as a means of guaranteeing the fulfillment of the obligation/s towards third parties.

The relevant decision-making for the applications submitted by the licensees for obtaining ERE authorization were preceded by correspondence and hearing sessions with the parties. During 2023, decisions were made for granting authorization, of which 4 decisions for changing the partner/shareholder controlling the interests of the company; 5 decisions on setting quotas/shares as a means of guaranteeing obligations to third parties; 3 decisions on the transfer of immovable assets of licensees.

4.8. Issuing Guarantees of Origin

In May 2023, ERE signed with the Grexel company selected by the Energy Secretariat in Vienna, the contract for the service of keeping the electronic register of guarantees of origin within the countries of the Energy Treaty of the countries of Southeast Europe. The above marks an important step in the recognition of Guarantees of Origin in the countries of the region. In this same framework, during 2024, the full participation of ERE in the European Association of Authorities Issuing Guarantees of Origin (AIB) shall be realized. Throughout 2023, Certificates of Guarantee of Origin for the production of electricity from renewable sources have been issued to licensees in electricity production activity. The table below provides the list of guarantees of origin issued by ERE:

No.	Subject	Power Plant	ERE Board decision
1	"DEVOLL HYDROPOWER" company	"Banjë" HPP	Decision no.151, dated 28.04.2023
2	"DEVOLL HYDROPOWER" company	"Moglicë" HPP	Decision no.152, dated 28.04.2023
3	"Albanian Power Corporation (KESH company)"	Photovoltaic Power Plant in Qyrsaqit Dam, Vau i Dejes	Decision no. 164, dated 15.05.2023
4	"Albanian Power Corporation (KESH company)"	"Fierzë" HPP	Decision no. 346, dated 22.11.2023
5	"Albanian Power Corporation (KESH company)"	"Koman" HPP	Decision no. 347, dated 22.11.2023
6	"Albanian Power Corporation (KESH company)"	"Vau i Dejës" HPP	Decision no. 348, dated 22.11.2023

4.9. Designation of the Nominated Electricity Market Operator (NEMO)

An innovation in ERE's decision-making for 2023 was the designation of the "Albanian Power Exchange - ALPEX" company as the Nominated Electricity Market Operator (NEMO), with ERE Board decision no. 228, dated 17.07.2023.

The Nominated Electricity Market Operator (NEMO) is a legal entity defined by the Energy Regulator Authority to perform the tasks related to the integration of the day-ahead market and the intra-day market according to this regulation. The legal monopoly in the country is the appointment of only one Nominated Electricity Market Operator for the provision of day-ahead and/or intraday trading services.

The designation of the Nominated Electricity Market Operator (NEMO) remains valid until the Regulation on Capacity Allocation and Congestion Management is incorporated into the country's legislation, according to which the NEMO designation must be confirmed based on the Regulation on Capacity Allocation and Congestion Management CACM Regulation).

4.10. The annual compliance report of the Transmission System Operator for Electricity TSO company

Implementing the definitions of ERE Board Decision no. 43, dated 15.03.2017, "*On approving the final certification of "Transmission System Operator" for electricity TSO company in conformity with article 54, point 6, of law no. 43/2015, "On Power Sector" and article 9, point 6, of Directive 72/2009 EC after receiving the opinion of Energy Community Secretariat" as well as implementing the definitions of the Compliance Program of TSO company, approved with ERE Board Decision no. 103, dated 30.04.2018*, the Compliance Officer of TSO company, in fulfilling its tasks, submitted at ERE the compliance report of TSO company for 2022.

From this report it was observed that TSO company during 2022 performed a good job regarding the provisions of the certification decision, but there is still work to be done regarding the implementation of the compliance program and the implementation of the compliance officer recommendations. From ERE are issued some recommendations within the framework of the improvements to fulfill this task which shall be considered by TSO staff and shall be reported from the Compliance Officer during the report of the next year.

4.11. The annual Compliance report of the Electricity Distribution Operator, DSO company

ERE Board with decision no. 257, dated 21.12.2020, has approved the Compliance Program of the Distribution System Operator (DSO company), with decision no. 343, dated 21.12.2022, approved the Contract for the provision of the services of the Compliance Officer of the Distribution System Operator DSO company and with decision no. 114, dated 27.03.2023, approved the appointment of the Compliance Officer of DSO company. This fact also led to the closure on 18.04.2023 of the ECS-4/17 proceeding initiated by the Energy Secretariat in Vienna against Albania, a case opened earlier by the Secretariat regarding the lack of complete division of DSO. This decision of the Secretariat came after the completion and transposition of the requirements for the functional separation of DSO at the national level, the legal separation and the progress made in this direction where the approval of the compliance program and the election of the Compliance Officer finalized the process of separation of DSO.

Within the deadline determined with ERE Board decision no. 198/2023, on 10.07.2023, the Compliance Officer submitted at ERE the annual Compliance Report of DSO company, for 2022.

After reviewing this report, taking it into consideration, it has been established that it was drafted mainly according to the tasks required by the Program and the information that needs to be filled in further has been highlighted to the Compliance Officer. Following the above mentioned, the Compliance Officer submitted the supplementary information of the Report.

5. ERE ACTIVITY IN TARIFF AND PRICES REGULATION OF POWER AND NATURAL GAS SECTORS

Implementing articles 19,20,79 and 83 of Law No. 43/2015 "*On Power Sector*", as amended, and articles 16, 17, 32, 75 and 92 of Law 102/2015 "*On Natural Gas Sector*" as amended, as well as article 10 of Law 7/2017 "*On the promotion of the use of energy from renewable resources"*, ERE is the responsible authority for imposing the tariffs and prices for the regulated activities and those that have the public service obligation in power sector, based on the respective effective methodologies. Within this framework, ERE main activities in tariff and prices regulation of Power and Natural Gas sectors during 2023 have been:

Review of the applications, cost analysis and approve of tariffs and prices from the licensee in power and natural gas sectors for:

- Electricity transmission activity;
- Electricity distribution activity;
- Supply activity from the universal service supplier of electricity;
- Supply activity from the supplier of last resort for electricity
- Natural gas transmission and distribution activities;
- Defining the average purchase price of electricity produced by photovoltaic plants with an installed capacity of up to 2 MW and wind turbines with an installed capacity of up to 3 MW
- Defining the electricity sale price from the existing priority producers;

Determination of the tariff structure of the Albanian Power Exchange (ALPEX) and approval of the tariff list.

The drafting, review and approval of the Methodologies for calculating the tariffs for the licensees in power sector:

- Following the approval process of the "Methodology on defining renewable energy obligation that shall be paid from electricity end use customers.

- Following the approval process of the "Methodology for determining the tariff structure in ALPEX".

5.1. Evaluation of the activities of regulated companies as well as the Review of applications for the approval of tariffs and prices of licensees in the power and natural gas sector for 2023.

5.1.1. Activity of the Electricity Transmission System Operator for 2023.

ERE Board with decision no. 72, dated 13.04.2022 decided the approval of the electricity transmission service tariff for May 1, 2022 - December 31, 2024 period, of about 0.85 ALL/kWh. During 2023 TSO company has continued the exercise of a normal financial activity in which the costs anticipated and considered for the purpose of calculating the average

electricity transmission tariff have not been exceeded. The year 2024 is the last year of the 3-year cycle of the regulatory period in which, in accordance with the legislation in force, the realization of the calculation components of the transmission tariff shall be reviewed for the effect of the assessments on which ERE shall rely for the calculation of electricity transmission tariff for the following period.

5.1.2. Regarding the application of the Electricity Distribution System Operator for the determination of electricity distribution service tariffs.

Regarding the approval of electricity distribution service tariffs, in the absence of the application of DSO company for the determination of electricity distribution tariffs for 2023, ERE Board with decision no. 324, dated 14.12.2022, decided to postpone the legal force of decision no. 73, dated 13.04.2022, until the approval of a decision based on the application of DSO company for 2023 or ascertaining the change of costs based on the legal and by-laws in force. Through the correspondence between ERE and DSO company, the company has emphasized that since it is in the conditions of continuing the supply of electricity to cover the losses in accordance with Council of Ministers Decision no. 456, dated 29.06.2022 "On the approval of the conditions, for the establishment of the public service obligation, which shall be applied to licensees in the electricity sector, who exercise the activity of production, transmission, distribution and supply of electricity" and of changes in the price of electricity that shall be purchased to cover the losses, requested that even for 2024, the tariffs approved according to ERE Board decision no. 73, dated 13.04.2022, should remain into force. DSO company has also clarified that this request is related to not changing the conditions (costs involved) in the supply of electricity to cover losses in the distribution network and that it reserves the right to apply for a change in tariffs only in case of a change in the costs of related to the coverage of losses in the distribution network. ERE, in order to carry out evaluations for a fair and cost-reflective tariff, requested from DSO company the submission of the necessary data and documentation related to the exercise of the activity as an operator of the electricity distribution network. DSO company submitted at ERE the preliminary information and data on its exercise and financial activity for 2023 and forecasts for 2024. ERE, based on the above-cited documents, evidenced that based on the fact that the economic indicators for 2021-2022 period are still in the process of re-evaluation and auditing, the calculation components of the electricity distribution tariff, which have also served to determine the tariffs approved by ERE by means of decision no. 73/2022, may undergo changes. Also, in the absence of relevant arguments and explanations for the items of income and expenses realized for 2023, which were presented only in a synthetic form, the calculation and assessment of the actual costs of electricity distribution for 2023 could not be carried out as well as the forecast for 2024.

With the end of the state of emergency of electricity supply on December 31, 2023, the imposition of the public service obligation on priority producers of electricity, who have a contract with "Free Market Supplier" company for the sale of electricity to cover the losses of the distribution network, shall end.. As a result, the company during 2024 may face the fact of purchasing the amount of electricity at an unanticipated price in the irregulated market in order to cover the losses of the distribution network. If ERE observes a change in known costs in the

calculation of distribution service fees approved by ERE Board decision no. 73/2022, in accordance with the requirements of the legal and by-laws in force, the correctable difference has to be left as a reserve to the company, in order to cover the unforeseen costs that may be affected to cover the losses of the distribution network during 2024 as well as the recovery of negative capital accumulated over the years.

In the following, in order that DSO company is able to carry out the electricity distribution activity in accordance with the legislation in force for 2024, ERE Board with decision no. 365, dated 15.12.2023, decided to postpone the legal force of ERE Board Decision no. 73, dated 13.04.2022, until the approval of a decision based on the application of DSO company for 2024 or ascertaining the change of costs, based on the legal and by-laws in force. If this decision shall have effects on the income of DSO company, it shall be corrected and compensated according to the provisions of Article 20, letter "c" of Law no. 43/2015, "*On Power Sector*",as amended.

5.1.3 Regarding the approval of retail electricity prices for end use customers served by the Universal Service Supplier

Based on the provisions of Article 16; Article 19, letter "c", point "i"; Article 20, letter "c"; Article 83 and Article 85 of Law No. 43/2015 "*On Power Sector*", as amended, the Energy Regulator Authority is the authority responsible for determining the regulated prices for end use customers who are supplied under the Universal Supply Service.

As evidenced in the 2022 report, FSHU company did not submit at ERE an application for the approval of retail electricity sale prices for end use customers served by the universal service supplier for 2023.

Found in the above circumstances, in order that FSHU company shall continue exercising the activity for which it is licensed even for 2023, in accordance with law no. 43/2015, "On Power Sector",as amended, ERE Board with decision no. 325, dated 14.12.2022, approved the postponement of the legal force of ERE Board decision no. 74, dated 13.04.2022, until the approval of a decision based on the application of FSHU company for 2023.

In the following, ERE again brought to the attention of FSHU company the obligation to apply for 2024, for the determination of retail electricity sale prices to end use customers that are supplied by the universal service supplier, in accordance with the requirements of article 5, point 3, of the Methodology on Defining the Retail Electricity Sale Price for the End-Use Customers Supplied from the Universal Service Supplier (FSHU)" and Article 21 of the Regulation for ERE Organization, Operation and Procedures. FSHU Company informed that even for 2024, it is expected that KESH company shall continue to supply energy to the Universal Service Supplier, at the price of 2.6 ALL/kWh, with the aim of not changing the electricity sale prices for end use customers who are served by FSHU company. Referring to the company's forecasts, the purchase price of electricity from KESH company shall be able to ensure coverage of the reduced expenses of FSHU company as well as ensuring a minimum positive survival performance. Under these conditions, FSHU company requested that for 2024, the retail electricity prices for end use customers served by the Universal Service

Supplier approved with ERE Board decision no. 74, dated 13.04.2022 to remain into force. In order for ERE to make an assessment of the projected income of FSHU company for 2024, requested the company to submit the necessary data and documentation related to the exercise of its activity. Regarding what was requested, FSHU company explained that due to the delays in the assessment of the assets for 2020 of OSHEE Group, it has requested that the necessary changes and approvals be made in the Financial Statements of 2020 and 2021. The process of auditing them together with the financial statements of 2022 referring to the statement of FSHU company, it is not finished. Furthermore, the company has presented synthetic data, related to the exercise of its activity, without providing the relevant clarifications and arguments, as provided for in the provisions of the Methodology on Defining the Retail Electricity Sale Price for the End-Use Customers Supplied from the Universal Service Supplier (FSHU).

In order that FSHU company even for 2024, can carry out the activity for which it is licensed, in accordance with Law No. 43/2015, "On Power Sector",as amended with ERE Board decision no. 366, dated 15.12.2023, ERE decided to postpone the legal force of ERE Board decision no. 74, dated 13.04.2022, until the adoption of a decision based on the application of FSHU company for 2024, for retail prices for end use customers served by the universal service supplier in accordance with the requirements of legal acts and by-laws in force. If the above decision shall have effects on the income of the companies, their corresponding correction and compensation shall be made, in accordance with the provisions of Article 20, letter "c" of Law no. 43/2015, "On Power Sector", as amended and the relevant methodologies, approved by ERE.

5.1.4. On determining the electricity sale prices by the Supplier of Last Resort for 2023

Pursuant to Article 87, point 4 of Law no. 43/2015 "On Power Sector", as amended, as well as the "Methodology for determining the electricity sale price from the Supplier of Last Resort", approved with ERE Board decision no. 201, dated 04.12.2017, amended with ERE Board decision no. 144, dated 25.06.2018 and no. 233, dated 20.12.2019, the Energy Regulator Authority has determined the sale price of electricity supplied by the Supplier of Last Resort (FMF), for the customer categories as follows:

- Customers connected at the 35 kV voltage level, which are supplied by the Supplier of Last Resort;
- Customers connected to 20/10/6 kV voltage levels, which are supplied by the Supplier of Last Resort;
- Water-Sewage Companies, which are supplied by the Supplier of Last Resort

The calculation of the electricity sale price from the Supplier of Last Resort is carried out in accordance with the formula defined in the "Methodology for determining the electricity sale price from the Supplier of Last Resort", approved with decision no. 201, dated 04.12.2017, as amended.

Calculation of the sale price of electricity for customers supplied under the conditions of the supplier of last resort connected to the 35 kV voltage level.

The average sale price of electricity from the Supplier of Last Resort for customers connected to the 35 kV voltage level for 2023 has turned out to be 19.09 ALL/kWh. During 2023, this price has suffered a significant decrease of 40% compared to the average price of 2022, which resulted in 31.84 ALL/kWh. Below are presented in tabular form the monthly data on the sale prices of electricity supplied by the Supplier of Last Resort for customers connected at the 35 kV voltage level, as well as the respective decisions of ERE Board. For the purposes of comparison, the data of the previous year are reflected in addition to the data of 2023.

Viti 2022	Vendimi	ERE (lekë/kWh) 2022	Viti 2023	Vendimi	ERE (lekë/kWh) 2023
Janar	Nr. 75, Datë 13.04.2022	32.76	Janar	Nr. 28, Datë 16.02.2023	32.27
Shkurt	Nr. 76, Datë 13.04.2022	32.85	Shkurt	Nr. 105, Datë 23.03.2023	32.24
Mars	Nr. 77, Datë 13.04.2022	32.92	Mars	Nr. 134, Datë 11.04.2023	20.49
Prill	Nr. 105, Datë 19.05.2022	32.72	Prill	Nr. 163, Datë 15.05.2023	16.85
Maj	Nr. 148, Datë 10.06.2022	32.14	Maj	Nr. 194, Datë 19.06.2023	16.41
Qershor	Nr. 173, Datë 07.07.2022	31.75	Qershor	Nr. 222, Datë 10.07.2023	14.22
Korrik	Nr. 207, Datë 17.08.2022	31.20	Korrik	Nr. 244, Datë 09.08.2023	15.33
Gusht	Nr. 229, Datë 12.09.2022	31.29	Gusht	Nr. 276, Datë 19.09.2023	15.80
Shtator	Nr. 261, Datë 14.10.2022	31.15	Shtator	Nr. 294, Datë 12.10.2023	16.06
Tetor	Nr. 287, Datë 10.11.2022	31.50	Tetor	Nr. 318, Datë 08.11.2023	16.13
Nëntor	Nr. 318, Datë 12.12.2022	31.21	Nëntor	Nr. 376, Datë 28.12.2023	17.26
Dhjetor	Nr. 05, Datë 16.01.2023	30.59	Dhjetor	Nr. 1, Datë 22.01.2024	16.00
MESATARE VJETORE		**31.84**			**19.09**

Figure 81. Sale prices of electricity supplied by FMF to 35 kV customers for 2022 – 2023 period

	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nëntor	Dhjetor	Mesatare
ERE (lekë/kWh) 2023	32.27	32.24	20.49	16.85	16.41	14.22	15.33	15.80	16.06	16.13	17.26	16.00	19.09
ERE (lekë/kWh) 2022	32.76	32.85	32.92	32.72	32.14	31.75	31.20	31.29	31.15	31.50	31.21	30.59	31.84
Diferenca në përqindje	-1.50%	-1.86%	-37.76%	-48.50%	-48.94%	-55.21%	-50.87%	-49.50%	-48.44%	-48.79%	-44.70%	-47.70%	-40.05%

(Source: ERE)

The graphic below presents the moving curve of electricity sale prices from the Supplier of Last Resort for customers connected at the 35 kV voltage level, approved with ERE Board decision for 2023. For the sake of comparison, the graphic also shows sale price curve for 2022:

(Source: ERE)

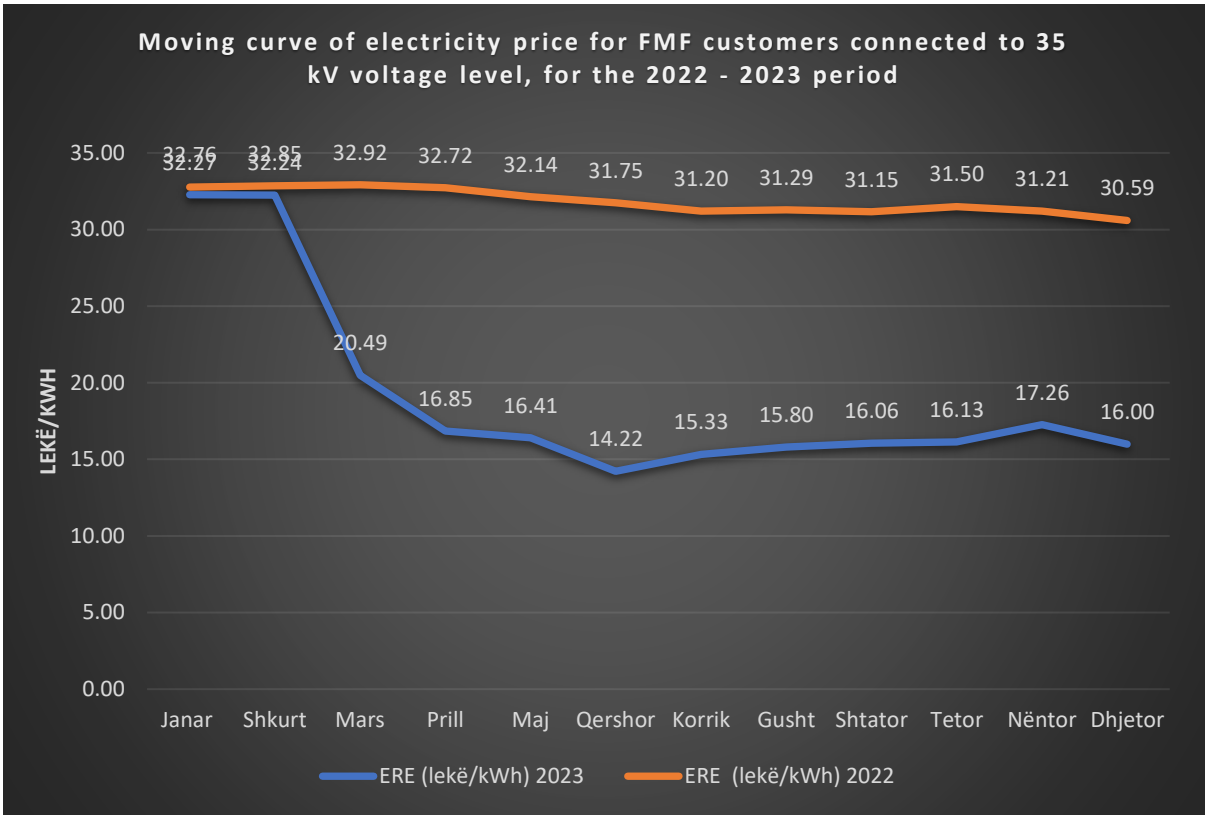


Figure 82. Moving curve of electricity sale prices from the Supplier of Last Resort for customers connected to the 35 kV voltage level, approved by ERE for 2022-2023 period

As noticed in the graphic above, the curve of electricity sale price approved by ERE Board for 2023, for customers connected at the 35 kV voltage level, who are supplied by the Supplier of Last Resort, has had the same trend as the curve of electricity purchase price. Consequently, their downward trend during the first six months, as well as their stability in the second six months of 2023, are clearly reflected in the monthly electricity sale price for FMF customers connected to the 35 kV voltage level.

From the analysis of the data of the periodical reports of 2023, it is evident that the amount of electricity sold to FMF customers, connected at 35 kV voltage level, was 21.1 GWh, with an invoiced value of 250 million ALL , resulting in an average annual realized price of 11.83 ALL /kWh. In the following table are presented the differences of these indicators for 2022 – 2023 period.

Periudha (Klientët e lidhur në 35 kV)	Sasia (kWh)	Vlera (Lekë)	Çmimi mesatar i realizuar (Lekë/kWh)
2022	22,906,846	735,517,781	32.11
2023	21,179,381	250,642,413	11.83
Diferencë	**-7.54%**	**-65.92%**	**-63.14%**

(Source:OSHEE Group company, ERE)

Figure 83. Realization of indicators of the Supplier of Last Resort for 2022-2023

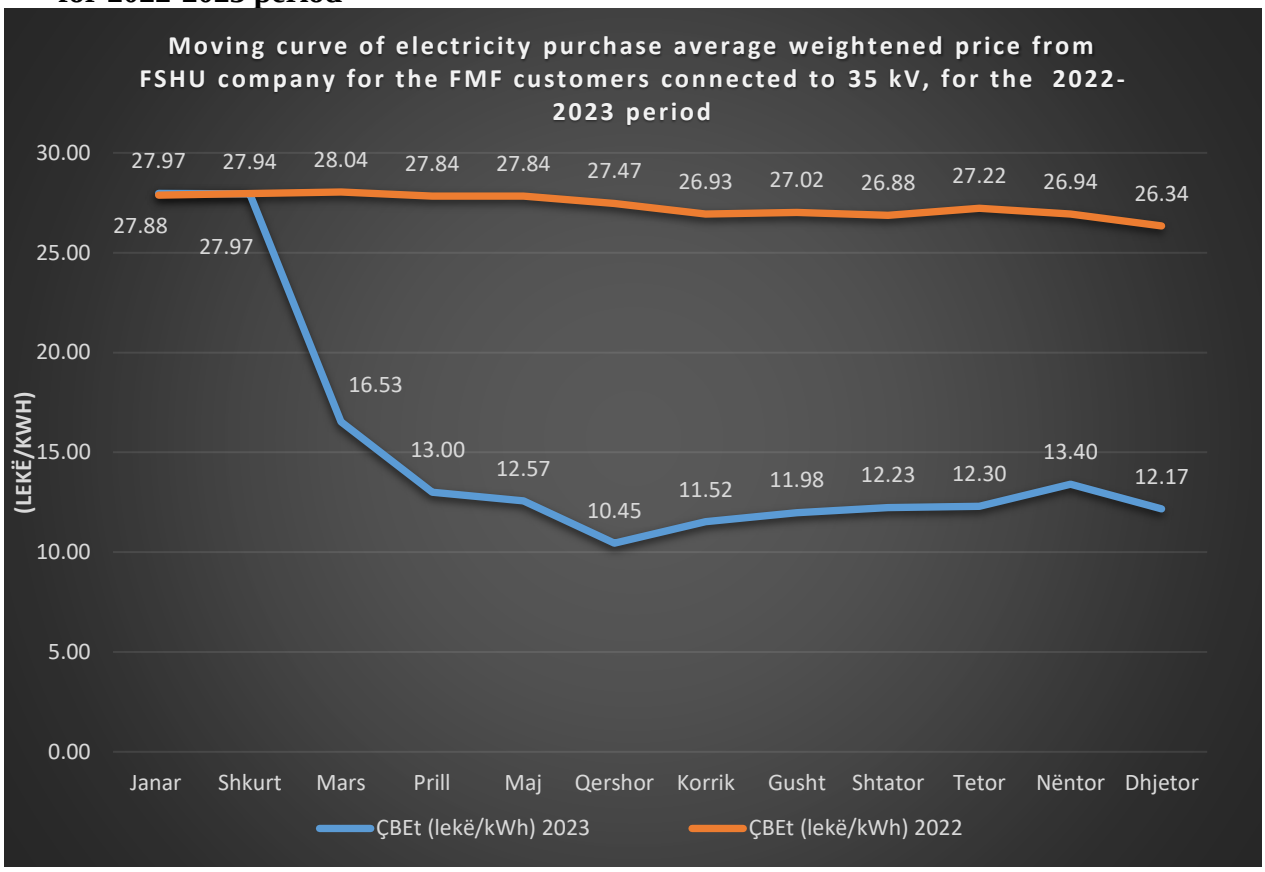
The average purchase price of electricity from the Supplier of Last Resort for customers connected to the 35 kV voltage level for 2023 turned out to be 15.17 ALL/kWh. This price has suffered a significant decrease of 44.56% compared to the average purchase price of electricity in 2022, which resulted in 27.36 ALL/kWh. Below are presented in tabular form the monthly data on the cost of purchasing electricity supplied by the Supplier of Last Resort for customers connected at the 35 kV voltage level. For comparison purposes, the data of the previous year are also reflected in addition to the data of 2023:

Muaji	ÇBEt (lekë/kWh) 2023	ÇBEt (lekë/kWh) 2022	Diferenca në përqindje
Janar	27.97	27.88	0.32%
Shkurt	27.94	27.97	-0.11%
Mars	16.53	28.04	-41.05%
Prill	13.00	27.84	-53.30%
Maj	12.57	27.84	-54.85%
Qershor	10.45	27.47	-61.96%
Korrik	11.52	26.93	-57.22%
Gusht	11.98	27.02	-55.66%
Shtator	12.23	26.88	-54.50%
Tetor	12.30	27.22	-54.81%
Nëntor	13.40	26.94	-50.26%
Dhjetor	12.17	26.34	-53.80%
Mesatare	**15.17**	**27.36**	**-44.56%**

Figure 84. Electricity purchase price from FSHU company to cover the needs of FMF customers connected at the 35 kV voltage level for 2022 – 2023 period

Below it is presented the moving curve of the weighted average price of purchasing electricity for the purpose of supply of last resort for customers connected to 35 kV, for 2022 – 2023 period.

Figure 85. Moving curve of electricity purchase weighted average price from FSHU company for customers connected at 35 kV voltage level, which are supplied by FMF, for 2022-2023 period



(Source: ERE)

From the graphic above, it is clearly evident that the lowest value for 2023 results in June, where 1 kWh was purchased for 10.45 ALL, or 61.96% lower than the weighted average price of purchasing eelectricity in June 2022. Referring to the data of the second six months of 2023, it results that the average weighted prices of purchasing electricity in the free market to cover the demand of FMF customers, connected at 35 kV voltage level, have not undergone significant fluctuations. Their sustainability is also reflected in the curve of the graphic above, where it seems that the values maintain almost the same trend. It is worth noting that from the comparison of the annual average of 2022 (27.36 ALL/kWh) with the annual average of 2023 (15.17 ALL/kWh), the price of electricity purchased on the free market to cover the demand of this category of FMF customers , has suffered a decrease of 44.56%.

For the customers connected to 20/10/6 kV voltage level

Based on Law no. 43/2015 "*On Power Sector*", as amended, customers who meet the technical conditions for entering the liberalized market, from January 1, 2022, can freely choose their supplier. If it is not possible to secure a supply agreement with one of the subjects licensed in this activity, customers have the right to use the electricity supply service from the Supplier of Last Resort.

Pursuant to the decision of the General Shareholders' Assembly, KESH company , as in the previous year, supplied for 2023 all the required amount of electricity for the customers of FSHUcompany, including the customers connected to the 20/10/6 kV voltage levels, which were found in terms of the supply of last resort. The cost of purchasing the amount of electricity to cover the demand of this category of customers was 12 ALL/kWh. As long as the cost of purchasing electricity from the KESH company remained unchanged and the other components of the calculation of the price of electricity for this category of customers were constant, ERE Board with decision no. 29, dated 16.02.2023, approved the electricity sale price for 2023 for FMF customers connected to the 20/10/6 kV voltage level. In case of change of any of the price calculation components, the review of this decision was foreseen.

Referring to ERE periodic reports for 2023, it results that the amount of electricity consumed by customers connected to 20/10/6 kV voltage levels for this year is 1.07 GWh with a billed value of approximately 18,802 million ALL.

Figure 86. Realization of FMF indicators for 2022 – 2023 period, for customers connected at 20/10/6 kV voltage level

Periudha (Klientët e lidhur në 20-10-6 kV)	Sasia (kWh)	Vlera (Lekë)	Çmimi mesatar i realizuar (Lekë/kWh)
2022	1,079,440,181	20,058,932,674	18.58
2023	1,070,667,285	18,802,002,357	17.56
Diferencë	-0.82%	-6.69%	-5.82%

(Source:OSHEE Group company, ERE)

5.1.5 On setting the electricity sale price for 2023 for the Water and Sewerage companies which are supplied by the Supplier of Last Resort.

Universal Service Supplier (FSHU) company submitted at ERE for 2023 the request for the approval of the electricity sale price for the Water and Sewerage Companies, connected at 35 kV voltage level as well as 20/10/6 kV, which are served by the Supplier of Last Resort.

Based on point 1 of article 8 of the Council of Ministers Decision no. 456, dated 29.06.2022 "On the approval of conditions for the imposition of the public service obligation, which will be applied to licensees in the electricity sector, who exercise the activity of production,transmission, distribution and supply of electrical energy" it is determined that Water and Sewerage companies have a special status, as companies that ensure the supply of drinking water to customers. Further referring to point 2, article 8, of the above Council of Ministers Decision, *"customers defined in point 1, of this article, are guaranteed uninterrupted supply even if they have entered the liberalized market and are supplied by the Supplier of Last Resort, according to the provisions of law no. 43/2015, "On Power Sector", as amended".*

Pursuant to the above, KESH company with the decision of the General Assembly of the Shareholder no. 10253/1, dated 04.01.2023, approved, among other things, the average sale price of electricity for FSHU company, in order to cover the demand for supply of water and

sewerage companies, for 2023, connected at 35 kV voltage level as well as for 20/10/6 kV of about 5.70 ALL/kWh.

Based on the application data of FSHU company as well as in Article 8 of the "*Methodology for determining the price of electricity sale from the Supplier of Last Resort*", ERE calculated the electricity sale prices for this category of customers, depending on the voltage level where they are connected, which resulted as follows:

Figure 87. Electricity sale prices from FMF according to voltage level for 2023, for Water and Sewerage companies

Çmimi i energjisë elektrike të furnizuar nga Furnizuesi i Mundësisë së Fundit për shoqëritë Ujësjellës Kanalizime Viti 2023				
			Nivelet e tensionit	
			35 kV	20/10/6 kV
		Njësia	Çmimi	Çmimi
CBEt	Çmimi mesatar i blerjes së energjisë elektrike	Leke/kWh	5.70	5.70
Pr	Kthimi për riskun i përcaktuar në përqindje për vitin (3%)	Leke/kWh	0.17	0.17
CA	Kosto administrative të Furnizuesit të Mundësisë së Fundit	Leke/kWh	1.06	1.06
TRr	Tarifa e përdorimit të rrjetit të transmetimit	Leke/kWh	0.85	0.85
TSHt	Tarifa e përdorimit të rrjetit të shpërndarjes	Leke/kWh	1.55	3.99
Çmimi i energjisë = CBEt +Pr* CBEt+ TRr+TSHt+CA		**Leke/kWh**	**9.33**	**11.77**

(Source: ERE)

With decision no.16, dated 06.02.2023, ERE Board decided to determine the sale price of electricity supplied by the Supplier of Last Resort for 2023, of about:

- 9.33ALL/kWh for Water and Sewerage companies connected at 35 kV voltage level
- 11.77 ALL/kWh for Water and Sewerage companies connected at 20/10/6 kV voltage levels.

In the event of changes in the constituent components of the price calculation, it was provided the review of this decision.

5.1.6. On approving the temporary transmission tariff for natural gas from Albgaz company for 2024.

Pursuant to article 17, point 1, letter "e", of Law no. 102/2015, "*On natural gas sector*", as amended, it is determined that "ERE has the right to approve temporary transmission or distribution tariffs, in cases where transmission or distribution operators create delays in changing tariffs.

Taking into account that ERE Board with decision no. 293, dated 23.10.2023, decided to open the procedure to review the request for the approval of the ten-year investment plan from "Albgaz" company which contains the short-term, medium-term and long-term investments of the company and in the absence of the submission of an application for revision of the transmission tariff of Albgaz company for 2024, as well as in implementation of the directives of the Energy Community, since access to the network for users of the Transmission System must be guaranteed and this company must offer its services at tariffs regulated by ERE, ERE

Board with decision No. 367, dated 15.12.2023 decided to postpone the legal force of decision no. 206, dated 16.12.2019 for 2024, until the approval of a tariff based on the application of "Albgaz" company, where the update and compensation of the required income of Albgaz company from the required temporary income shall be made in support of the provisions of Article 17, point "e" of Law no. 102/2015 "On natural gas sector", asamended. The natural gas transmission tariff from "Albgaz" company even for 2024, shall continue to be *28 ALL/m3 or 2.6457 ALL/kwh.*

5.1.7. On the proposal for the Approval of the methodology for determining ALPEX fee schedule and the Approval of the list of Fees.

ERE Board with decision no. 228, Dated 17.07.2023 decided to designate the "Albanian Power Exchange - ALPEX" company as the Nominated Electricity Market Operator (NEMO).

In the following, the "Albanian Power Exchange - ALPEX" company with official letter no. 257, dated 31.07.2023, protocolled at ERE with Protocol no. 1991, dated 02.08.2023, submitted at ERE the "Proposal for the approval of the methodology for determining ALPEX fee schedule and the Approval of the list of Fees.

ALPEX company in the request submitted at ERE, presented the draft document "Methodology for determining ALPEX Fee Schedule", which includes the proposal of ALPEX for the methodology of determining the fee schedule and the proposal of the list of fees of ALPEX company as the Nominated Electricity Market Operator (NEMO) for the markets of Albania and Kosovo. Within the framework agreement signed between ERE and the Energy Regulatory Office of Kosovo (ERO) "Framework agreement on electricity market coupling between Albania and Kosovo" on 21.10.2021, the proposal was presented at the same time to ERO, so that this methodology is approved with the same content.

In determining the fee schedule for members participating in ALPEX markets according to the company, the objective that its net capital is equal to the undersigned capital has been taken into consideration. The document also contains the principles for determining the fee schedule and a comparison of the level of fees compared to the level of fees in regional power exchanges.

The list of fees proposed by ALPEX company shall be temporarily applicable to the Nominated Electricity Market Operator (NEMO), until the moment of their approval based on a clearly structured methodology, where the tariff calculation method and the regulatory period are determined.

ERE in implementation of Article 6, points 6.1 and 6.4 of the "Framework Agreement on electricity market coupling between Albania and Kosovo" dated October 21, 2021, shall cooperate with ERO for the approval of the "Methodology for determining the tariffs of the Nominated Electricity Operator (NEMO)", a document which in conclusion should be based on the same principles and methods based on the legal acts in force according to each jurisdiction. With the opening of the procedures for the approval of the "Methodology for determining the tariffs of the Nominated Electricity Market Operator (NEMO)", ALPEX

company shall continue with updating the methodology during the public consultation process, so that ERE can continue with its review and approval.

Following the above, ERE Board with decision no. 287, Dated 09.10.2023 decided on the approval of the "ALPEX Fee List" which shall be applicable to the Nominated Electricity Market Operator (NEMO), until 31.03.2024 according to the table attached to this decision as well as the opening of the procedure for the approval of the "Methodology for determining the tariffs of the " of the Nominated Electricity Market Operator (NEMO).

5.2 Determination of electricity purchase price from existing priority producers for 2023

5.2.1. On determining the purchase price of electricity produced by existing priority producers from photovoltaic and wind sources for 2023.

During 2023, the new law on renewable energy sources was adopted, which partially approximates EU Directive 2018/2001 "*On the promotion of the use of energy from renewable sources*". The new law no. 24/2023 "*On the promotion of the use energy from renewable sources*", which repealed law no. 7/2017 "*On the promotion of the use of energy from renewable sources*", as amended. Law no. 24/2023 in point 5 of article 10 charges ERE with the obligation to determine the purchase price of electricity produced by existing priority producers from photovoltaic and wind sources, in accordance with the methodology approved by the Council of Ministers, which the criteria for calculating the price should be defined, based on the reasonable return on investment value according to the type of technology used.

Based on point 37 of Article 3 of Law No. 24/2023 "For promoting the use of energy from renewable sources", "Existing priority producer" is a producer with priority that at the time of entry into force of this law has signed a project development contract with the ministry or has been provided with preliminary approval for the construction of photovoltaic production capacity up to 2 MW, wind power up to 3 MW and for hydropower plants with an installed capacity of up to 15 MW.

Based on point 2 of Article 31 of Law No. 24/2023 "For promoting the use of energy from renewable sources", the methodology approved with Council of Ministers Decision no. 369/2017, pursuant to Law No. 7/2017, for determining the purchase price of electricity produced from small renewable sources from the sun up to 2 MW and wind up to 3 MW for existing priority producers that at the time of entry into force of this law have signed a project development contract with the ministry or has been provided with prior approval for the construction of production capacity.

Pursuant to the above-mentioned legislation as well as MIE guidelines, where for the determination of the price of electricity produced by small photovoltaic and wind generating sources, the methodology of evaluating the costs of energy from renewable sources is taken

into consideration, which is based on the same LCOE formula, according to Council of Ministers Decision No. 369, dated 26.04.2017.

ERE Board with Decision No. 179, dated 29.05.2023, approved to open the procedure for determining the purchase price of electricity produced by existing priority producers from photovoltaic and wind sources for 2023.

MIE submitted at ERE the updated information within the framework of the monitoring by the National Agency of Natural Resources (AKBN) of the contracts for the construction, use and administration of photovoltaic electricity generating plants, presented by the subjects, which have been provided with approval for the construction of photovoltaic electricity generating plants with a capacity of up to 2 MW for 2023. After reviewing the documentation submitted at MIE and ERE, in implementation of the Methodology approved by Decision No. 369, dated 26.04.2017, and ERE evaluations, ERE Board with decision no. 25, Dated 22.02.2024 approved the purchase price of electricity produced by photovoltaic plants with an installed capacity of up to 2 MW of 95.04 Euro/MWh, for 2023.

5.2.2. Regarding the applicable electricity purchase price from existing priority producers for 2023.

Based on the provisions of Law no. 7/2017 "For promoting the use of energy from renewable sources", as well as in accordance with the "*Methodology for determining the annual electricity purchase price to be paid to existing priority producers*", approved by Council of Ministers Decision no. 687, dated 22.11.2017,as amended, ERE Board with decision no. 327, dated 14.12.2022, decided to approve the annual electricity purchase price, which shall be paid to existing priority producers of of about 8.5652 ALL/kWh, for 2023.

Based on the data of the annual report of the Hungarian Power Exchange (HUPX), the average annual price of the day ahead market (HUPX/DAM) of electricity in the baseload profile for 2022 was **271.67 Euro/MWh**.

From the data published by the Bank of Albania on the ALL/EUR exchange rate for each day of 2022, it turned out that the average exchange rate for 2022 is **114.96 ALL/EUR.**

Based on the elements defined above and in application of the calculation formula of point 3 of Council of Ministers Decision no. 687/2017,as amended, the annual electricity purchase price that shall be paid to existing priority producers results in **37.47 ALL/kWh .**

Following this decision-making, the Council of Ministers through Decision no. 67, dated 08.02.2023 "For an amendment in decision no. 687, dated 22.11.2017 "On the approval of the methodology for determining the annual electricity purchase price, which shall be paid to existing priority producers", as amended, decided that the maximum level of the calculated electricity purchase price , in any case it shall not be higher than the price of 10 ALL/kWh (without VAT).

Following the amendment approved with Council of Ministers Decision no. 67, dated 08.02.2023, the resulting price is above the maximum level of the calculated price of electricity purchase defined in letter "d" of Council of Ministers Decision no. 687, dated 22.11.2017,as amended, of about 10 ALL/kWh.

ERE by e-mail, on 10.02.2023, notified DSO company and TSO company and informing FTL company for the entry into force of Council of Ministers decision no. 67, dated 08.02.2023, requesting operators to take immediate measures for the implementation of the Council of Ministers decision and the immediate reading of the electricity mettering equipments produced by the existing priority producers, in order to accurately reflect the amount of electricity produced during February 2023, until the entry into force of Council of Ministers decision no. 67/2023.

As above, ERE Board, with Decision no. 27, dated 16.02.2023 decided:

1. To approve the applicable electricity purchase price to be paid to existing priority producers, of about 10 ALL/kWh.

2. The financial effects of this price begin on 09.02.2023 with the publication in the Official Gazzette of Council of Ministers Decision no. 67/2023 until 31.12.2023.

5.3 Electricity purchase cost in implementation of the conditions for the establishment of the public service obligation by licensees in the power sector for 2023

5.3.1 Electricity purchase cost from the "Universal Service Supplier" company

FSHU company in implementation of the public service obligation, which shall be applied to licensees in the power sector, who exercise the activity of production, transmission, distribution and supply of electricity, has an obligation to purchase electricity produced by the electricity production company, whose shares are controlled by the state (KESH company), as well as the purchase of energy in the irregulated market, through the public supply company in the free market (FTL) for the amount that is not provided by the electricity production company according to the value defined in the contract.

With the announcement of the state of emergency of electricity supply, the Council of Ministers with decision no. 620, dated 22.10.2021, approved the conditions for establishing the public service obligation for licensees in the power sector, during the state of emergency in the supply of energy electricity and for coping with its prevention and reviewed it by decision no. 758, dated 9.12.2021. Subsequently, in this decision, it was foreseen that the Universal Service Supplier, in order to fulfill the requirements of the customers who benefit from the Universal Supply Service, in accordance with the provisions of point 1, article 109, of Law no. 43/2015, "On Power Sector", as amended, imposes the public service obligation to purchase the necessary amount of electricity, produced by the electricity production company, whose shares are fully or partially controlled by the state. The production company, charged with the public

service obligation, supplies the Universal Service Supplier with all the necessary quantity, for the purpose of meeting the full demand of the Universal Service Supplier, according to the price per unit of electricity, approved by the General Assembly of the Company. In the following, during 2022, as mentioned above, the Albanian Government through decision no. 456, dated 29.6.2022, decided to approve the conditions for establishing the public service obligation, which shall be applied to licensees in the power sector, who exercise the activity of production, transmission, distribution and supply of electricity, a decision which also determined the necessary provisions for coping with the emergency situation in the electricity supply, based on the provisions of Law no. 43/2015, "On Power Sector",as amended.

As above, the amount of electricity purchased for the purpose of the universal supply service during 2023 was provided by KESH company. The electricity purchase price from KESH company according to the decision of the General Assembly of the Company for in 2023 it was 2.6 ALL/kWh.

The incomes realized by household customers have resulted in the same levels as those realized during 2022. Meanwhile, it is evident that the incomes realized by non-household customers have suffered an increasing difference of 2%.

The income realized from electricity sale from FSHU company during 2023, from universal service supply have sustained an increase of 2% compared to the income of 2022, as reflected in the following table:

Përshkrimi	Sasia (kWh)		Diferencë në sasi	Diferencë në %
	2023	2022	2023-2022	2023-2022
Jo Familjare	1,360,226,514	1,332,357,733	27,868,780	2.1%
Familjare	3,115,466,152	3,071,883,298	43,582,854	1.4%
Total	4,475,692,666	4,404,241,031	71,451,635	1.6%

Përshkrimi	Te ardhura (Lek)		Diferencë në lek	Diferencë në %
	2023	2022	2023-2022	2023-2022
Jo Familjare	18,601,626,709	18,200,287,643	401,339,067	2%
Familjare	29,596,998,494	29,182,934,335	414,064,158	1%
Total	48,198,625,203	47,383,221,978	815,403,225	2%

Figure 88 The amount of electricity sold and the income from the sale of electricity of FSHU company

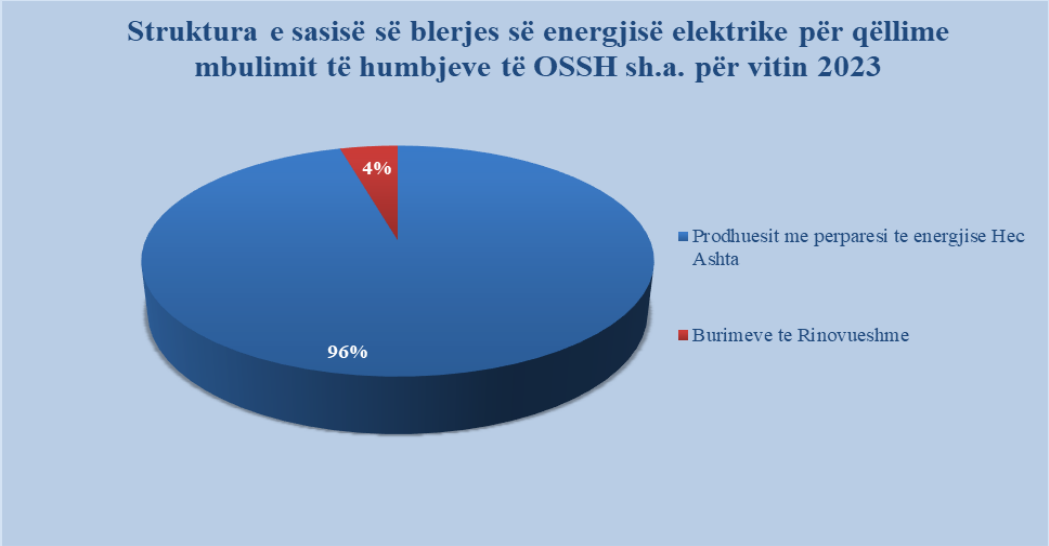
(Source: FSHU company, OSHEE Group company)

5.3.2 Electricity purchase cost from the "Distribution System Operator" company for covering losses in the electricity distribution network for 2023

The amount of electricity purchased for the purpose of covering the losses of the electricity distribution network, consists of:

- **96%** of the amount was procured from private HPPs and Ashta HPP;
- **4%** of the amount was procured from the production of renewable photovoltaic sources.

In the following graphic, it is presented the amount of electricity for the purpose of covering the losses of the distribution network, according to the source, for 2023 compared to 2022.



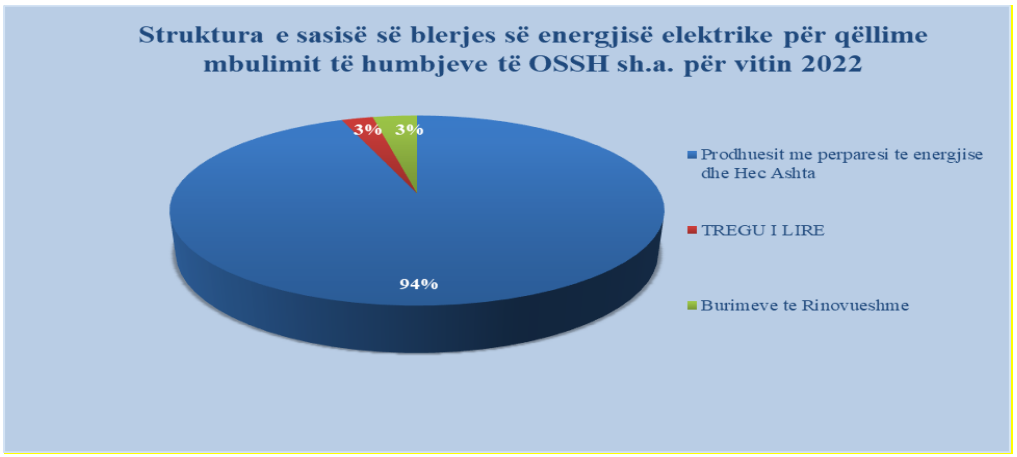


Figure 89. The structure of the amount purchased to cover the losses of the distribution network for 2023-2022 period

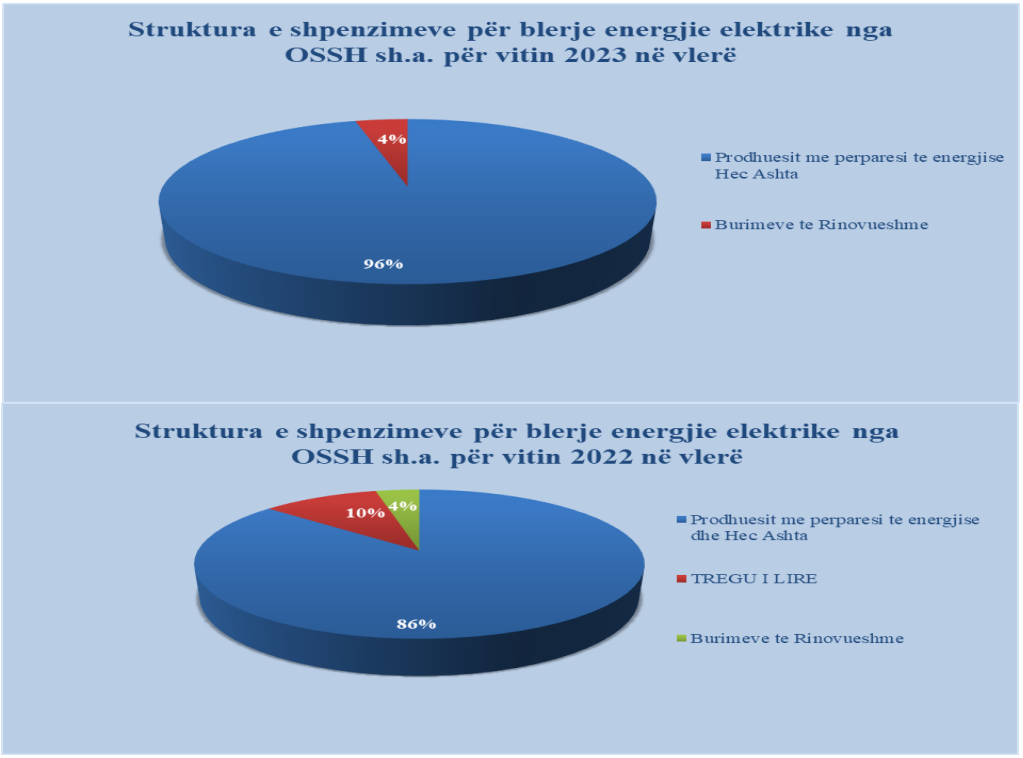
(Source: DSO company, OSHEE Group company)

The structure of the expenses of DSO company for the purchase of electricity to cover losses, for 2023, is presented as follows:

- **96%** of purchase costs are represented by electricity purchased from private HPPs and Ashta HPP
- **4%** of purchase costs is represented by energy purchased from BRE (photovoltaic plants)

In the following graphic, it is presented the structure of electricity purchase costs from DSO company for 2023 compared to 2022.

Figure 90. Structure of electricity purchase costs to cover the losses of the distribution network for 2023 – 2022 period



(Source: OSSH company, OSHEE Group company)

As mentioned above, the Albanian Government through decision no. 456, dated 29.6.2022, decided to approve the conditions for the establishment of the public service obligation, which shall be applied to licensees in the power sector, who exercise the activity of production, transmission, distribution and supply of electricity. In this decision, it is provided that the excess monthly amount of electricity, produced by the public production company, after fulfilling the demand of universal customers, in accordance with the provisions of the contract arranged between the parties, according to the provisions established in point 4, of this article, as well as after the exhaustion of the amount of energy produced from renewable energy

sources in the previous periods is sold to the Free Market Public Supplier, for the account of the Distribution System Operator, to cover losses, at the price of electricity purchase of priority producers of water. This provision of the aforementioned decision has enabled DSO company maintaining in a balanced manner the costs of covering the losses of the distribution network without being affected by the high costs of free market procurement which have been at high levels generally throughout 2023.

It is also noted that during 2023, the necessary amount of electricity to cover the losses from DSO has been fulfilled 100% by renewable energy sources, where the largest weight of the amount is occupied by hydro sources such as priority producers of electricity and Ashta HPP with 96%, accompanied by the amount produced by photovoltaic plants with 4%.

5.4 Drafting, Review and Approval of Methodologies for calculating tariffs in the power and natural gas sector.

5.4.1 The methodology on defining renewable energy obligation that shall be paid from electricity end use customers.

Pursuant to Article 16, point 8 of Law no. 24/2023 "On the promotion of the use of energy from renewable sources, ERE is the authority responsible for drafting and approving the " Methodology on defining renewable energy obligation that shall be paid from electricity end use customers"

ERE Board, through decision no. 377, dated 26.12.2023, has approved to open the procedure for the approval of the "Methodology on defining the obligation for renewable energy. ERE, in implementation of the provisions of the "Regulation for ERE Organization, Operation and Procedures", in cooperation with the experts of the consulting office "DLA Piper Weiss - Tessbach Rechtsanwalte GmbH" initiated the drafting of this methodology.

In the following, ERE requested the opinion of the interested parties and is in the finalization phase of consultations for the completion and approval of this methodology, in accordance with the legislation in force.

5.4.2 The methodology for defining the tariff structure of ALPEX company"

"Albanian Power Exchange - ALPEX" company submitted at ERE the"Proposal for the approval of the methodology for determining the fee schedule in ALPEX", in the capacity of a licensee as a Nominated Electricity Market Operator (NEMO), approved with ERE board decision no.228, dated 17.07.2023, as well as the responsibilities and roles undertaken in implementation of ERE's decision-making, on the Nominated Electricity Market Operator (NEMO) and on ALPEX company.

ERE evaluated that the presented methodology was not complete as the fees must be based on a methodology, which provides not only the general regulatory principles, but also the method on which the required revenues shall be calculated which Alpex could rely on to structure the fees to be applied to market participants.

But it was also evaluated that the document met the minimum criteria for the development of the consultative process in order to design a clearly structured methodology in which the essential determinations that a tariff methodology must have should be evidenced, so with ERE Board decision no. 287 dated 09.10.2023 was decided "To open the procedure for the approval of the "Methodology of setting tariffs" of the Nominated Electricity Market Operator (NEMO)".
In the following, ERE requested the opinion of the interested parties and is in the finalization phase of the consultations for the completion and approval of the methodology in question, in accordance with the legislation in force.

5.5. Tariff and prices approved over the years by ERE and electricity prices in the Countries of the Region for 2023

5.5.1 Tariff and prices approved by ERE over the years

The graphic and table below present the progress of electricity tariffs and prices approved over the years by ERE in implementation of the legislation in force.

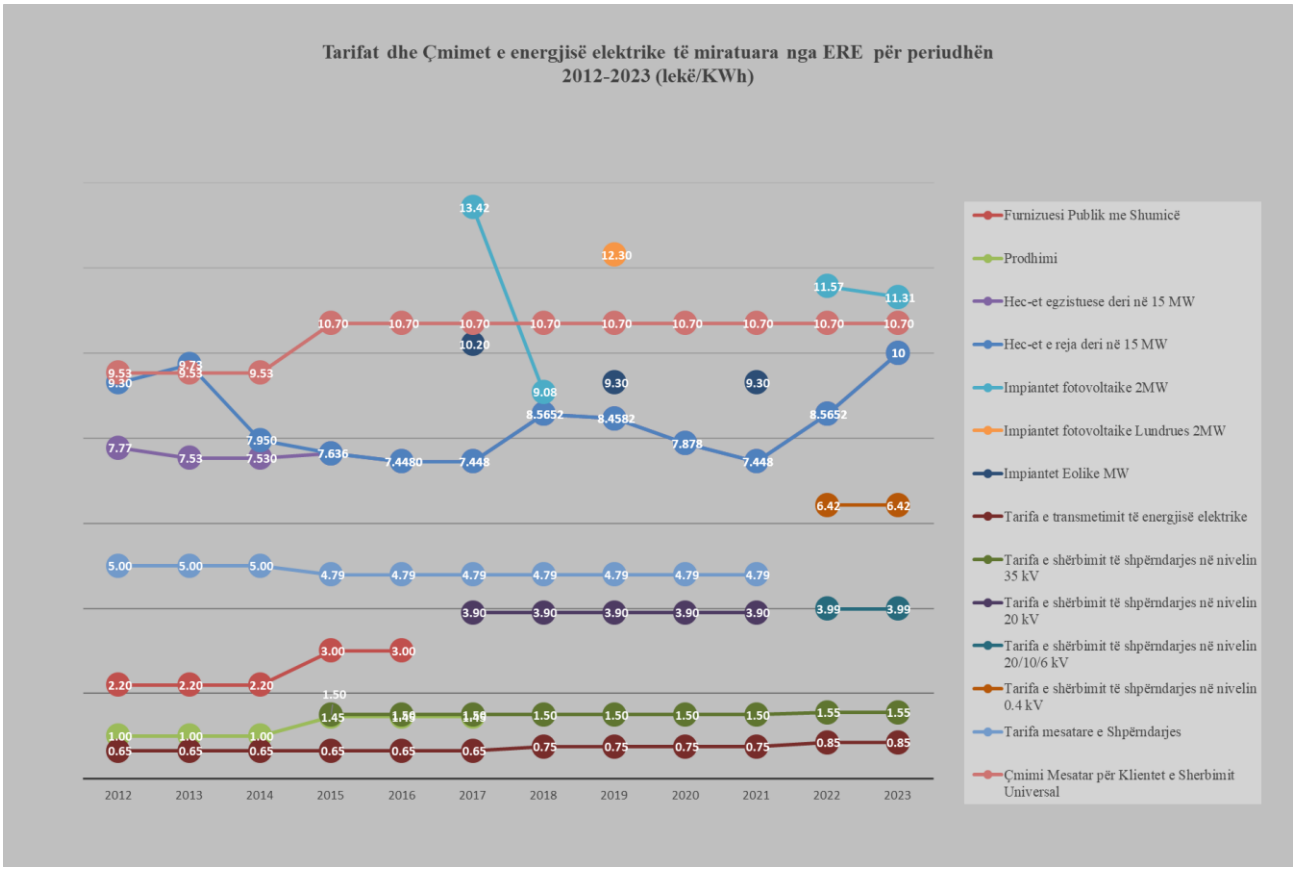
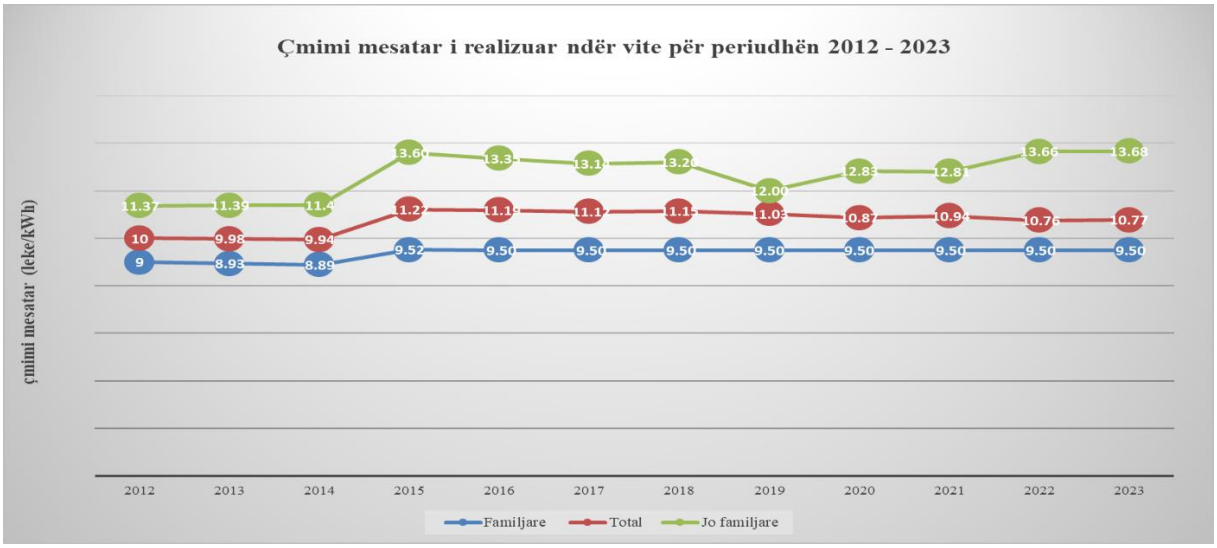


Figure 91. Tariff and Prices of electricity approved during 2012 – 2023 period.

The following graphic presents the progress of the realized average prices of the sale of electricity from FSHU company for customers supplied under universal service conditions:

Figure 92. Average sale price of electricity from FSHU company for 2012 – 2023 period.

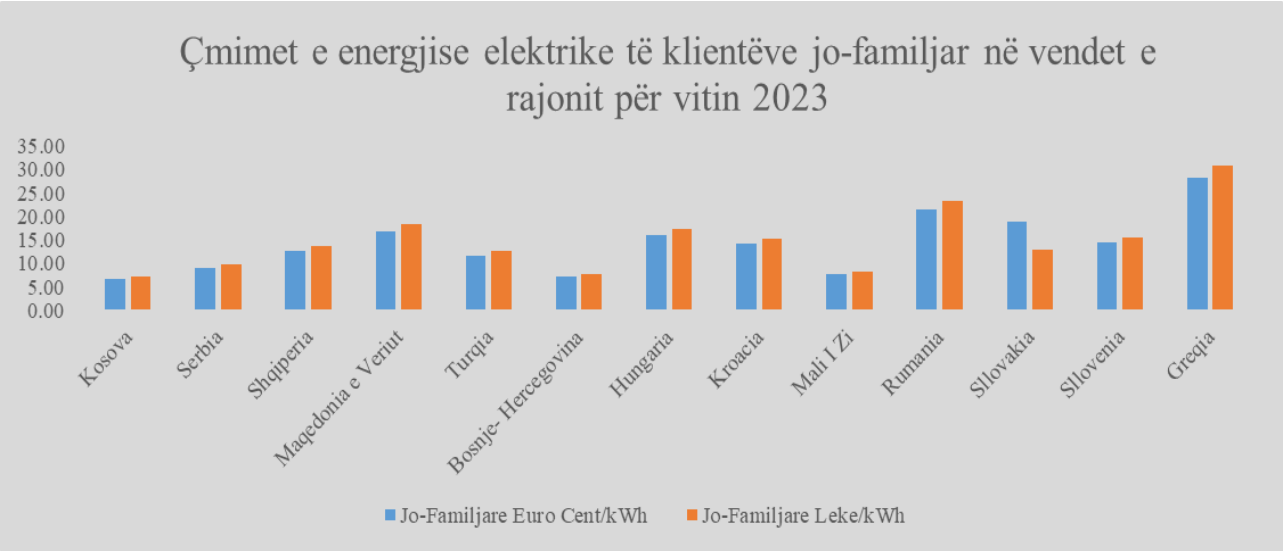


From the analysis of the sales structure of FSHU company for 2023, the average electricity sale price realized for end use customers has resulted in almost the same level as that calculated by ERE for the respective period.

5.5.2. Electricity prices in the countries of the region for 2023

The graphic below shows the prices of electricity in Eurocents/kWh and ALL/kWh before taxation (VAT) for non-household customers for 2023. According to data published by EuroStat, the average price of electricity for non-household customers for the countries of the region for 2023 resulted in 14.85 ALL/kWh.

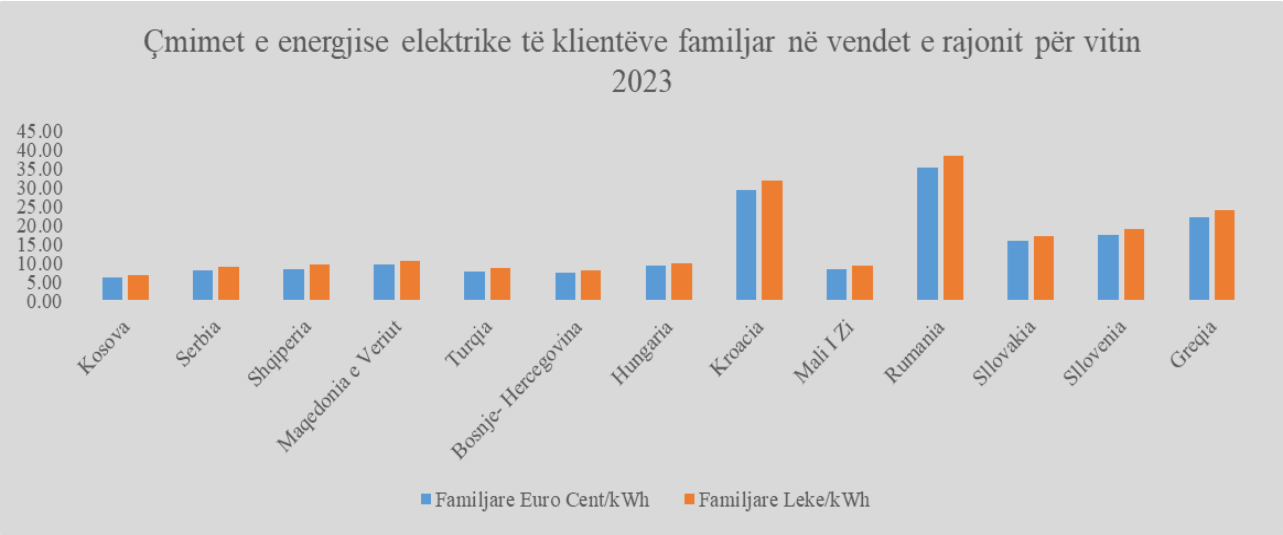
Figure 93. Electricity prices of non-household customers in the countries of the region for 2023 period



(Source: Eurostat)

The graphic below presents the prices of electricity in Eurocents/kWh and ALL/kWh before taxation (VAT) for household customers for 2023. According to data published by EuroStat, the average price of electricity for household customers for the countries of the region for 2023 resulted in 15.48 ALL/kWh.

Figure 94. Electricity prices of household customers in the countries of the region for 2023 period



(Source: Eurostat)

6. REGULATION OF NATURAL GAS SECTOR

6.1. The Progress of Gas Supply in the World and the Strategic Position of Our Country

Global gas markets moved towards a gradual rebalancing during the 2022 and 2023 heating season, following the supply shock caused by the war in Ukraine that began in February 2022.

Market gas prices in the main markets of Northeast Asia, North America and Europe fell by nearly 70% between mid-December and the end of the first quarter of 2023, as storage countries ended the heating season well above their five-year averages. Reduced market stresses and relatively well-stocked storage sites ahead of summer are grounds for cautious optimism about security of supply. However, this combination of factors should not distract from further measures needed to mitigate potential risks that could quickly renew market tensions and price volatility.

Throughout 2023, European gas prices continued their downward trend. The average quarterly spot market price was €53.32/MWh. This represents a 44% decrease from last quarter (€95.15/MWh), and a 45% year-over-year decrease (€97/MWh).

Despite the drop in prices, the average spot market price was 187% higher compared to the average of the first quarter of 2021.

6.2. Natural Gas Consumption

Gas consumption in EU countries in the first quarter of 2023 continued to fall below the five-year average trend line. However, there was a 19% rebound from the extreme drop in gas consumption in the previous quarter. The EU consumed a total of 113.2 bcm of gas in the first quarter of 2023, or 17.8 bcm more than in the fourth quarter of 2022. Year-on-year, gas consumption fell by 13%, following an 8% year-on-year decline per year compared to the respective previous quarters.

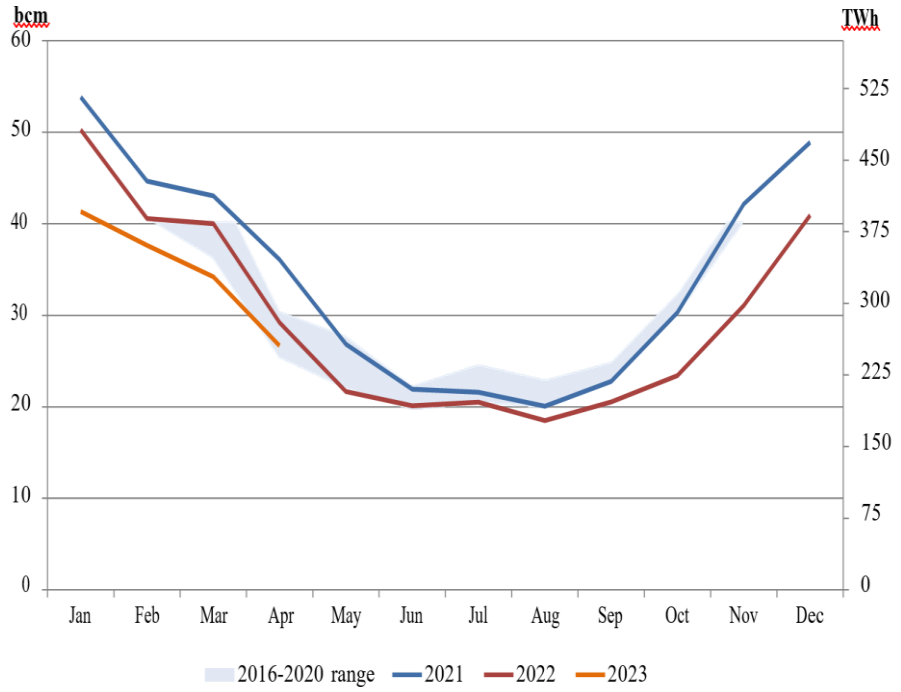


Figure 95. Gas consumption in the EU

Source: Eurostat

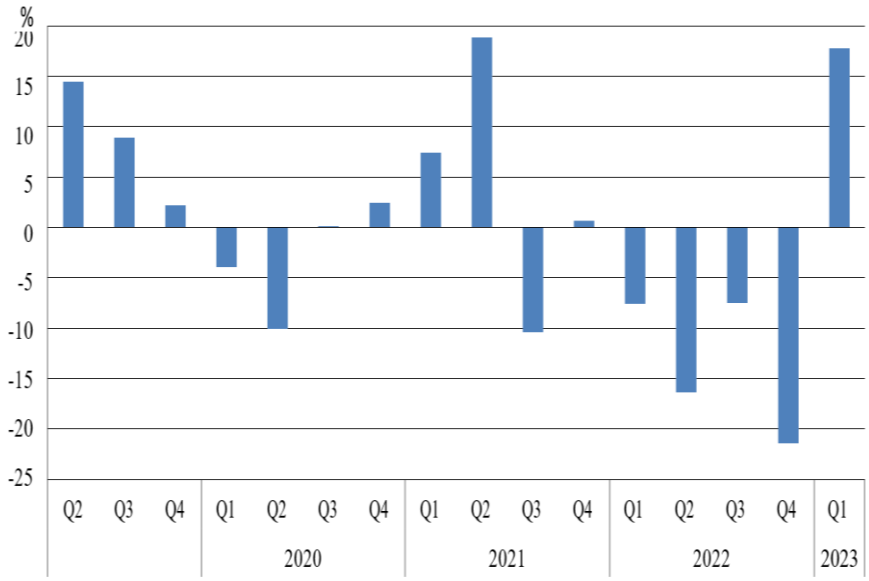


Figure 96. Year-on-year change in EU gas consumption in each quarter in (%)

In the first quarter of 2023, all EU member states, except Malta, have shown a year-on-year decrease in gas consumption. The biggest decline in consumption was observed in Greece (-34%) and Lithuania (-31%), followed by Estonia (-28%), Bulgaria (-26%) and Finland (-24%).

A significant reduction in consumption was also recorded in Austria and Hungary with a drop of 23%, as well as in Italy, the Czech Republic and Slovakia with a drop of 19%.

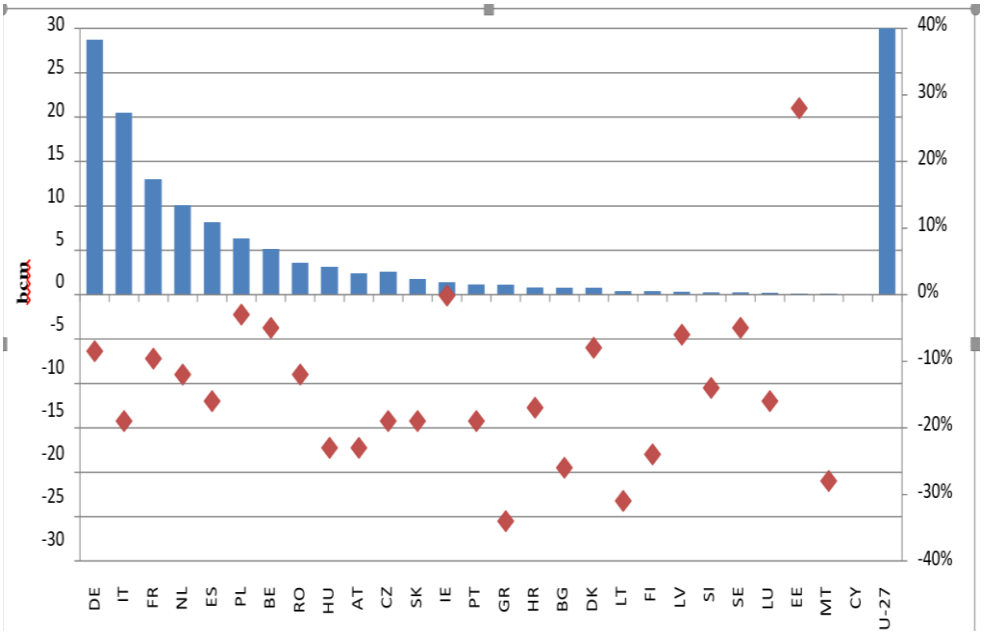


Figure 97. Year-on-year change in gas consumption in the first quarter of 2023

Source: Eurostat

6.3. Natural Gas Production in the European Union

The largest gas producer in the EU for 2023 remained the Netherlands with a total quarterly production of around 4 bcm, with a decrease of 5%. Romania was the second largest producer with a production of 2.4 bcm followed by Poland 1.4 bcm and Germany 1 bcm.

Natural gas production in all gas-producing EU Member States fell with the exception of Hungary, where production increased by 10%.

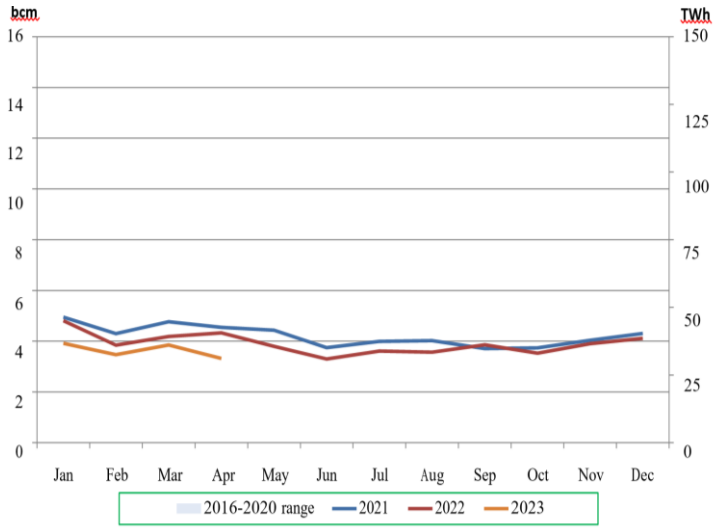


Figure 98. Monthly gas production in the EU

Source: Eurostat.

6.4. Export and Import of Natural Gas with Pipelines

The total export of gas through the pipeline to the EU countries has suffered a decrease of 32% from the previous years. Norway remained the largest gas exporter in the EU with a share of 53% of the realized export (21.7 bcm), from 47% in the past. The second largest exporter in the EU was North Africa (Algeria and Libya) with an export share of 18% (7.3 bcm), followed by Russia (12%, 5 bcm), the United Kingdom (11%, 4.4 bcm) and Azerbaijan (7%, 2.8 bcm).

Pipeline export volumes decreased from all pipeline sources (UK -24%, Russia -20%-, North Africa, -17%, Azerbaijan -6%), except for Norway, which increased marginally by 1% quarter on quarter. Russia's import share shrank further to 12% from 14% in the previous year.

6.5. LNG imports

The total gross export of LNG to the EU was 30 bcm, with an increase of 12% year on year. LNG share of total EU gas imports is increased to 42% from 33% of the previous year.

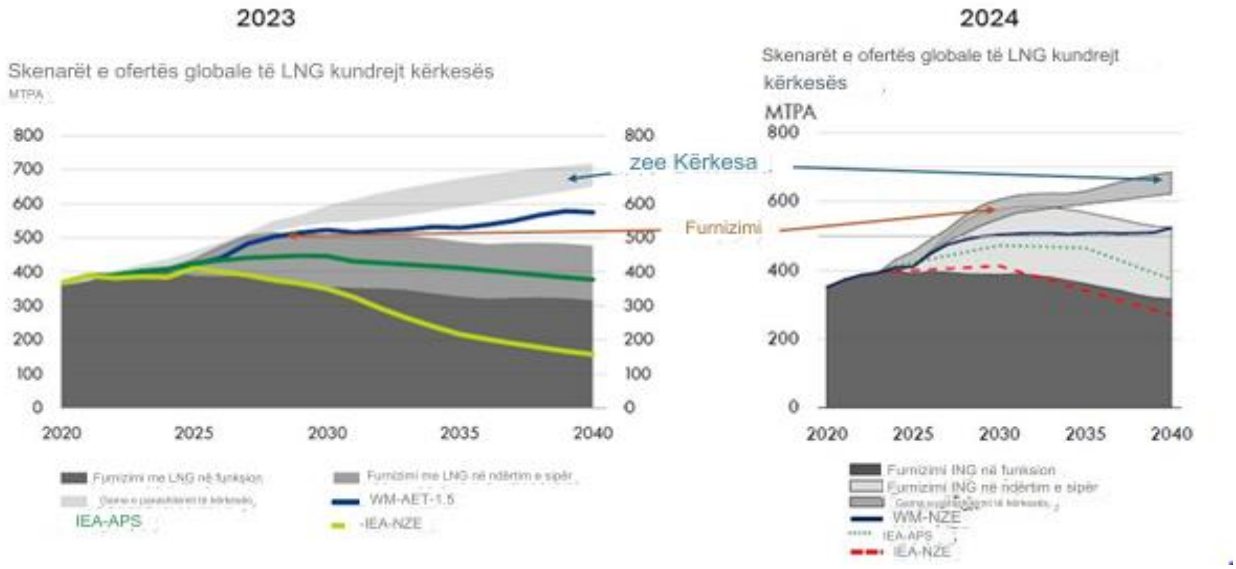


Figure 99. Global LNG supply versus demand scenarios for 2023-2024

The US remained the EU's largest supplier of LNG at 41.5% (12.5 bcm). Russia ranked second (19%, 5.7 bcm) and Qatar the third largest exporter (12%, 3.7 bcm).

6.6. Wholesale natural gas prices

Prices in the European spot market (TTF-days in advance) continued their downward trend and the historical peak was reached in August 2022. The average quarterly spot price was €53.32/MWh, which represents a 44% decrease from the previous quarterly price (€95.15/MWh), a decrease of 45% year-on-year (€97/MWh) and 73% decrease compared to the peak (€198.24/MWh) in the third quarter of 2022. However, the average spot price was still 187% higher compared to the average of the first quarter of 2021.

Forward contracts closely followed the spot price. They showed a slight increase. The price in the average contracts of the first quarter was 0.76 €/MWh above the spot price, while the next two quarters and those of a year ago, the contracts were respectively sold with a premium of 1.88 €/MWh and 1.95 €/MWh .

6.7. Retail natural gas prices.

Average monthly retail gas prices for household customers decreased steadily during the first quarter of 2023 from the historical peak of 17.57 Eurocents/KWh in September 2022 to 13.27 Eurocents/KWh in March 2023, thus and in other words, a decrease of 17%. The average price level was still 15% higher compared to the first quarter of 2022, and 85% above historical levels.

6.8. TRANS ADRIATIC PIPELINE (TAP)-GREECE, ALBANIA, ITALY

6.8.1. The shareholders of TAP company

During 2023, there were not any changes of shareholders, all interested parties have been informed about this, including the three National Authorities, the Greek, Italian and Albanian.

TAP AG shareholding is comprised of: SOCAR (Azerbaijan) with 20%, BP (England) with 20%, SNAM S.p.A (Italy) with 20%, Fluxys (Belgium) with 19%, Enagas (Spain) with 16% and Axpo (Switzerland) with 5%.

6.8.2. TAP activity during 2023

During 2023, in accordance with the provisions of ERE Decision no. 15, dated January 31, 2019, as amended, TAP has carried out the activity recorded below.

TAP submitted at ERE the financial statements Statement of Financial Position; Statement of Profit or Loss and Other Comprehensive Income; Statement of Cash Flows - Explanatory Notes) for 2022.

TAP submitted at ERE insurance certificates in the amount of 10,000,000 US dollars - for General Obligations to Third Parties, valid from November 15, 2022 to April 2024 and with no. 15/0101/017968, with a liability limit of 10 million dollars, issued by SIGAL UNIQA Group Austria company and the Energy Regulator Authority as an additional insured. The certificate is provided in Albanian and English.

The insurance certificate is a recurring obligation that TAP must fulfill throughout the validity period of its Transmission License. This obligation is defined as ***periodic*** in the Transmission License through the amendment to the Transmission License in ERE Board Decision no. 120, dated 11.05.2021.

On February 14, 2023, TAP submitted its confidentiality policy to ERE in accordance with Article 16.4 of the Transmission License and informed ERE of the fulfillment of its obligations through the Regulatory Compliance Program.

TAP also informed ERE about the changes in TAP's shareholder structure, according to the provisions of Article 8 of the Transmission License, i.e. the removal of AXPO as a shareholder of TAP and the subsequent changes in the Statute.

Also, TAP informed ERE that the first binding phase of the Market Test has been completed and that the binding offers that TAP received during the offer submission period in January 2023 have passed the economic viability tests of TAP, SRG and DESFA, according to the Draft Proposal for 2021 Market Test. On this basis, TAP proceeded with the first level of expansion, as included in the Draft Proposal for the first Binding Phase of 2021 Market Test.

6.8.3. Reviewing TAP Network Code and Cooperation with the Regulators

After the end of the public consultation on the proposed revision of the Network Code, TAP has received the approval for the desired revision from the Regulators involved in this process, namely the Albanian, Italian and Greek Regulators, and in April 2022 published a new version of TAP Network Code.

In view of TAP's obligations deriving from the Network Code itself, TAP has continued with the organization of a new public consultation, which was opened on December 20, 2022, referring to congestion management procedures and the time limit for tenders for purchase of gas for commercial operations.

In the current reviwal, it is intended to implement the obligations for TAP in relation to short-term congestion management procedures, as well as to integrate the requirements for tendering related to the procurement of operational gas. TAP has received approval for the updated TAP Network Code, including the Day Ahead "Use it or lose it" congestion management procedure (LT UIOLI) until March 31, 2023, from the three Regulators, through their joint decision on the approval for updating TAP Network Code.

With the same approval decision, the Regulators granted TAP the exemption from the provisions of Council Regulation 2022/2576 for increasing solidarity through better coordination of gas purchases, reliable price standards and gas exchanges across borders.

Figure 100. TAP route on the map

TAP started implementing LT UIOLI from April 1, 2023, (with a monitoring period that lasted until September 30, 2023, the end of the gas year), to assess whether congestion occurs in the TAP pipeline. In cases of identification of congestion, TAP continues to implement such congestion measure and limit the nominations of shippers in the next gas year.

No congestion has been identified in the 2022-2023 gas year, which is why, for the 2023-2024 gas year, TAP shall continue to monitor the activity of shippers and, in the event that TAP identifies congestion, the CMP measure shall be implemented in the next gas year.

TAP has also submitted to the respective Regulators its Annual Usage Report for the long-term "Use it or lose it" procedure or the Day in Advance "Use it or lose it" procedure in accordance with section 13(3), letters c) and d) of TAP network Code.

TAP established 2 Stakeholder Forums in 2023, where commercial operational issues and those related to the development of TAP were discussed with shippers and registered stakeholders.

In coordination with the Regulatory Authorities, TAP began to define a detailed regulatory framework applicable to TAP Connection requirements, according to TAP's regulatory and commercial framework. In this context, the TAP customer survey was submitted to registered parties on October 5, 2023.

Approximately 30% of registered parties responded and the final rating is 8.8. The number of complaints submitted was zero.

In 2021, TAP started the Market Test process, under the supervision of Regulatory Authorities including ERE. Thus, in July 2021, TAP started Market Test, after the approval of TAP's 2021 Market Test Guidelines by the 3 regulators was granted in June 2021.

TAP started the first Binding Phase on November 14, 2022, after the approval of the Project Proposal by the Albanian, Greek and Italian Regulators.

The first binding phase lasted from November 2022 to mid-February 2023 and resulted in the first step of TAP expansion, with an increase of approximately 1.2 bcm starting in 2026 and beyond.

During 2023, TAP continued with the drafting of a second Project Proposal, together with its adjacentTSOs, and on this basis and the approvals required by the Regulators started the second Binding Phase in October 2023, with the possibility of a Binding Offer in December 2023.

During the July-August 2023 period, the parties had the opportunity to submit non-binding request data to TAP, SRG and DESFA. In addition, the Guidelines foresee the possibility of a review period, which shall last from January 19 to February 2, 2024, where interested parties shall have the opportunity to review the non-binding demand data already submitted to TAP and/ or submit new non-binding demand data in the 2023 Market Test. The non-binding request data shall be published, in aggregate, per IP, in a Q1 2024 Demand Assessment Report.

In accordance with Article 26(10) of CAM NC, TAP in cooperation with adjacent TSOs, must publish the DAR in English on its website, no later than 16 weeks after the start of the Annual Capacity Auction. For the 2023 Market Test and in the absence of clear provisions in the CAM NC, which govern the management of a new incremental capacity process while the previous process is still ongoing, the 2023 Market Test Guidelines include flexibility in timing to avoid interference from a second parallel Binding Phase for 2021 Market Test. If DAR identifies demand for incremental capacity projects, market test continues with the coordinated design phase in accordance with Article 27(2) of the CAM NC.

The joint venture (Trans Adriatic Express company), which was established in 2022, between EXA Infrastructure, the largest platform dedicated to digital infrastructure connecting Europe with North America, and Trans Adriatic Pipeline AG (TAP), part of the Southern Corridor of

Gas, which transports natural gas from Azerbaijan to Europe, became fully operational on November 30, 2023. This has enabled the high-speed interconnection of France, Italy, Bulgaria, Greece, Albania and Turkey. TAP has informed ERE about this effort by submitting the official letter for information in February 2022. This effort of TAP has the potential to be useful for our country as it can:

- facilitate the deployment of high-speed electronic communications networks and thus better market connectivity, and
- reduce the social and environmental impact by utilizing the already existing infrastructure, which shall significantly reduce the need for civil works for the deployment of electronic communications networks.
- In line with this effort, the joint venture (through EXA) already offers telecommunication services between Tirana and Milan, Tirana and Bari and Tirana and Thessaloniki for various customers.

6.8.4. Amendments to the Transmission License

The first amendment made by ERE with ERE Board Decision No. 120, dated 11.05.2021, which stipulated TAP's obligation to submit annual insurance certificates in the amount of 10,000,000 US dollars.

The second amendment made by ERE related to the duration of TAP's Transmission License, originally granted by ERE for a period of 25 years, has been extended to a maximum of 30 years, with ERE Board Decision No. 154, dated 30.06.2021.

The third amendment made by ERE with ERE Board Decision No. 152, dated June 13, 2022, related to point 2 of the Transmission License and included the approval of the ERE for the submission of ownership documentation in electronic form and the extension of the submission deadline until July 2024.

6.8.5. Fulfilling the obligation to inform customers and take measures to improve the quality of service

In accordance with the REMIT Regulation and the REMIT Implementing Regulation, in 2023, TAP has published on its website and on the ENTSOG Transparency Platform (six) Urgent Market Messages (UMM) that inform the market about the availability of capacities on the TAP pipeline, the offer of new products and the results of the first Biding Phase of 2021 Market Test.

TAP has continuously uploaded operational information on ENTSOG TP, such as available, reserved and technical capacities, planned sustained capacity outages and scheduled interrupted capacity outages, as well as tariff information.

TAP has also published its annual maintenance plan in accordance with the deadline set by Regulation 715/2009 until November 15, 2023. TAP continues to submit summarized operational data to ENTSOG for transparency reasons, either daily or every hour.

Moreover, in order to ensure good interconnection of systems, reliable quality of services and interactive data exchange, TAP implemented the Edig@s communication system as a common data exchange solution with its adjacent TSOs, according to TAP's obligations deriving from Commission Regulation (EU) 2015/703, dated April 30, 2015, for the establishment of a network code on the rules of interoperability and data exchange (**EU INT&DE NC**) and Agreements of signed Interconnection Agreements (IA) with TAP's adjacent TSOs.

TAP has ensured continuous and reliable communication with its parties and registered shippers, in a timely manner, according to the provisions of the TAP Network Code, through dedicated ICT systems and access to the Electronic Data Platform (EDP).

According to section 3.1.e of TAP Network Code, all registered parties are required when registering with TAP to complete a communication test, as a condition sine qua non for their successful registration with TAP and future reservation of capacities in TAP's natural gas transmission system.

In addition, TAP publishes relevant information about nominations, renominations, interruptions, allocations, actual physical flows, planned and unplanned interruptions on the ENTSOG Transparency Platform, which is a widely and virtually accessible platform free of charge. In addition, TAP shippers have access to TAP's public and private electronic data platform.

While the public platform shows general and summarized information on nominations, renominations, physical flows for each IP, access to the private EDP is granted based on successful TAP registration and contains sensitive commercial and individual information for each sender. Therefore, each shipper is assigned a username and password, based on which he can access commercially sensitive information related to his transport activity with TAP. Private EDP information is shared for each sender.

At the moment, TAP publishes daily in ENTSOG TP and in TAP's EDP the consumption of gas as a fuel in the Fier ASC03 Compressor Station.

To provide immediate information and real-time communication with the involved parties (be it adjacent TSOs or TAP registered parties/shippers) and to guarantee the reliability of TAP's natural gas transportation system and continuous flows, the following actions are being taken:

For Planned Maintenance, the Commercial Operations Manager shall send a communication to adjacent TSOs after internal coordination.

If an extraordinary event occurs, TAP has agreed with its adjacent TSOs to present the details of the event with a special Excel report. During 2023, there were no extraordinary events in Albania.

6.8.6. Commercial operations developments and new products

The Greece-Bulgaria Interconnector (IGB Pipeline) was put into operation on October 1, 2022. Since that moment, TAP has started facilitating the physical transport of gas to Bulgaria, Romania and beyond via the IGB pipeline. The list of TAP users can be found on the TAP website, it is updated regularly.

Following the amendments in TAP Network Code, as well as the start of IP Komotini's commercial operations, TAP's portfolio of products offered has been expanded to respond to the demands and needs of changing market environments and shippers. Thus, the variety of products offered by TAP has increased: forward firm and interruptible capacity,virtual entry capacity; and Commercial Reverse Capacity as a route product. By offering such a large range of products, TAP is contributing to the integration of the market.

Following a Public Consultation held in March 2022 and with the subsequent approval by the Greek, Italian and Albanian Regulators for changes to TAP Network Code, as of April 14, 2022, TAP began to offer in Nea Mesimvria IP a product with Virtual Entry Capacity (as Forward Day Ahead Interruptible Capacity). In this way, a new (virtual) entry point was added to the TAP pipeline to provide a forward flow from Nea Mesimvria to Melendugno and a reverse flow from Nea Mesimvria to Komotini (reverse Trade route 3, CRF 3), improving market integration.

In addition, from October 1, 2022, at IP Komotini, TAP offers the following products on the PRISMA platform with capacity:

- Forward firm capacity at exit point.
- Commercial reverse capacity (route 2: Melendugno – Komotini and route 3: Nea Mesimvria – Komotini).
- Komotini virtual point (for forward flow to Nea Mesimvria or Melendugno).

By the end of 2023, TAP has finalized concepts for the implementation of the Intraday product at TAP, after coordination with the Regulatory Authorities, as a flexibility tool offered to shippers and adjacent TSOs in Greece, Italy and Bulgaria. In Q1 2024, TAP plans to conduct a Public Consultation and subject the new Intraday product to market feedback. In the Annual Operational Report for 2024, TAP shall inform ERE about the status of the implementation of the new product.

To make capacity products available to the market, TAP is conducting capacity auctions in accordance with the ENTSOG Auction Calendar on the PRISMA Capacity Reservation Platform.

Between the date of TAP's commercial operations and 31 December 2023, TAP held the following auctions - for the reservation of forward firm and interruptable commercial reverse capacity on IP Kipoi, IP Komotini, IP Melendugno and IP Nea Mesimvria:

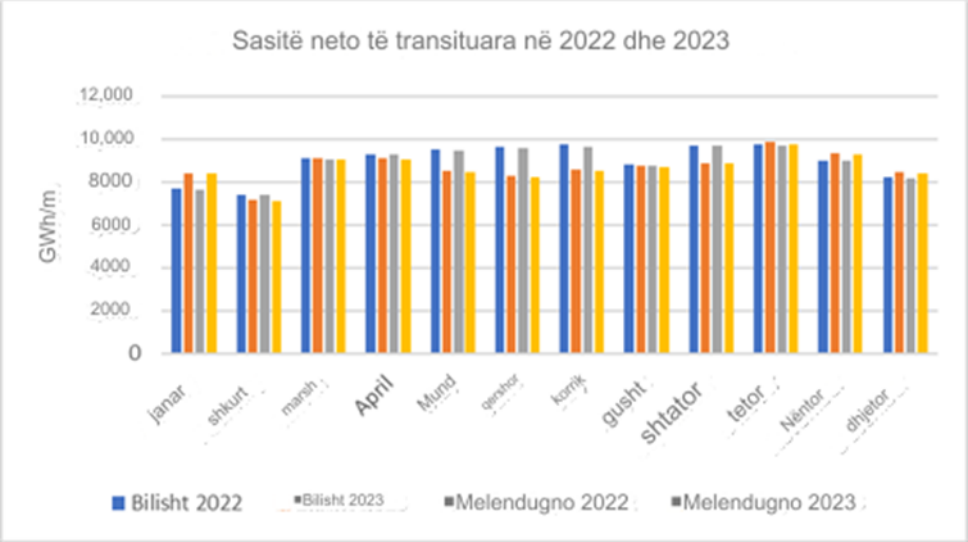
- 7515 auctions of the day in advance;
- 212 monthly auctions;

- 178 quarterly auctions;
- 9-yearly auctions.

Thus, until the end of 2023, TAP has transported a total of 29.37 bcma from the Greek-Turkish border to Kipoi, where 25.9 bcma have been transported to Italy passing through Albania and approximately 2.87 bcma that have gone to Greece and 1.73 bcma to Bulgaria, as shown below:

From COD (11/15/20) to December 31, 2023	Total KWh	Total BCM	Total BCMA
TAP entry point (Kipoi)	344,746,893,269	29,372,582,610	29.37
TAP exit point (Nea Mesimvria - Greqi)	33,651,439,365	2,868,977,401	2.87
TAP exit point (Komotini – IGB)	20,294,983,310	1,730,946,066	1.73
TAP exit point (Melendugno - Itali) transiting through Albania	287,673,713,593	24,540,814,317	25.90

Figure 101. Comparison of natural gas volume transmitted through Albania in 2023 with the volume transmitted in 2022.



In terms of metered data storage, TAP stores daily metered information using the SCADA system and in its internal Sharepoint system.

In order to provide a complete overview, it appears that since the start of its operation on November 15, 2020, thanks to the continued reliability and stability of the TAP infrastructure,

nominations of TAP shippers on the TAP pipeline have been immediately processed and successfully delivered gas to the Interconnection Points with the national transmission system in Italy and Greece (SRG and DESFA networks) and with the Greece-Bulgaria Interconnector (IGB in Komotini).

The reliability of TAP services is also related to close communication with its shippers, which link TSOs and national regulatory authorities in Albania.

6.8.7. TAP a strategic project for Albania and South-Eastern Europe

TAP is the European part and the main part of the Southern Gas Corridor, a strategically and economically important project for the EU and the Energy Community.

TAP is necessary to ensure reliable access to a new source of natural gas from the Caspian Sea and in a new route. TAP strengthens the diversification of sources and supply routes and enables the gasification of Southeast Europe and the Western Balkans, including the gasification of our country. TAP is actively present in the creation and operation of the Albanian gas market.

Among other things, TAP supports the EU's goals to become climate neutral by 2050 and promotes the achievement of the decarbonization goals of the EU and the Energy Community in particular TAP allows the further use of gas (natural, renewable, or decarbonized) replacing more polluting fuels such as coal, diesel/gasoline and heavy oils in the transport, heating and power generation sectors, used more in South-Eastern Europe and the Western Balkans.

TAP pipeline is designed to double its capacity up to 20 billion cubic meters per year (up to 20 bcm/ year) and to allow any interested party to submit a request regarding the TAP pipeline, as long as it complies with the technical and regulatory conditions from the Final Joint Opinion.

TAP pipeline has entered the Market Test period for increasing the capacity to 20 billion NM3/year(bcm/year) and now is the public consultation phase.

Following the 2021 market testing, during the non-binding expression of interest phase for 2022, TAP has received significant interest in capacity and connection requirements in Albania.

TAP shall facilitate greater interconnection between countries in the Southeast European region and the creation of a regional gas market fully integrated with the European Market.

Through this project, our country is given the opportunity to create an indispensable node for the region because it gives the possibility of underground gas storage as well as an LNG liquefied gas terminal.

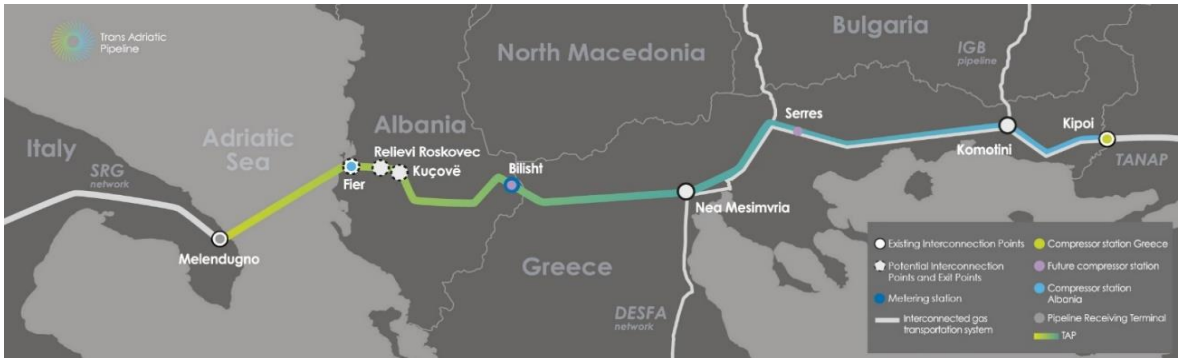


Figure 102. TAP project capacity expansion

6.9. Decisions Approved by ERE during 2023 for exercising activity in the natural gas sector.

Decision no. 115, dated 30.03.2023 "On the approval of an amendment in "Tap Network Code" proposed by Tap Ag"

Pursuant to Article 16 of Law no. 43/2015, "On Power Sector"as amended, articles 13, 15, point 1, letter "a", 16, point 24 and article 108 of Law no. 102/2015 "On Natural Gas Sector" as amended, the provisions of the " Final Joint Opinion" of the Energy Regulators on the Application of the Exemption of TAP AG, dated June 06, 2013, issued by the Authorities under Directive 2009/73/EC ("Final Joint Opinion"), of Opinion 1/2013 of the Energy Community Secretariat, dated May 14, 2013, as well as of articles 15 and 26 of the Regulation on the Organization, Operation and Procedures of ERE, approved with Energy Regulator Authority (ERE) Board decision no. 96, dated 17.06.2016, ERE Board through this decision has decided to approve the amendment proposed by TAP AG designated as Annex A, to the "TAP Network Code" and the amendments designated as ANNEX B. The English version has priority over the Albanian language variant in interpretation by the parties.

Decision no. 133, dated 07.04.2023 On an amendment in ERE board decision no. 355, dated 28.12.2022 "On the preliminary approval of the compliance officer of "Albgaz" company

Based on Article 16 of Law no. 43/2015 "On Power Sector",as amended; article 47, point 2, of law no. 102 /2015 "On natural gas sector",as amended; Article 113 of Law no. 44/2015 "Code of Administrative Procedures of the Republic of Albania"; Article 15 of the Regulation on the organization, operation and procedures of ERE, approved with Energy Regulator Authority (ERE) Board decision no. 96, dated 17.06.2016; ERE Board, on their meeting dated 07.04.2023, decided to repeal point 2 of ERE Board decision no. 355, dated 28.12.2023 "On the preliminary approval of the Compliance Officer of "ALBGAZ" company.

Decision no. 184, dated 29.05.2023 On an amendment in ERE board decision no. 187, dated 10.11.2017, "On licensing Albgaz company in the natural gas distribution activity", as amended

Based on Article 16 of Law no. 43/2015 "On Power Sector",as amended; Article 80 of Law no. 102/2015 "On natural gas sector",as amended; article 53, point 3, of law no. 44/2015, "Code of Administrative Procedures of the Republic of Albania"; as well as Article 15 of the Regulation on the organization, operation and procedures of ERE, approved with the Energy Regulator Authority (ERE) Board decision no. 96, dated 17.06.2016; ERE Board decided to amend point 1 of decision no. 187, dated 10.11.2017, as follows: "To license "Albgaz" company in the natural gas distribution activity, for a period of 30 years, with the condition that within the date of 30.08.2023, submits the Certificate of Insurance."

Decision no. 185, dated 29.05.2023 On an amendment in ERE board decision no. 188 dated 10.11.2017, "On licensing Albgaz company in natural gas transmission activity",as amended

Based on Article 16 of Law no. 43/2015, "On Power Sector",as amended; Article 80 of Law no. 102/2015, "On natural gas sector", as amended; article 53, point 3, of law no. 44/2015, "Code of Administrative Procedures of the Republic of Albania"; as well as Article 15 of the Regulation on the organization, operation and procedures of ERE, approved with the Energy Regulator Authority (ERE) Board decision no. 96, dated 17.06.2016; ERE Board decided: To amend point 1 of decision no. 188, dated 10.11.2017, as follows: "To license "Albgaz" company in natural gas transmission activity, for a period of 30 years, with the condition that within the date of 30.08.2023, submits the Certificate of Insurance at ERE."

Decision no. 212, dated 27.06.2023 "On the approval of the "Guidelines for Market Test for the Trans Adriatic Pipeline"

Pursuant to Directive 2009/73/EC of the European Parliament and the Council of July 13, 2009; Directive (EU) 2019/692 of the European Parliament and the Council of April 17, 2019; Regulation (EU) 2017/459 of the European Parliament and of the Council of 16 March 2017 (CAM NC); Regulation 2019/942/EC of the European Parliament and the Council of June 5, 2019; The decision of the European Commission of May 16, 2013; Regulation 715/2009/Ke of the European Parliament and the Council of July 13, 2009; Paragraph 4.1.7 of the Joint Opinion, where TAP AG must regularly (at least every two years) conduct a Market Test in order to offer all interested parties additional capacities until the maximum possibility of pipeline expansion is reached. The Market Test, referred to in the previous paragraph, must be carried out in accordance with the Guidelines jointly approved by the Energy Regulatory Authorities, specifically the Albanian (ERE), Greek (RAE) and Italian (ARERA). On June 16, 2023, in accordance with Paragraph 4.1.7 of the Final Joint Opinion, TAP AG submitted to the Authorities the "Guidelines for 2023 Market Test of the Trans Adriatic Pipeline". The authorities, after analyzing the "Guidelines for 2023 Market Test", which essentially includes the same principles followed for the 2021 Market Test, jointly drafted a document containing the approval decision and the relevant reasons. Subsequently, ERE Board with decision no. 212, dated 27.06.2023, decided to approve the "Guidelines for 2023 Market Test for Trans Adriatic Pipeline".

Decision no. 285, dated 05.10.2023 " On approving the project proposal of TAP AG, SRG and DESFA for the incrimental capacity process for 2021- 2nd binding phase

On September 1, 2011, TAP AG submitted to the Energy Regulator Authority of Albania (ERE) the "Exemption Application for the Trans Adriatic Pipeline", in accordance with Article 22 of the Gas Directive 2003/55/EC. On March 16, 2017, the new EU Regulation 459/2017 "On the Tariff Code, TAR NC" was approved. EU Regulation 459/2017 (hereinafter: CAM NC) establishes a Network Code that sets capacity allocation mechanisms in gas transmission systems for both existing and incremental capacity and repeals EU Regulation 984/2013. On June 11, 2021, TAP AG submitted to the Authorities "Instructions for the 2021 Market Test of the Trans Adriatic Pipeline" for the incremental capacity process, which was approved by the Authorities in November 2022, in accordance with the provisions set forth in Article 28 of the CC CAM and the binding phase began with the publication of the Draft Proposal on the TAP AG website on November 14, 2022.

In September 2023, ERE, ARERA and RAEWW drafted a joint document "Approval of the project proposal of TAP AG, SRG and DESFA for the incrimental capacity process for 2021-2nd binding phase (ANNEX A)", which has been estimated to be in accordance with the principles of the Final Joint Opinion, the Market Test Guide and the CAM NC as well as with European and national legislation. Subsequently, ERE Board with decision no. 285, dated 05.10.2023, decided to approve the joint document agreed with the regulator of Italy (ARERA) and Greece (RAEWW) attached as ANNEX A.

Decision no. 293, dated 12.10.2023 On opening the procedure to review the request of ALBGAZ company for the approval of the ten-year investment plan

ERE Board with decision no. 293, dated 12.10.2023, decided to open the procedure for the approval of the "Ten-year investment plan by "Albgaz" company. "Albgaz" company, in the capacity of the Combined Operator of natural gas, submitted the request for approval of the ten-year Investment Plan, for the development of the transmission network for Natural Gas in the Republic of Albania, which contains the company's short- and medium-term investments. "Albgaz" company declares that the principles followed in the design of the investment plans are in harmony with the national strategy for the development of the natural gas sector, approved with Council of Ministers Decision no. 87/2018 "On the approval of the National Plan for the Gas Sector (Master Plan of the Gas Sector for Albania, amended by Council of Ministers Decision no. 563, dated 04.10.2023, provided for in Article 6, letters "a" and " b" of the Regulation on the procedures of submitting and approving the investment plans from the natural gas transmission and distribution operators.

Decision no. 367, dated 15.12.2023 On letting into force ERE Board decision no.206, dated 16.12.2019, "On approving the temporary tariff for the transmission of natural gas from Albgaz company" for 2024

Based on articles 13 point 1, 16 point 2, 17 letter "e" and 33 of the law no. 102/2015 "On natural gas sector",as amended, as well as Article 21 of the "Regulation on the organization, operation and procedures of ERE", approved with Energy Regulator Authority (ERE) Board decision no. 96, dated 17.06.2016; ERE Board decided: (1) Postponement of the legal force of ERE Board decision no. 206, dated 16.12.2019 for 2024, until the approval of a tariff based on the

application of "Albgaz" company according to the provisions of the legislation in force. (2) If there shall be effects on the required income of "Albgaz" company from the required temporary revenues, their updating and compensation shall be done according to the provisions of Article 17, point "e" of Law No. 102/2015 "On natural gas sector", as amended.

6.10. Situation and Activity of ALBGAZ company throughout 2023

Albgaz company is licensed by ERE as a combined operator of gas for transmission and distribution. Albgaz company in accordance with the object of the activity of its establishment and then its licensing, which includes the development and operation of the natural gas transmission and distribution infrastructure in Albania, has developed the activity until 2023. Among other things, Albgaz company faces some key challenges:

- Mobilization of funds and finding financial resources for the development of infrastructure projects;
- Improvement of the current natural gas infrastructure in Albania, which is very depreciated, the rehabilitation of which requires significant investments.
- Restructuring and adaptation of the organizational model and human resources; etc.

Albgaz company from the moment of its creation, took on the task of further developing the processes in accordance with the defined objectives and strategies, thus one of the obligations was also the fulfillment of the commitments to TAP AG company. For this purpose, the "Albanian Gas Service"company was established with the object of its activity of performing the maintenance service of Trans Adriatic TAP gas pipeline. This was made possible through the partnership with the Italian company SNAM company, a leading company in the field of natural gas infrastructure and at the same time a shareholder of TAP AG. Also, in order to fulfill the obligations stipulated in the Maintenance Agreement, the Maintenance Center in Korça and the Maintenance Center in Fier were financed by TAP AG and implemented by "Albgaz" company. Both of these centers already operate in accordance with the highest standards of the sector defined by TAP. Albgaz company is the majority shareholder in the "Albanian Gas Service" company, the owner of 75% of the shares and therefore the beneficiary of the profits distributed every year in the form of dividends, softening and influencing the balance sheet of the company.

In accordance with market conditions, Albgaz company has a single customer for the provision of natural gas transmission service, Albpetrol company which, starting with the COVID-19 pandemic, significantly reduced oil production and consequently the quantities of accompanying gas for transmission, thus influencing the income from this activity. However, Albgaz has continued to keep the transmission lines in operation for Albpetrol's needs.

6.11. Recent developments in the gas sector

In light of the latest developments and the announced priorities of the Government of Albania, throughout 2023, represented by the Ministry of Infrastructure and Energy for the construction

of a natural gas pipeline from Vlora Terminal to Fier, Albgaz company received the final documentation of the project WB20-ALB-ENE-04 "Detailed project and tender documents" for the Fier-Vlora gas pipeline, financed by WBIF.

The initiation of the amendment of ***Council of Ministers Decision no. 87/2018*** "The development plan of the natural gas sector in Albania and the identification of priority projects", an amendment which was reflected in ***Council of Ministers Decision No. 563 dated 04.10.2023*** "On some additions and amendments to Council of Ministers Decision no. 87 dated 14.02.2018, , "*On the approval of the development plan of the natural gas sector in Albania and the identification of priority projects*", which in its point 2 amends point 5.6, the first subdivision and states the maximum pressure allowed up to 100 bar, for the transmission system in Albania when the IAP does not exist. In accordance with the legal changes, among the activities carried out by Albgaz was the analysis of the detailed project financed by WBIF and of the documents on which the C&M Engineering studio was based, which drew up the detailed project in order to enable the realization of the construction of this pipeline, in accordance with the latest legal changes.

From this analysis, Albgaz informs that this project, despite the quality of the design from the engineering point of view and its accompanying documentation, did not address some key issues such as:

- The connection of the Albanian pipeline network with the interstate regional and European gas transmission systems due to the design of this pipeline for natural gas transport in one direction only, from the TAP CP1 Interconnection Point in the direction of Vlorë TPP. The design pressure of 55 barg used by the designer for the hydraulic and structural calculations of the Fier-Vlora gas pipeline does not allow its adoption as a bi-directional pipeline to inject natural gas into the TAP pipeline because the working pressure in the TAP pipeline is over 82 barg.
- The possibility of using this new gas pipeline for transporting natural gas from Vlora to TAP, in the case of the construction of a Liquid Gas Terminal in the port of Vlora as a very good opportunity to compensate the needs of the regional and European market for natural gas due to the gradual removal from the use of coal as well as the needs to compensate for the natural gas missing from the Russian market.
- The possibility of using this new gas pipeline for transporting green energy sources such as hydrogen due to the constructive solution of this pipeline (materials and equipment designed only for natural gas).

In the legal amendments, specifically Council of Ministers Decision no. 563/2023, among other things, it is determined that in the list of short-term priorities, subsection 2/1 is added with the content "Development of the exit point and distribution network Korçë Municipality" and "Development of the distribution network of liquid natural gas". With these changes, Albgaz informs that it pursues as a priority the opportunities for the realization of the gasification project of the city of Korça.

Albgaz estimates that it has necessary and important financial and technical support, in order to optimize and realize commercial projects and ventures. Such support shall have to be provided through partnership with international companies, with extensive experience in the field of natural gas infrastructure, not only in terms of design but also subsequent activities such as its operation and maintenance.

Cooperation with an important international actor would bring improvements in all aspects of the activity, including the technical, financial, as well as the absorption and provision of best experiences and practices in the sector, this also for the subsequent activities of infrastructure construction, such as operation and maintenance, which require financial but also human capacities with in-depth expertise in the sector.

6.12. The objectives to be achieved in the gas sector

In fulfillment of the commitments undertaken by the Ministry of Infrastructure and Energy related to (i) the restarting of the Vlora TPP, (ii) the creation of a terminal for the distribution of liquefied natural gas and (iii) the construction of a pipeline of natural gas from the Vlora Terminal in Fier, Albgaz company has made its capacities available for exploring the possibilities of project realization. The geographical position of Albania, as well as other factors such as: (i) the completion of the construction and the start of TAP operations, (ii) the difficult international situation of gas supply due to the Russian aggression in Ukraine, (iii) the need to diversify the sources of energy supply, (iv) as well as the determination of the Albanian Government to support the gasification of the country, are the main factors that create an appropriate moment for the development of the gas market in Albania.

6.13. Projects targeted by ALBGAZ company

Albgaz company during this period, operated at a time when natural gas was not considered a transitory source towards the goal of providing green energy and was therefore outside the European agenda, making the resources for financing projects in the field of transmission of gas to be drastically limited. But as pointed out above, the difficult international situation of gas supply due to the Russian aggression in Ukraine returned attention to natural gas, reconsidering it as a transitory source of energy, so this fact is closely related to our immediate internal need for diversification of energy sources.

For this reason, Albgaz, and in interaction with other consolidated actors in wider Europe, have engaged in the creation of a regional hub in Vlora. The aim is to coordinate the efforts and share the roles of each actor in this configuration of the gas sector which responds not only to the energy challenges at the national level but also at the regional level.

In the following, the projects, of which Albgaz is a part, shall be ranked according to priority, in the role as a combined gas operator, investor or as a strategic partner.

6.14. Fier-Vlora pipeline (Interconnection with TAP)

"Albgaz" company as the beneficiary, has been made available the detailed project for the Fier-Vlora natural gas transmission line, a project which has been assessed as a priority in accordance with the provisions of Council of Ministers Decision no. 87/2018 (Natural Gas Master Plan for Albania). In relation to this project, Albgaz company is taking the necessary measures on technical-financial planning, as well as the assessment of the regulatory framework, in accordance with the legislation in force, for the possibility of building the Fier-Vlorë-Fier pipeline.

Vlora Hub envisages that the LNG Terminal shall serve as a supply point between liquefied gas and customers. For this purpose, in addition to the presence of a key customer such as the Vlora TPP, significant quantities of gas must be contracted from suppliers (shippers) through a pipeline that connects the terminal with the connecting node of TAP. To enable this interconnection, the Vlorë-Fier pipeline has been designed, with a length of about 46 km, and which shall be redesigned in terms of the technical parameters of the transmission capacity, to optimally accommodate the supply volumes from the FSRU. Albgaz company intends to own a significant part of the quotas in the pipeline and shall operate this asset together with any partner agreed under the transmission license, recognized and certified by the Regulatory Authority.

An infrastructural asset closely related to the pipeline is the Fier Exit Point. According to the HGA Agreement, TAP shall build and deliver through the "Handover Agreement" the Exit Point, designed for a volume of 0.7-1.8 bcm. In the meantime, work is being done on the detailed design of the project to enhance this Exit Point, in order to accommodate the new requirements arising from the increase in transmission volume up to 5 bcm/year.

6.15. IAP section: Fier-Kashar

The Ionian-Adriatic pipeline, which remains a national priority, shall be connected to TAP at the connecting node in Fier, will run about 170 km in Albanian territory, to continue further north through Montenegro, Bosnia-Herzegovina and end in Croatia where it connects to the Croatian transmission system, Plinacro. The capacity shall be designed to transmit up to 5 bcm. The technical parameters are: 32" (pole) for the diameter, 75-85 bar for the pressure.

In accordance with the MoU signed between the governments of the countries affected by this pipeline, the shareholders of this pipeline shall be the 4 relevant transmission operators of each country where the pipeline shall pass, with equal ownership quotas of 25%. Currently, the commitment of each Authority is expressed through the drafting of the Shareholder Agreement, which is expected to be signed soon, thus establishing the "IAP" Project Company.

In the territory of the Republic of Albania, the Fier-Kashar section shall begin to be designed, with a length of 84 km, and an investment value of about 150 Million Euros. Pre-FEED and FEED shall be undertaken in 2025, and concluded with commissioning in 2030.

6.16. IAP Section: Kashar-Montenegro

This section covers a length of about 86 km, from Kashar to the border point with Montenegro. The expected value of the investment is EUR 165 million. The Feasibility Study has been carried out, while in the time frame during 2025 to 2026, Pre-FEED and FEED are expected to be carried out, to conclude with the commissioning of the asset in 2030.

6.17 Dumrea underground natural gas storage

Another important project related to the gas infrastructure is the construction of a natural gas storage site in the Dumre area, which is planned to be realized in two phases, based on the cooperation between Albgaz company and SNAM, which is expected to start with the creation of a structure divided into two storage sites with a combined capacity of 260-280 mcm of gas, while the second phase foresees the expansion of this structure up to the capacity of 1.2 bcm, thus giving it a regional dimension.

6.18. Gasification of the city of Korça

Today, the city of Korça, as a city with a relatively cold climate, is heated mainly with firewood and a small part with electricity. Considering the fact that the TAP pipeline passes 7 km away from the city, it constitutes a real premise for gas heating of the city. In the TAP project, it is foreseen that one of the connection points (Connection Point CP) for the network in Albania shall be near the city. Further, the construction of the high pressure network from this point CP to the entrance of the city (PRMS) is the obligation of the Gas Transmission System Operator TSO-G.

The prospective gas distribution system shall be supplied by pressure reduction and measurement stations (PRMS) which are planned to be located near major consumption centers in Albania. For the city of Korça, in the Gas Master Plan, it is foreseen that its gas supply shall be made directly from the PRMS, which are planned as future additions to the above-ground facilities of the TAP as foreseen in the National Sectoral Plan for the TAP project and EIA for TAP in Albania. Together with PRMS Fier and Kuçovo, these are the three exit points of TAP. Referring to the Gas Master Plan - Section 24: CP3 Korçë - PRMS Pogradec, This section is about 35.3 km long and mostly passes through the Korçë field.

In the wake of the innovative gasification project of Korça, which shall bring multi-faceted benefits to the city and the community, where Albgaz held a consultative meeting with actors and stakeholders including representatives of local businesses, civil society and industry with the aim of coordinating towards the fulfillment of this ambitious objective. Representatives of SOCAR, the Azeri leader in the field of oil and gas, who as strategic partners of Albgaz bring the necessary expertise and support for the implementation of this first-of-its-kind project, in accordance with the highest international standards, were also present at the meeting. The optimal progress of the realization of this project and the optimism with which it has been received by the interest groups and the community testify to the will of the Albanian

government towards the prioritization of long-term solutions that guarantee energy security and sustainable development that simultaneously measures the reduction of the impact on the environment.

6.19. ALBGAZ Investment Plan 2023-2032

Consulting service provided by consultant A.T. Kearney GmbH – organizační složka in the framework of the preparation of the *"Strategy and Business Plan of the company 2021-2025, preparation of the 10-year Investment Plan, study on the possibility of development and spread of the use of liquefied natural gas, the development of capacity growth in all sectors"*

In his final report within component 3 (Deliverable 5-Final Investment Plan), the consultant has also calculated forecasts for gas needs in Albania, the region and beyond.

According to point 3.2 of this report, Albania has a real gas consumption potential of almost 0.95 bcm in 2030 and over 1.2 bcm in 2040.

From the perspective of the Investment Plan, the most important key components are in areas where there is a high potential for gas consumption to justify the construction costs for the transmission lines.

Areas identified include:

- Vlora region where the anchor customer shall be mainly Vlora TPP (300 MW), followed by TEDA Vlora, other industrial customers and medium and small businesses.
- The cities of Durrës and Tirana and the Durrës-Tirana highway where there is an important activity of businesses and especially the development of production.
- The city of Elbasan with a potential gas customer, the metal processing industry.

The detailed assessment of the needs for natural gas and LNG (liquefied natural gas) are provided in the "LNG Feasibility Study" report under Component 2.

In the regional framework, according to the long-term projections of ENTSO-G, the countries of the TAP basin shall have to cover 19 BCM of additional natural gas needs. With the market exit of natural gas supplied by Russia, this deficit could reach 57 BCM in 2030.

This situation established in the regional energy market and the growing needs for energy in the country also brought the beginning of studies for the construction of the LNG terminal in the port of Vlora.

The establishment of this terminal would only make sense if we would provide the necessary infrastructure to inject regasified LNG into the TAP pipeline.

The design and construction of this bidirectional pipeline with the appropriate pressure enables not only the injection of gas into the TAP pipeline, but simultaneously realizes the connection of the Albanian gas network with the interstate systems.

6.20. Hydrogen

The planning of the injection of an amount of Hydrogen of no more than 10% by volume in the Fier-Vlora pipeline was made in reference to the technical parameters of TAP as well as taking into consideration the many studies that have been done in the field of hydrogen transportation in natural gas pipeline network.

6.21. Current Situation - General Context in the gas sector

Currently, Albania has a fairly modest production of natural gas, inherits an outdated and largely dysfunctional pipeline system, and this network is not yet connected to TAP or any other regional natural gas network. The first use of gas for industrial use in Albania dates back to 1963 when the country produced significant volumes of natural gas from its gas fields and associated gas during oil extraction in the upstream gas segment for industrial and domestic use. However, over the past 30 years there has been a significant decline in gas flow (from 1 BCM/year in 1982 to a low of 0.01 BCM/year in the early 1990s) due to a lack of new discoveries and investments in existing resources. The local gas infrastructure in Albania includes a total network of pipelines with a length of 498 km connecting all the previously operating gas fields, most of which due to corrosion and lack of maintenance are out of use.

Albania today, along with Montenegro and Kosovo, is the only country in continental Europe that is not connected to interstate gas transmission systems and has a completely isolated and underdeveloped national gas distribution system.

For the development of the Gas Sector in Albania as one of the most important sectors of the country's economic development and energy security, the Albanian Government has taken important steps in the drafting of relevant legislation accompanied by development plans, projects and investments in this field.

With the support of the EU and the EBRD in the framework of Investments for the Western Balkans ("WBIF"), the Albanian Government drafted the Gas Master Plan and the Project Identification Plan ("GMP & PIP") with the aim of developing a sustainable system of natural gas that makes a balanced contribution to the energy sector, ranging from security of natural gas supply to competition and environmental protection.

In recent years, the Trans-Adriatic Pipeline (TAP) has been operating in Albania, which transports natural gas from the Shah Deniz II field in Azerbaijan, through Greece and Albania to southern Italy, and is considered the cornerstone of Albania's gasification and the main connection point of its with the international gas infrastructure.

Its activity is based on two key documents:

- The Host Government Agreement between TAP and the Government of Albania and
- The joint decision of the energy regulators of Italy, Albania and Greece on the exclusion of the third party, otherwise known as the "Final Joint Opinion".

In accordance with the Host Government Agreement, TAP is committed to build an exit point, in Seman in Fier Albania and in accordance with the Final Joint Opinion TAP must build another T-valve in the district of Kuçova.

Albania's expectations are that the TAP shall generate other effects such as the development of the country's physical infrastructure (eg pipelines and underground natural gas storage facilities), the establishment of gas market institutions and regulatory capacities and shall contribute to the acceptance of the general use of gas as energy and the expansion of urban gas networks. The energy production and industry sectors are other potential customers with gas supply capacities. In addition, TAP is the first Independent Transmission Operator ever certified in the Energy Community ("EC") and is an important benchmark for Albania and other countries in the Western Balkans region.

6.22. Review of the legal and regulatory framework

In terms of legislation and regulatory framework, Albania has approved the Energy Community Treaty, as one of the Contracting Parties to this treaty. For this reason, it has made legally binding commitments at the international level to adopt and implement the basic legislation of the EU Acquis Communautaire in the field of energy. In addition to the Energy Community Treaty, Albania is also a signatory to the Energy Charter Treaty. During the transposition of the Third Energy Package ("TEP"), in 2015, Albania adopted the Law on Natural Gas Sector.

The new gas legislation consequently led to the taking of measures for other legal changes for the separation of TSO and DSO of gas and the regulatory certification of gas TSO in cooperation with the Energy Community Secretariat.

In addition to the implementation of the Natural Gas Law, Albania has also focused on institutional development and the development of secondary legislation, such as tariff systems, network codes, supply rules and market codes. These types of activities in the future shall lay the foundations for the functioning of the gas sector in Albania.

The Energy Community is constantly helping Albania in this direction. This becomes even more important as TAP was required to be fully certified before starting construction of the pipeline under the ITO model. In addition, Albania is strengthening its administrative capacity in the natural gas sector with the support of international donors.

To mitigate these challenges and increase the country's gasification rate, WBIF provided a grant to support the development of the Detailed Design and Tender Dossier for the Trans-Adriatic Exit Point Pipeline (TAP) project at the Vlora Thermal Power Plant. (TPP).

The Gas Master Plan (GMP) and Project Identification Plan, prepared with the support of the WBIF grant (WB11-ALB-ENE-01), was completed in 2017. The analysis provided in the Albanian GMP concluded that the transmission pipeline *connecting TAP with Vlorë TPP is the first priority investment project (PIP 1) for the gasification of Albania*.

The Detailed Project specifically includes the construction of a gas pipeline of about 40 km, which connects the Vlora TPP with TAP. Also, the Vlora TPP shall be converted to use natural gas as a fuel for electricity production instead of oil.

The main basic document for this sub-project is the "*Feasibility Study including EIA and Preliminary Design for the Fier-Vlora gas pipeline*". This study for the gas pipeline from the connection point to the Trans Adriatic Pipeline (TAP CP1) to the Vlora Thermal Power Plant (TPP) was funded by SECO and finalized in March 2018 (IMPaC Offshore Engineering GMBH, member of the Roland Berger consortium).

Ongoing projects funded by the EU through WBIF and supported by the EBRD as lead IFI include the preparation of a preliminary model for the Adriatic-Ionian Pipeline (IAP) (feasibility study and EIA was prepared in 2014 under the auspices of WBIF and supported by the EBRD as the main IFI), the preparation of the pre-feasibility for ALKOGAP which is the Albania-Kosovo Gas Pipeline, *the preparation of the Detailed Design for the Fier-Vlora Gas Pipeline* and the preparation of the Feasibility Study for the Underground Natural Gas Storage in Dumre.

With official letter Protocol no. 6429/1 dated 21.08.2023 of the Ministry of Infrastructure and Energy, Albgaz company received the final documentation of the Fier-Vlore Pipeline Project in digital format as the first priority project of the Gas Master Plan for Albania approved with Council of Ministers Decision no. 87/2018 "*On approving the master development plan of the natural gas sector in Albania and the identified priority projects.*" financed by WBIF. The Detailed Project of the Fier-Vlore Pipeline was carried out by the engineering studio C&M Engineering.

As explained above, Albgaz company faces urgent needs in response to recent dynamics in the framework of energy security, resource diversification and decarbonization policies - the latter accepting the essential role of natural gas as a "transition fuel" necessary for economies around the world. For this reason, Albgaz company in interaction with other consolidated actors in Europe and wider, have engaged in the creation of a regional hub in Vlora. The aim is to coordinate the efforts and share the roles of each actor in this configuration of the gas sector which responds not only to the energy challenges at the national level but also those at the regional level.

Consequently, the realization of these initiatives requires the mobilization of monetary values and expertise through human capacities, which Albgaz cannot dispose of from the income from its modest activity and in the extremely difficult conditions of an out-of-function transmission network and in the absence of a the internal market, also in terms of the limited experience of its human resources, in an open and standardized market such as that of natural gas.

Judging that this moment represents a golden opportunity for maximizing public interest, not only through the use of Albania's geostrategic position but also to make efforts to expand energy security capacities through diversification with a reliable alternative source such as natural gas , as well as the serious partnership with international companies with indisputable reputation in the sector, Albgaz remains committed to following with priority the

implementation of current projects and the possibility of involvement in new national projects and beyond.

6.23 The LNG terminal in Vlora.

The LNG import terminal in Vlora shall serve to host dedicated natural gas loading and regasification vessels. The terminal shall be supplied with LNG through Floating Storage Regasification Units (FSRU). FSRU is a large LNG "tanker", which performs unloading, regasification, temporary storage operations. This floating unit is moored at the terminal and connected to the transmission network, where the regasified gas is injected for transmission along the pipeline. The FSRU has been booked to dock at this terminal and shall supply the terminal with up to 5 bcm/year. Albgaz company intends to invest in this infrastructural work in a certain percentage of the quotas of the work.

6.24. Ionian Adriatic Pipeline (IAP)

6.24.1. IAP section: Fier-Kashar

The Ionian-Adriatic pipeline, which shall be connected to TAP at the connecting node in Fier, shall cross about 170 km in the Albanian territory, to continue further north through Montenegro, BosniaHerzegovina and to end in Croatia where it shall connect to the Croatian transmission system, Plinacro. The capacity shall be designed to transmit up to 5 bcm. The technical parameters are: 32" (pole) for the diameter, 75-85 bar. It is expected to increase the capacity up to 7 bcm/year

The shareholders of this pipeline shall be the 4 relevant transmission operators of each country where the pipeline shall pass, with equal ownership quotas of 25%. Currently, the commitment of each entity is expressed through the drafting of the Shareholder Agreement, which is expected to be signed soon, thus establishing the "IAP" Project Company.

In the territory of the Republic of Albania, the Fier-Kashar section shall begin to be designed, with a length of 84 km, and an investment value of 150 Million Euros. Pre-FEED and FEED shall be undertaken in 2025, and shall conclude with commissioning in 2030. We emphasize that Kashar shall also be the connection point for the gas supply of the city and the surroundings of Tirana. A very promising project.

6.24.2. IAP Section: Kashar-Montenegro

This section covers a length of about 86 km, from Kashari to the border point with Montenegro. The expected value of the investment is 165 million Euro. The Feasibility Study has been carried out, while in the time frame during 2025 to 2026, Pre-FEED and FEED are expected to be carried out, to conclude with the commissioning of the asset in 2030.

Dumrea underground natural gas storage

Another important project related to the gas infrastructure is the construction of a natural gas storage facility in the Dumrea area, which is planned to be realized in two phases, based on the cooperation between Albgaz company and SNAM, which is expected to start with the creation of a structure divided into two storage sites with a combined capacity of 230 m3/h of gas, while the second phase foresees the expansion of this structure up to the capacity of 800 m3/h of gas, giving it a regional dimension. We emphasize that the storage of natural gas in the summer period is a necessity for customers during the winter period. Dumrea region, the salts located in this area are ideal for storage. This storage shall serve our entire region, this makes even more profitable this potential project.

Interconnection with RMV

An important project is also the interconnection between the tranmsission systems of Albania and North Macedonia. With a length of about 60 km, this investment shall be carried out by Albgaz company. The implementation period shall last from 2025 to 2028, where the expected long-term capacity is expected to reach 0.3 bcm.

6.25. Objectives for the Future in the Natural Gas Sector

In fulfillment of MIE's commitments related to (i) the restarting of the Vlora TPP, (ii) the creation of a terminal for the distribution of liquefied natural gas as well as (iii) the construction of a natural gas pipeline from Vlora Terminal in Fier, Albgaz company has made available all its capacities for exploring the possibilities of realizing projects. The geographical position of Albania, as well as other factors such as: (i) the completion of the construction and the start of TAP operations, (ii) the difficult international situation of gas supply due to the Russian aggression in Ukraine, (iii) the need to diversify the sources of energy supply, (iv) as well as the determination of the Government of Albania to support the gasification of the country, are the main factors that create a momentum for the development of the gas market in Albania.

- Cooperation with the Energy Regulatory Authorities of neighboring countries, Greece and Italy, as two EU member states, for the normal operation of TAP. Updating all by-laws, in accordance with the regulations and taking the joint decisions necessary for them, in accordance with Directive 2009/EU and Regulation 715/EU, Commission Regulation (EU) 2017/459 (CAM NC) and a a number of other regulations related to transparency, discrimination of third parties and joint decision-making for this purpose.
- Cooperation with TAP AG and the Regulatory Authorities of Italy and Greece for the successful completion of the Market Test that begins in 2021, continues throughout 2022 for the expansion of capacity from 10 billion m3/year to 20 billion m3/year. This testing is harmonized with the provisions of the Final Joint Opinion of the Energy Regulators on the Application of the Exemption of TAP AG, dated 6 June 2013, issued by the Authorities under Directive 2009/73/EC, ('Final Joint Opinion') of TAP Tariff Code with EU Regulation 2017/459 establishing the network code on Capacity Allocation Mechanisms for gas transportation systems ("CAM NC").

- Cooperation with the Energy Community Secretariat for the transposition of the changes being carried out in Directive 2009/EU and Regulation 715/EU as well as other acts related to the sector of natural gas, biogas, biomethane, hydrogen, the use of liquefied gas with small scale, the use of compressed methane gas (CNG), etc.
  Cooperation with the Ministry of Lines (MEI) for the gas transmission and distribution network in Albania as well as the possibility of capacity reservation in Fier and in Kuçovë, Roskovec planned for entry and exit points.

7. ON ERE REPORTING, REGARDING THE IMPLEMENTATION AND FOLLOW-UP TO COMPLETE THE RECOMMENDATIONS OF THE "ALBANIAN PARLIAMENT RESOLUTION TO ACCESS THE ACTIVITY OF ENERGY REGULATORY AUTHORITY FOR 2022

ERE with decision no. 351/2023, has approved the plan of measures for the implementation and follow-up of the recommendations of the Assembly's resolution. Within the recommendations of the Resolution of the Assembly, ERE has continued with the preparation of the Calendar of Measures detailing the activities and Structures responsible for the implementation of these recommendations.

1. Regarding the first recommendation, where it is provided that ERE; "*shall play a proactive role and cooperate with all actors to make possible the easing of barriers and the promotion of investments in increasing the production of electricity from renewable sources (solar, wind and other forms), the use of solar resources and wind would significantly improve the country's energy security by diversifying energy sources and making the system less exposed to climate impacts*":

ERE, through the Working Group, has started work on the evaluation of possible obstacles and the identification of issues related to the consumption and the possibilities of diversification of production from renewable sources.

In accordance with the provisions of Law no. 24/2023 "On promoting the use of energy from renewable sources" ERE has drafted and opened the procedure for;

(i) Regulation on issuing, transfering or cancelation of the guarantee of origin for electricity produced from renewable resources

(ii) Methodology for the calculation of the renewable energy obligation

(iii) Contracts for difference for the support of renewable resources

Which are in the process of consultation with the interested parties and are in the process of approval.

Also in accordance with Law no. 24/2023, the price for the purchase of energy from renewable photovoltaic sources has been approved, as well as the approval of the price electricity purchase from wind sources is in the process.

2. Regarding the second recommendation, where it is provided that ERE; "*shall engage in the approval in the shortest possible time of the regulatory acts that emerge as an obligation after the approval in the Assembly of the law "On promoting the use of energy from renewable sources*":

As defined above, ERE has prepared draft legal acts and at the same time the consultation with the Energy Community Secretariat shall continue, for the practices that belong to (i) the Draft General Conditions of the Standard Contract for Support, as provided in article 14, point 2 of the law no. 24/2023 and (ii) Methodology of the volume of energy limited by injection into the network, but stored in the storage facility of priority producers, as provided for in article 17, point 5 of the same law.

Also, ERE Board with decision no. 377, dated 26.12.2023, decided to open the procedure for the approval of the Methodology on defining renewable energy obligation that shall be paid from electricity end use customers, which aims to determine the calculation of the obligation of renewable energy to be paid by end use customers of electricity, as defined in law no. 24/2023 "On encouraging the use of energy from renewable sources".

3. **Regarding the third recommendation**, where it is provided that ERE; "*In the context of customer protection, to cooperate with the Ministry of Social Welfare and Youth and other actors in drafting the regulation for the specific criteria and procedures for benefiting from the status of vulnerable customer provided for in the legislation in force. Updating the Study on the best regulatory practices for addressing support for the category of vulnerable customers and deriving the most applicable scenarios*:

ERE representatives have contributed during 2023 to the realization of the study of Expertise France on the topic "Impacts of the possible increase in the price of electricity and instructions for the creation of a National Action Plan regarding the mitigation of energy poverty. This study deals with topics related to Energy Compensation available for families in need. This Report has attempted to provide the essential content of the National Action Plan (2022-2027) regarding Energy Poverty that shall aim to improve the existing scheme towards an effective electricity compensation scheme in Albania. In this study by Expertise France consultants, the valuable contribution of ERE has been highlighted in relation to the possible actions for reforming the energy poverty system in Albania. Also, ERE is part of the inter-institutional work group set up by order of the Prime Minister to determine the criteria for obtaining the status of vulnerable customer.

4. Regarding the fourth recommendation, where it is provided that ERE; "*shall take measures so that the green number is functional and has the relevant staff, which makes it possible to address in real time the requests for information of the customer, as well as provides the orientations for the fastest addressing of complaints according to the legislation in force. At the same time, taking into account the power of social media, to be more active in promoting through them the rights of customers, their awareness on saving electricity, informative brochures for the customer, as well as other information that serves the customer*":

As far as this recommendation is concerned, ERE has continued the work for the operation of the green number for customer information, and in the future it shall determine for each structure the persons in charge according to the structures responsible for addressing requests for information that come through the green number which are not related to customer issues. In the future, ERE shall continue with campaigns on social networks to promote the green number with the aim of promoting through them the rights of customers, sensitizing them on saving electricity and other information that serves the customer.

Brochures have been published regularly, an awareness campaign on energy saving has been launched with videos on the web and social networks.

5. Regarding the fifth recommendation, where it is provided that ERE; "*Increases efforts to implement within 2023 the price comparison platform (Price Comparison Tool), which offers suppliers the opportunity to present electricity prices to customers who choose to be supplied by the free market, giving them the opportunity to evaluate the bids in a transparent manner*".

ERE has already procured the platform, which is in the implementation phase with customers and suppliers, in order to effectively guarantee its use, and it is also foreseen to identify the need for intervention in the current bylegal framework, to establish the obligation to use this platform in the free market as well as the development of promotional campaigns on the modalities of its use. Meanwhile, the Working Group has been set up for the evaluation of interventions in the bylegal framework for imposing the obligation to publish data on the part of suppliers on the price comparison platform. Trainings were conducted with the structures of ERE as well as with the suppliers on the modalities of using the platform, which is now ready to be launched and updated with the suppliers' offers. There are currently several suppliers registered on this platform.

6. Regarding the sixth recommendation, where it is foreseen that ERE: "*Continues its contribution to the coordination of work between regulators, TSOs and the power exchange to enable market coupling not only between Albania and Kosovo, but also further with North Macedonia or Montenegro*":

ERE Board with decision no. 247, dated 29.09.2022, decided to license the Albanian Power Exchange- ALPEX" company in the activity of operating the electricity market and with decision no. 347, dated 27.12.2022 approved "Electricity Market Rules (*ALPEX rules, definitions, trading procedure as well as clearing and settlement procedure*)".

During 2023, ERE board with decision no. 172/2023 decided to open the procedure for the approval of the request of ALPEX company related to the procedures of the Committee of the Albanian Power Exchange, while with the decision no. 228/2023 decided to designate the "*Albanian Power Exchange - ALPEX*" company as the Nominated Electricity Market Operator (NEMO)". Following, with decision no. 287/2023 the board of ERE decided to open the procedure for the approval of the "*Methodology of determining the fees*" of the Nominated Electricity Market Operator (NEMO) as well as with decision no. 308/2023 decided the approval of the "*Shadow Allocation Regulation of capacities (Shadow Auction) within the framework of Albania - Kosovo market coupling*".

Regarding the above, we estimate that through these decision-making, the preliminary steps of market coupling have been carried out and at the same time it is estimated that the inter-institutional communication for the coordination of the work between the regulators of the region, TSOs and the Power Exchange should be continued. Also, recently ERE has signed a Memorandum of Understanding (MOU) with representatives of the Regulatory Authority of Italy, North Macedonia, Greece on the the day-ahead market coupling within 2026.

7. Regarding the seventh recommendation, where it is provided that ERE; "*shall continue the cooperation with Albgaz company regarding the pipeline from the Terminal in Vlorë to the*

meeting point with TAP in Fier, which, on the one hand, creates the possibility of speeding up the repair of the Vlorë TPP and putting it into operation and, on the other hand, creates the possibility to inject gas into the TAP network for the needs of the region":

Regarding the cooperation with Albgaz company through decision no. 133/2023, ERE has closely followed the process for "Preliminary approval of the compliance officer of "Albgaz" company and at the same time has assessed the continuation of communication with all the actors involved and the continuation of work coordination with the Ministry of Infrastructure and Energy. In the following, ERE also approved two decision-makings related to the licensing of "Albgaz" company for the natural gas distribution activity and for the transmission activity, concretizing with the decision-making: (i) Decision No. 184/2023 "On an amendment in ERE board decision no. 187, dated 10.11.2017, "On licensing "Albgaz" company in the natural gas distribution activity",as amended and (ii) Decision no. 185/29.05.2023 "On an amendment in ERE board decision no. 188, dated 10.11.2017, "On licensing Albgaz company in natural gas transmission activity", as amended. ERE Board with decision no. 293/2023 decided to open the procedure for the approval of the "Ten-year investment plan of"Albgaz" company.

8. Regarding the eighth recommendation, where it is provided that ERE; "*In cooperation with other actors in the field, take coherent actions and with clear objectives to establish a functional gas market, which uses the potential of the existing infrastructure in the country and creates the market bases for infrastructure development plans*", ERE following this recommendation, approved some important decision-making, such as; decision no. 115/2023 "On the approval of an amendment in "TAP Network Code" and decision no. 285/2023 "On the approval of the project proposal of TAP A.g, SRG and DESFA for the incremental capacity process for 2021 – 2 binding phase". Taking into consideration the recommendations in terms of cooperation with other actors, it is worth noting that ERE has also taken concrete actions with the aim of creating a functional market by adopting Joint Decision no. 212/2023 on the approval of the "Guidelines for market test for the Trans Adriatic Pipeline" in cooperation with the Regulators of Italy and Greece, namely ARERA and RAE. At the same time, the continuation of the training of the responsible structures with the best international practices in the integration of an operational gas market was evaluated.

9. Regarding the ninth recommendation, where it is provided that ERE; "*shall continue the cooperation with the Agency for Energy Efficiency for the drafting of a joint mid-term strategy for addressing issues of interest to the customer regarding the efficient use of energy*":
On the part of ERE, the communication with the Agency for Energy Efficiency (AEE) has continued with the aim of organizing bilateral meetings but also the establishment of Working Groups with the aim of coordinating work to achieve common objectives of interest. The inter-institutional cooperation agreement between ERE and the Efficiency Agency has been drafted, which shall address the long-term coordination of the work in cooperation between these two institutions.

10. Regarding the tenth recommendation, where it is provided that ERE; "*During 2023, shall work on the implementation of the system of issuing, canceling and trading guarantees of origin in accordance with EU standards*":

ERE, through the agreement with the Grexxel service provider for the electronic register of the GO regional system, has the status of a member country of the regional system register. Meanwhile, the "Regulation for the issuance, transfer and cancellation of guarantees of origin for electricity produced from renewable sources", approved with ERE board decision no. 229, dated 20.12.2019, was drafted pursuant to the provisions of law no. 7/2017 "For promoting the use of energy from renewable sources", this law, which was later repealed by law no. 24/2023 "On encouraging the use of energy from renewable sources", published in Official Gazette no. 64, dated 14.04.2023.

In the framework of these changes, the definition of some temporary rules regarding the granting of GOs of electricity produced from renewable sources was evaluated, until the approval by ERE and the entry into force of the new Regulation on the granting, transfer or the cancellation of GOs, in accordance with the provisions of law no. 24/2023 (ERE board decision no. 317, dated 08.11.2023).

With ERE Board decision no. 378, dated 28.12.2023, it was decided to open the procedure for the review of the "Regulation on the issuance, transfer, withdrawal and cancellation of guarantees of origin for electricity produced from renewable sources".

In this same prism, the procedures have started and the application for the full membership of ERE in the European Association of Guarantees of Origin (AIB) has been completed, a process which shall end in May 2024 when the next meeting of the Association Board shall be held.

8. ERE ACTIVITY REGARDING THE DEVELOPMENT OF THE SECONDARY LEGISLATION AND OTHER LEGAL AMENDMENTS DURING 2023

8.1 The draft, review, and approval of the by-legal acts of the power and natural gas sector within their adoption with Law. 43/2015 "On Power Sector", as amended, and Law no. 102/2015 "On Natural Gas Sector" as amended.

During 2023, the Energy Regulator Authority (ERE) continued its work with the completion of the legal framework in the electricity and natural gas sectors, through the adoption of a significant number of acts that further enrich the secondary legislation. During this year, ERE board approved 406 decisions in 65 board meetings.

The decisions of the board of ERE, also this year, had as their object the revision or amendment of the acts approved earlier, the postponement of the deadlines defined in the decisions or acts, the extension of the deadlines of ERE Board decisions, the opening of the procedure or the licensing / renewing the licenses of subjects in electricity trading, production, supply activity or in natural gas trading activity, evaluation of the applications of DSO company for the approval of the electricity distribution service tariff at voltage level for 2023 and FSHU company for the approval of the price of the electricity retail sale service for 2021, the approval of the Distribution System Operator's tariffs for 2023 and of TSO company for the electricity transmission tariff for 2023 and 2022-2024 period for which ERE has also held several official public sessions, etc. Also, during this year, several disputes between licensees in the electricity and natural gas sector were resolved.

8.2. ERE Board decisions in the Power Sector for 2023

Decision no. 27, dated 16.02.2023 On the applicable electricity purchase price, which shall be paid to the existing priority producers, upon the entry into force of Council of Ministers decision no.67, dated 08.02.2023

Pursuant to Council of Ministers Decision no. 687, dated 22.11.2017,as amended, the formula for calculating the annual electricity purchase price to be paid to existing priority producers is: "Annual purchase price (ALL/kWh) = Annual average market price of day in advance (HUPX/DAM) of electricity in the baseload profile (baseload) of the corresponding year of the Hungarian power exchange (HUPX) of electricity in euro cents/kWh X the bonus for the promotion of renewable sources in the amount of 1.20 X the average exchange rate in euros/ALL for the last year". Following the amendment approved with Council of Ministers Decision no. 67, dated 08.02.2023, the resulting price is above the maximum level of the calculated price of the purchase of electricity defined in letter "d" of Council of Ministers Decision no. 687, dated 22.11.2017, as amended, of about 10 ALL/kWh.

Decision no. 30, dated 16.02.2023 On approving amendment no. 1 of the contract for electricity sale purchase to cover the losses in the transmission system between the Transmission System Operator TSO company and KESH company

The parties have expressed their willingness to amend the contract by jointly signing it, for changing the duration of the contract, and extending its effects until 30.06.2023, submitting the contract to ERE. The change in the duration of the contract comes as a result of the extension of the state of emergency in the electricity supply until 30.06.2023, as stated in Council of Ministers Decision no. 650, dated 10.10.2022 "For some additions and amendments in Council of Ministers Decision no. 584, dated 08.10.2021, "On declaring the state of emergency in the electricity supply (as amended)".

Decision no. 106, dated 23.03.2023 On approving some additions in the electricity market rules approved with ERE board decision no. 347, dated 27.12.2022

With the approval of the Electricity Market Rules and the forecast of ALPEX company for the start of the go-live operational phase of the Albanian Power Exchange - ALPEX company, there was a need to approve some additions to these rules, in order to clarify some of the procedures provided for in them. For this purpose, ALPEX company has submitted at ERE several proposals for the approval of some additional documents which have been published for consultation on ERE website. Following discussions and receiving confirmation from interested parties, ERE Board with decision no. 106, dated 23.03.3023, approved the additions under the name of annexes to the Electricity Market Rules.

Decision no. 110, dated 27.03.2023 On the request of TSO company for the time interval of 1 hour in the operation of balancing market processes and trading transaction nominations";

Transmission System Operator (TSO) company in function of the operation in the Albanian Electricity Balancing Market has presented the arguments, conditions and evaluations on the implementation of the market management platform for the time interval of 1 hour where it is estimated that it cannot be operated with a resolution of 15 minutes. TSO company among other things, declares that following the hourly operation for the calculation of imbalances, for the processes in the balancing market and for the nomination processes, it has made its reflections by submitting them as draft proposals of the Albanian Balancing Market Rules. Also following regional developments, TSO company states that it has the necessary infrastructure to act like the countries of the region in terms of the balancing market. Given that for the following period of 2023, ALPEX company is expected to start the commercial operation of the electricity market, ERE Board decided to partially accept the request of TSO company for April 1, 2023 to April 1, 2024 period, i.e. for one year to operate in the electricity balancing market with a time interval of 1 hour.

Decision no. 114, dated 27.03.2023 On approving the compliance officer of the distribution system operator (DSO company).

ERE Board with decision no. 343, dated 21.12.2022, decided to approve the Contract for the provision of the services of the Compliance Officer (ZP) of the Distribution System Operator DSO company, leaving the company with the duty that within 30 (thirty) working days from

receiving the notice of this decision shall submit for approval at ERE the Compliance Officer, after approval by its governing bodies, and also to document at ERE the fulfillment by the Compliance Officer of the criteria defined in Appendix 1 of the Contract.

Decision no. 127, dated 07.04.2023, On approving the commencment of operations date in the Albanian Power Exchange

ALPEX company has presented its proposal on the day of the start of trading of the Day ahead market of the Albanian Power Exchange (BSHE). It turns out that the Working Group and ALPEX comapny have assessed that the necessary requirements for the start of the operation of the Day Ahead Market have been met and are in accordance with the Electricity Market Rules, so ERE Board decided to approve the Market Time Unit belonging to 00:00 on 12.04.2023, as the day of the start of trading on the Albanian Power Exchange.

Decision no. 135, dated 11.04.2023 On approving the amendment no.2 of the contract "for "electricity sale-purchase to cover the losses in the transmission system between the transmission system operator TSO company and KESH company

The parties have submitted at ERE the amendment no. 2 of the Contract "For the sale and purchase of electricity to cover losses in the transmission system" between TSO company and KESH company. Considering the operation process of the ALPEX exchange, the amendments presented by the parties are estimated to enable the Contract to be treated as an OCT Contract (Over the Counter Contract) in the DAM developed by ALPEX, where it gives priority to compliance as an Order of the buyer and the seller.

Decision no. 139, dated 14.04.2023 "On approving the permitted minimum and maximum price limit for the day ahead market"

ALPEX company with official letter Protocol no. 106 dated 31.03.2023, presented a proposal for the approval of the Minimum and Maximum Permitted Price Limits for the Day Ahead Market (Maximum and Minimum Price Threshold), for the operation of the Non-Coupling of the Markets, for which ALPEX is referred to as an opportunity to conduct a second auction, according to the provisions of the Trading Procedure of the Electricity Market Rules, approved by ERE decision No. 347/2022.

-Maximum Permitted Price Limit for the Day Ahead Market: + €900/MWh.
- Minimum Permitted Price Limit for the Day Ahead Market: 0 €/MWh

Decision no. 173, dated 18.05.2023 "On some amendments in the standard contract "on verifying electricity meters and their seals", approved with ERE board decision no.164/2016"

ERE Board with decision no. 70, dated 13.03.2023, decided to open the procedure for some amendments in the standard contract on the verification and sealing of electricity meters approved with ERE board decision no. 164/2016. These amendments to the Standard contract are related to the possible legal differences according to the provisions of Article 39 of the Law "On Metrology".

Decision no. 227, dated 14.07.2023 On approving some amendments to the regulation of the procedures for new connections and the modification of the existing ones in the transmission network, the operation agreement in the transmission network between the TSO company and the user approved with ERE board decision no, 87 of date 20.04.2018

ERE Board with decision no. 120, dated 04.04.2023, decided to open the procedure for reviewing amendments in the regulation of procedures for new connections and modification of existing connections in the transmission network, the operation agreement in the transmission network between TSO company and users approved with ERE board decision no. 87, dated 20.4.2018. Following the announcements, TSO company submitted at ERE the proposal regarding some amendments in the "Regulation of procedures for new connections and modification of existing connections in the transmission network; Operation Agreement in the transmission network between TSO company and the user".

Decision no. 228, dated 17.07.2023 On the designation of "Albanian Power Exchange - ALPEX" company as the Nominated Electricity Market Operator' (NEMO)

The "Albanian Power Exchange - ALPEX" company submitted the application to be designated as the Nominated Electricity Market Operator (NEMO) and submitted additional documentation of this application. ERE Board, with decision no. 200, dated 23.06.2023, decided to open the procedure for the determination of the "Albanian Power Exchange - ALPEX" company as the Nominated Electricity Market Operator (NEMO)". Following the completion of the documentation by the company, ERE Board assessed that "Albanian Power Exchange - ALPEX" company should be designated as the Nominated Electricity Market Operator (NEMO).

Decision no. 280, dated 25.09.2023 On approving the rules "On the suspension and restoration of the market activity, the rules for the settlement of the imbalances, the balancing energy and capacity, for the period during which these activities are suspended"

ERE Board with decision no. 280 approved the rules "On the suspension and restoration of the market activity, the rules for the settlement of the imbalances, the balancing energy and capacity, for the period during which these activities are suspended which was drafted by TSO company. This regulation is composed of 16 articles which define the necessary elements for the suspension and restoration of market activity, rules for settlement of imbalances, balancing capacity and balancing energy, for the period during which market activities are suspended.

Decision No. 296, Dated 19.10.2023 "On approving amendment no.3 of the Contract for electricity sale purchase to cover the losses in the transmission system between TSO company and KESH company"

The parties have expressed their willingness to amend the contract by jointly signing it, for changing the duration of the contract, and extending its effects until 31.12.2023, submitting the contract at ERE by joint official letter between KESH company and TSO company with Protocol no. 2134 at ERE, dated 11.09.2023 "On the amendment of the contract "For the sale

and purchase of electricity to cover losses in the transmission system", approved and signed between the parties TSO company and KESH company. Change of the duration of the contract comes as a result of the extension of the period of the state of emergency in the electricity supply until 31.12.2023, as expressed in Council of Ministers Decision no. 449, dated 26.07.2023 "For some additions and amendments in Council of Ministers Decision no. 584, dated 08.10.2021, "On declaring a state of emergency in the electricity supply (as amended)". Point 2 of Council of Ministers Decision no. 449/2023 determines that in point 5 the words "... June 30, 2023." are replaced by "... December 31, 2023."

Decision no. 308, dated 30.10.2023 "On approving the regulation for the allocation of shadow auction rules in the framework of Albania-Kosovo market coupling"

ERE Board with decision no. 308, dated 30.10.2023, approved the Regulation for the allocation of shadow auction rules in the framework of Albania-Kosovo market coupling following the official letter of TSO company which submitted changes to the draft regulation for (Shadow Auction) of Shadow Capacities. Taking into consideration the importance of this act, the draft submitted by TSO company in order to carry out its public consultation, has been published on the official website of ERE in the consultation section.

Decision no.364, dated 15.12.2023 "On approving the electricity purchase price that shall be paid to existing Priority Producers for 2024"

The Assembly of the Republic of Albania on March 23, 2023 approved the new law no. 24/2023 *"On encouraging the use of energy from renewable sources", which repealed law no. 7/2017. In Article 10, point 4, it is determined that: "For existing priority producers, the price of purchasing electricity from hydro sources with an installed capacity of up to 15 MW is set by ERE in accordance with the methodology approved by the Council of Ministers, with the minister's proposal. The methodology determines the criteria for calculating the price... In any case, this price shall not be lower than the price approved by ERE in 2016".*
Through this decision, ERE Board has approved the annual electricity purchase price, which shall be paid to existing priority producers of about 10 ALL/kWh, for 2024.

Decision no.365, dated 15.12.2023 "On letting into force ERE Board decision no. 73, dated 13.04.2022"

ERE Board with this decision has decided to postpone the legal force of the ERE Board Decision no. 73, dated 13.04.2022, until the approval of a decision based on the application of DSO company for 2024, in accordance with the requirements of the legal and by-laws in force. If there shall be effects on the income of DSO company they shall be updated and compensated according to the provisions of Article 20, letter "c" of Law no. 43/2015, "On power sector",as amended and the relevant methodology, approved by ERE.

Decision no.366, dated 15.12.2023 On letting into force ERE Board decision no.74, dated 13.04.2022

ERE Board with this decision has decided to postpone the legal force of the ERE Board decision no. 74, dated 13.04.2022, until the adoption of a decision based on the application of FSHU company for 2024, for retail prices for end use customers served by the universal service supplier in accordance with the requirements of legal acts and by-laws in force.
If there shall be effects on the company's income, their corresponding correction and compensation shall be made, in accordance with the provisions of Article 20, letter "c" of Law no. 43/2015, "*On power sector*", as amended and the relevant methodologies, approved by ERE.

Decision no.367, dated 15.12.2023 "On letting into force ERE Board decision no.206, dated 16.12.2019, "On approving the temporary tariff for the transmission of natural gas from Albgaz company" for 2024

ERE Board with this decision has decided to postpone the legal force of ERE Board decision no. 206, dated 16.12.2019, for 2024, until the approval of a tariff based on the application of the company "Albgaz" company according to the provisions of the legislation in force.

If there shall be effects on the required income of the company "Albgaz" company from the required temporary revenues, their updating and compensation shall be done according to the provisions of Article 17, point "e" of Law No. 102/2015 "On natural gas sector", as amended.

Decision no.369, dated 26.12.2023 "On the assignment of the role of the shipping agent for Albania - Kosovo electricity market coupling"

ERE Board decided to appoint NEMO (ALPEX company) in the role of Shipping Agent, for electricity market coupling of Albania and Kosovo. The Transfer Agent shall transfer the revenue collected from the congestion charges to the respective TSOs no later than two weeks after the settlement date.

The legal effects of this decision-making came into force after the Albania-Kosovo electricity market coupling became operational.

Decision no.379, dated 28.12.2023 On some additions in ERE Board Decision no. 317, dated 08.11.2023 "On some temporary amendments in the procedures on issuing the guarantees of origin for electricity produced from renewable resources"

ERE Board with this decision has decided, to add points 4 and 5 with the following content in ERE Board decision no. 317, dated 08.11.2023: Point 4. Article 7.1 of the "Regulation on the issuance, transfer and cancellation of guarantees of origin for electricity produced from renewable sources", approved with ERE board decision no. 229, dated 20.12.2019, as amended, changed and becomes: 7.2 "*The Guarantee of Origin for an electricity production plant from renewable sources is issued on a monthly basis, except in cases where major changes have been made to the energy production plants electric which are equipped first with the GO*".

Point 5. Article 14.1 of the "Regulation on the issuance, transfer and cancellation of guarantees of origin for electricity produced from renewable sources", approved with ERE Board Decision no. 229, dated 20.12.2019,as amended, changed and becomes: 14.1 "*The guarantee of origin is issued for a period of 1 month and expires according to the term expressed in the certificate of guarantee of origin*".

8.3. Legal processes on which ERE has been a party during 2023

During 2023, ERE has been a part of 53 court cases which were initiated, continued or ended during this year, in the capacity of the plaintiff, defendant or third party, prosecuted at all three levels of the judicial system in Tirana, Durrës, Saranda and for all these court proceedings.
The court cases in which ERE has been called in the capacity of the defendant, are a total of 11 court proceedings, of which 8 are for 2023 and 3 carried over from other years. There are 25 court cases in which ERE has been called as a third party in total, these processes carried over from previous years. As for the court cases in which ERE has been represented as the plaintiff, there are a total of 16 such cases. During 2023, 8 new court cases have arrived, while the cases in which the courts have issued a decision for 2023 are 10 in total.
In order to reflect in time all new judicial processes, but also the changes that occur with the addition or reduction of the object of claims-lawsuits, the regulation of litigants, as well as the transfer of processes to the highest levels of judgment or their return for retrial at the lowest levels, the Register of Judicial Processes in which ERE is a party has been kept and periodically updated.

8.4. ERE in the quality of the third party

As for the processes where ERE has been called to court as a third party, there are a total of 25 processes, where the main subject of the trial are: tax invoice invalidity; compensation for damages from the company Electricity Distribution System Operator (OSHEE) company, taking the measure of suspending the implementation of the execution of the electricity sale bill; cancellation of tax invoices; customer complaint to OSHEE Group company etc.

8.5. ERE in the quality of the Plaintiff

ERE, in the quality of the plaintiff party, has initiated 13 court proceedings against companies that are debtors to ERE. In Article 37, point 1 of Law no. 43/2015 it is provided that "Every legal person, which carries out an activity in the power sector, according to point 2, of this article, must be equipped with the relevant license, issued by ERE, in accordance with the provisions of this law". Also, in article 17, point 4 of Law no. 43/2015, as amended, it is determined that for each licensee, ERE determines and approves the regulatory payment that must be paid by the latter, in accordance with the Regulation on the determination and approval of regulatory payments, approved with ERE board decision no. 190, dated 23.11.2017, as amended by decision no. 129, dated 10.08.2020. The regulatory payment is defined in point 52

of article 3 of Law no. 43/2015 as "the annual payment that all licensed companies in the power sector pay on behalf of ERE, to cover the costs of its regulatory activity. The regulatory payment for each licensed company is approved annually by ERE based on a methodology approved by this institution".
ERE Board with the respective decisions has determined the regulatory payments for each licensee, decisions which have been published in the respective Official Gazzete and ERE Web page, as well as communicated to the licensees through written notices.

In the following, ERE continued with the internal administrative procedures for evaluating the state of facts and circumstances of each debtor in order to take the necessary legal administrative or judicial measures, to minimize the damage caused, as well as collect the accumulated debts .

ERE Board, with the respective decisions, decided to open the procedure for the removal of the licenses granted to the debtor companies, decisions which have been notified in writing to the subjects, also informing them that they have the right to respond in writing within 30 days from the date of receipt of this notice.

Even after the end of the term defined in the notification of the decisions to open the procedure for the removal of licenses, it turned out that some debtor companies had not taken any measures to settle the debts or to provide explanations regarding this fact, and they have not done attempt to avoid the legal cause that led ERE to open the procedure for taking the administrative measure to revoke the license. For the above, the ERE board finally decided to revoke the licenses of the debtor companies, this decision-making does not remove the obligation of the companies to make regulatory payments.

During 2023, the Court of First Instance of the General Jurisdiction Tirana has decided to accept the claim filed against the entities Alb Wind company Energy to Energy company, Alb Energy Market company.

8.6. ERE in the quality of the defendant

During 2023, ERE was represented in 11 court proceedings in total, 3 of which were carried over from previous years.

Among these processes, it is worth mentioning that the plaintiff association "Albanian Renewable Energy Association" (AREA) and the defendants the Council of Ministers of the Republic of Albania and ERE, the third party the Ministry of Infrastructure and Energy and object: 1. Repeal of Decision of the Council of Ministers no. 396, dated 13.05.2020 "For some amendments in Council of Ministers Decision No. 687, dated 22.11.2017, "On the approval of the methodology for determining the annual electricity purchase price, which shall be paid to existing priority producers"; 2. Repeal of Decision no. 94, dated 08.06.2020 of the Energy Regulator Authority "On the applicable price for existing priority producers for 2020, in implementation of the changes approved with Council of Ministers Decision No. 396 dated 13.05.2020"; 3. Taking the measure of suspension of the implementation of Decision no. 94, dated 08.06.2020 of the Energy Regulator Authority until the end of the judicial review of the

case; 4. (Addition of object) Repeal of ERE decision no. 16, dated 20.01.2021 "On the annual electricity purchase price to be paid to existing priority producers for 2021".
With Decision no. 79 (86-2022-740), dated 24.11.2022, the Administrative Court of Appeal decided to dismiss the lawsuit of the association AREA and following the filing of the latter's appeal, ERE has prepared and filed the counter-appeal requesting the The Administrative Office of the Supreme Court to let into force decision no. 79 (86-2022-740), dated 24.11.2022 of the Administrative Court of Appeal and the non-acceptance of the recourse exercised by the "Albanian Renewable Energy Association". Currently, ERE is waiting for the date that shall be set by the Supreme Court for the examination of this case.
During 2023, in the Administrative Court of the First Instance of Tirana, the case with the plaintiff Albpetrol company, the defendant ERE, the third person the State Attorney's Office and "Anio Oil & Gas" company has been concluded and object: 1. Repeal of the administrative act Decision no. 178, dated 13.07.2022; 2. Allowing Albpetrol company as a licensed operator for electricity supply, operating at the same price provided for in Article 6 of the contract with Anio Oil & Gas company with No. 5208/2 Alb. Date 16.07.2018. With decision no. 337 (80-2023-352), dated 21.02.2023, the Administrative Court of the First Instance of Tirana decided to dismiss the lawsuit of the plaintiff company "Albpetrol" company as unsupported by law and evidence.

The Court of Appeal by decision dated 18.7.2023 No. 174 (31154-03077-86-2022) Basic Register No. 54 (86-2023-794), decided the "Repeal of the administrative act, the decision of the Board of Commissioners of ERE no. 133, dated 06.06.2022 "On the request of the State Technical and Industrial Inspectorate for some additions and changes to the regulation for new connections in the distribution system, approved by decision no. 166, dated 10.10.2016, of the Board of ERE, as amended". In the framework of the unification of the legal practice of ERE with this decision, the decision of the Board No. 350, Dated 22.11.2023 "On the annulment of ERE Board decision no. 133, dated 06.06.2022 "on the request of the State Technical and Industrial Inspectorate for some additions and changes to the regulation for new connections in the distribution system, approved by decision no. 166, dated 10.10.2016, of the board of ERE,as amended". These decisions have not brought any financial consequences for ERE or the third parties involved in this process (with the exception of legal expenses).

8.7. Settlement of Disputes

Law no. 43/2015 "On Power Sector", as amended, provided in article 20, letter "ë" the right of ERE to resolve disputes, in relation to complaints submitted by customers and disputes arising between licensees. Article 24 below provides, among other things, that ERE acts as an authority for the resolution of disputes arising between licensees, in accordance with the relevant regulation for examining disputes and handling complaints.

Also, the law no. 102/2015, "On Natural Gas Sector", as amended, in articles 16, point 16, article 17, point 1, letter "ë" and article 98, points 1 and 2, has determined the authority of ERE to resolve disputes between licensees in the natural gas sector, as well as between them and customers, as well as to approve the regulation on the procedures and manner of resolving disputes.

In support of the above, ERE board with decision no. 114, dated 08.07.2016, approved the Regulation for handling complaints submitted by customers and for resolving disputes between licensees, in the power and natural gas sector.

During 2023, ERE board with decision no. 319, dated 08.11.2023, accepted for consideration by ERE, the requests presented by TREN SUN SYSTEM" company "SUN BEAT SYSTEM" company "NTSP" company "KORCA PHOROVALTAIC PARK" company for the resolution of the dispute between the companies and the Free Market Supplier (FTL company), opening the procedure for the resolution of the dispute in accordance with the "Regulation for the handling of complaints submitted by customers and for the resolution of disputes between licensees , in the power and natural gas sector" approved with ERE board decision no. 114/2016.

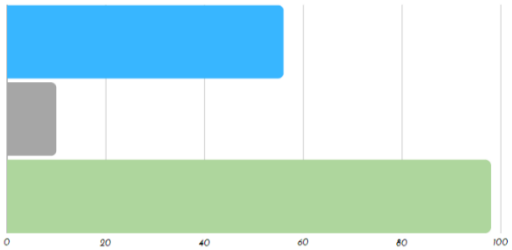
9. ERE ACTIVITY REGARDING CUSTOMER PROTECTION AND STANDARTS SUPERVISION

9.1. ERE activity in Customer Protection

ERE's main objective in its activity is the protection of electricity customers, further ensuring fair and equal treatment and the benefit of customers from a cleaner and greener environment. Customer protection makes markets work for both businesses and end-use customers.
Customers should be able to obtain accurate and unbiased information about the products and services they purchase. This enables them to make the best choices based on their interests and prevents them from being mistreated or manipulated by businesses. Customer protection policies, laws and regulations help increase the welfare of customers by ensuring that businesses are held accountable. ERE, as the institution responsible for guaranteeing the above, with its regulatory activity, works every day so that the Customer but also the commercial subjects that provide services in the sector are informed about their rights, obligations and responsibilities.
Customer protection contributes to the growth of dynamic and effective markets for businesses. Customer demand drives innovation and economic development as businesses are required to maintain fair prices and good quality of their products and services.

An important part of ERE's work focuses on solving electricity customer complaints by collecting and processing data on their number and nature. Especially in recent years, and more specifically during 2022-2023 period, ERE has taken a much more active role in terms of communication channels with customers, finding contemporary ways of communicating with the public not only directly but also through social networks, as faster and more accessible way to direct information to the intended destination, the end-use customer. In accordance with the legal acts in force, the Regulator undertakes the resolution of a complaint, after verifying that the submitted request meets the minimum criteria to be handled, and after ascertaining that the matter presented for consideration involves a company licensed in one of the activities in power or natural gas sector.

At ERE during 2023, 99 complaints and 65 requests for guidance or information regarding the handling of an issue or addressing a customer concern were submitted. Out of the 164 total number of complaints/requests addressed to ERE, about 66 of them were addressed through electronic means of communication, ERE website and the applicable complaint filing form. Thus, even during 2023, a growing trend of digital communication practices with ERE institution is seen, leading to an easing of administrative practices, reducing the time of processing a complaint but also reducing the costs of the customer himself in achieving the goal, to find a solution.



From the total of 164 complaints/requests registered in ERE, 56 of them were submitted through the form on ERE website "**make a complaint** ", another 10 via e-mail and 98 via traditional mail or ERE premises.

Figure 103. Registered complaints

The graphic on the left shows in blue the complaints registered through the "make a complaint" form, in gray the complaints registered by e-mail and in green those registered through mail and presentation in the premises of ERE.

Analyzing the graphic below, we notice, according to the object of the complaint, the specific weight occupied by each category of the complaints that were addressed through ERE, for 2023 compared to the same categories of data recorded for 2022.

From the analysis of the data presented in the graphic, it is evident that, in 2023, there is a decrease in the number of complaints for electricity over – invoicing, which resulted in 20, compared to 2022, during which 37 such complaints were handled. The number of complaints regarding economic damage during 2023 has suffered a slight decrease comparing it to that of 2022. During 2023, the number of complaints for invoicing with economic damage turned out to be 20, while in 2022 this number resulted in 24. From the statistical data of ERE, it results that, in 2023, the number of complaints registered for invoicing with reference value, there is a very slight increase, from 8 complaints for invoicing with reference value that were registered in 2022,in 9 complaints registered in 2023. New connections are another category for which many customers appear at ERE to get solutions to their complaints. Regarding this category, 2 complaints were registered this year, registering a decrease compared to 2022, where the number of complaints addressed to ERE was 6.

Compared to the complaints that are registered in FSHU company, it turns out that the biggest issues during 2022 are the complaints related to the crediting/payment of electricity. Meanwhile, in 2023, the problem that occupies a higher place are the complaints about electricity over-invoicing.

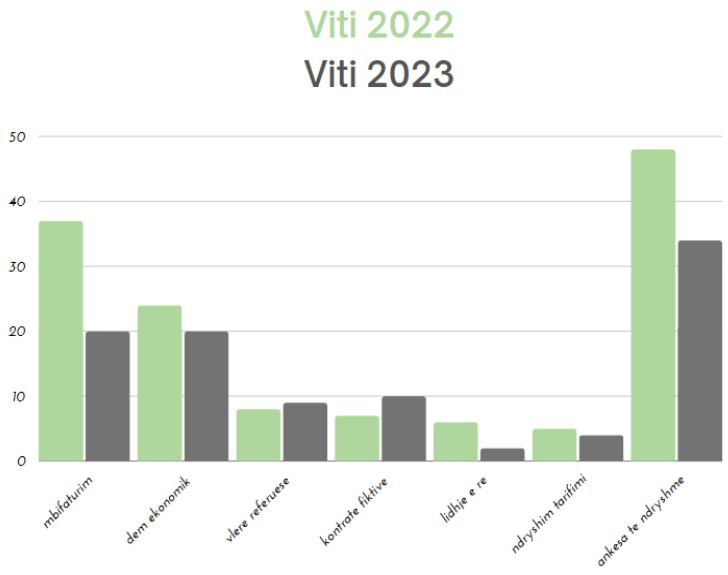


Figure 104. Complaints that were addressed at ERE, for 2023 compared to 2022

9.1.1. Complaints for electricity over – invoicing

By electricity over-invoicing we understand the cases when the amount of energy of the customer for which the value of his liability was calculated is greater than the generated measured data. From the statistical data, it is established that complaints with the object of "electricity over-invoicing" account for a total of 20 complaints, or about 20.2% of the total number of complaints registered in ERE. These complaints have come as a result of several different problems such as: (i) inaccuracy in the measured data due to defects in the meter, (ii) not reconciling the state entered in the system with the real state of the meter, etc. It turns out that out of the total of 20 complaints about electricity over-invoicing, 3 of them belong to invoices issued during 2011-2013, while 12 of them belong to 2020-2022, and 5 of them are invoices generated during 2023. Customers often appear before the responsible licensee or ERE, late for the administrative strike of an invoice. The reasons for not accepting complaints are related to cases when customers are unaware of the issued invoice or when supporting documentation is missing from their side.

For all these complaints, ERE requests from FSHU company and DSO company the verification of the available practices and documentation related to the invoicing performed along with recommendations for the relevant corrections that must be made in implementation of the established deadlines in the legislation in force, for this purpose according to the field of competence.

On the part of the licensees, measures have been taken to deal with 20 of the 20 complaints addressed by ERE with the object of electricity over-invoicing. It turns out that only for 4 of them, FSHU company, after the verifications carried out, concluded that there was an inaccuracy in the calculation of consumption, and following the implementation of the recommendations of ERE, measures were taken to correct/correct the invoice , as well as canceling some invoices and also making the necessary corrections in the next month's invoice

as provided for in the legislation in force. It turns out that for 3 of these complaints by FSHU company, no documentation was submitted, as the invoices are early and as a result, the documentation is missing. Also, some complaints have turned out to have been submitted to FSHU outside the 12-month deadline, provided for in the General Terms of the Universal Electricity Supply Service Contract, approved with ERE Board decision no. 15, dated 10.01.2018. In this by-law it is provided that: The end-use customer can object at any time to the invoice issued by the Supplier, but not later than 1 year from the date of its issuance, as in case of doubting the accuracy of the invoice, other errors found in invoice or inaccuracy in the mettering system.

9.1.2. Complaint for Economic Damage

Complaints for economic damage are related to objections to the invoicing by the network operator of costs caused by customers from illegal interventions in the mettering system and the electricity distribution network by network users connected to the distribution system.

ERE handled 20 complaints on economic damage or about 20.2% of the total complaints registered at ERE. It turns out that 5 of them belong to invoices of economic damage ascertained during 2011-2012, 6 of them for invoices of economic damage during 2020-2021 and 9 complaints for invoices of economic damage during 2022-2023. For all these complaints, ERE addressed DSO company requesting information/documentation regarding the procedure followed, (the minutes of the act-finding) as well as the verification of the mettering system by the subject authorized for the circumstances in it which the economic damage regulation provides for such an obligation. As for the complaints related to the invoices of economic damage that belong to a permanent period, ERE has handled the complaint in those cases, when it has been documented from the customer's side that he did not receive information on the deadline regarding the invoice.

From the total of 20 complaints handled by ERE, it turns out that 19 of these complaints were handled by DSO company. It turns out that only for 4 of them, DSO company after verifying the documentation and consulted information, in implementation of ERE's recommendations, has taken measures for the invoice system. In any case, ERE has continued communication with the licensee and forwarding the orders for the documentation of the economic damage invoicing procedures.

As for the economic damage ascertained and invoiced during 2023 by DSO company, it turns out that 680 customers were invoiced. The value of the economic damage caused to the Network Operator during 2023, for which DSO company has invoiced the economic damage on behalf of customers, is 196,490,575 ALL. It turns out that the highest number of invoices with economic damage belongs to the Kukes region with 144 invoices worth 12,950,872 ALL, Burreli with 135 invoices worth 8,725,071 and Shkodra with 85 invoices worth 27,619,774 ALL.

9.1.3. Complaints about reference values

In cases where the Supplier receives notice from the Distribution System Operator that the metered data is temporarily unavailable or inaccessible for a period longer than one month (the meter is damaged, the meter is out of technical condition or there is no access to the metered data), electricity invoicing, based on the regulation approved by ERE for this purpose, is carried out by applying the reference value. This is calculated based on the same consumption of the respective month of the previous year. The invoicing period according to these reference values cannot last more than three months. During 2023, it is established that 9 complaints with the object "reference value" were submitted to ERE, or about 10% of the total complaints registered during 2023, which coincide with the invoices with reference value applied during 2021-2023. On the part of FSHU company for 4 complaints, it was found that the invoicing is correct by documenting the calculation of electricity consumption based on the historical average consumption data and in accordance with the regulation approved by ERE for this purpose. For 5 of them, ERE has reviewed and analyzed the practice and documentation made available and has given orders/recommendations to the licensees which in terms of the "*Regulation for handling complaints submitted by customers and for resolving disputes between licensees, in electricity and natural gas sector*", are mandatory for implementation.

9.1.4. Complaints on Fictitious Contracts

During 2023, 10 complaints with the object of "fictitious contract" were registered in ERE, or about 10% of the total complaints registered in 2023, for the contracts opened for 2001-2012 period. These old contracts, it turns out, do not have sufficient identification data to prove the legal relationship between the user and the service provider. In general, it turns out that customers became aware of these contracts at the moment they applied for a new connection, during 2022-2023, which prevented the approval of the new connection as they turned out to be debtors for these contested contracts. For these complaints, ERE has requested from FSHU company, information and documentation as provided for in the legislation in force at the time of the conclusion of the contract, as well as other historical documentary data to prove the legal link between the complainant and the data of the contract. Given that these fictitious contracts are early, it has been impossible for licensees to document the opening procedure of these contracts, where Law No. 43/2015, "*On Power Sector*", as amended, in Article 89 provides that: *Licensees for electricity supply shall store data on electricity supply contracts, on contracts with wholesale operators and transmission and distribution system operators,* ***for a period of at least five years***.

9.1.5. Complaints for new connection

In the regulation for new connections, it is foreseen how the customer can apply to DSO company for the approval of a new connection and after fulfilling the documentation, technical criteria and payment within the deadlines provided in the regulation for new connections, it is procedured with the new connection. Obstructive conditions for the approval of the application of the new connection may be the delay in paying off the obligations, the existence of another

contract which maintains the debtor status, non-fulfilment of legal, financial and technical documentation, etc. In all cases, the licensee has the obligation to notify the applicant of the obstacles encountered in the approval of the new connection, within the deadlines provided in the Regulation for new connections in the distribution system or the notification of the approval of the application.
It turns out that in ERE during 2023, only 2 complaints were registered for disapproval or delays in the approval of the application for a new connection. On the part of DSO company., explanations were given on the reasons that prevented the approval of these new connections, which were specifically related to the lack of documentation on the part of the applicant.

9.1.6. Complaints on tariff amendment

In general, complaints of this nature are related to the application of different tariffs from the category to which the customer belongs, and the most typical cases during 2013 were those of bakeries that exercise other activities than bakery, such as (pastry, dairy, etc.), who have not met the legal and technical criteria to benefit from the rate approved for this purpose. Also during this year, there were complaints from some customers that by mistake switched to FMF. On the part of FSHU company, measures have been taken for the correction of the charge and for the return to legality of these customers. In ERE in 2023, 4 complaints were registered for tariff amendment or about 4% of the total number of complaints. Measures have been taken by the licensees to deal with these complaints.

9.1.7. Different complaints

In this group of complaints, complaints with the following objects are included: unmettered energy, resettlement invoice, afrofe invoicing, electricity invoice, electricity interruption, under-invoicing, bad invoicing, meter crossing, consumption as a result of meter testing, complaints related to the generation of interest arrears, etc. In this group of complaints, about 34 complaints or about 34% of the total complaints registered in ERE are found. It turns out that 3 of them are in the process of review by FSHU company and 6 of the complaints have received a final solution. It turns out that for 4 of these complaints, FSHU company has informed that the customer has not met the legal criteria to avoid the cause for which he is complaining, which varies from not filing a request for contract suspension in cases of the application of the contract maintenance fee, the lack of formal application of customers who intend to change the applicable electricity tariff. Other cases are those of customer complaints regarding the generated metered data, for which after verification by the responsible operator, the correct operating condition of the meter has been documented. While for 21 others, the communication was continued, giving the necessary orientations to verify, complete the documentation and to reflect the provisions of the legislation in force.

During 2023, ERE held 23 hearing sessions in order to resolve the complaints of electricity customers. The hearing sessions organized by ERE together with the parties have been evaluated case by case as a good medium to obtain the necessary explanations regarding

specific issues of complaints addressed at ERE, for which the scanty documentary practice does not allow their final examination.

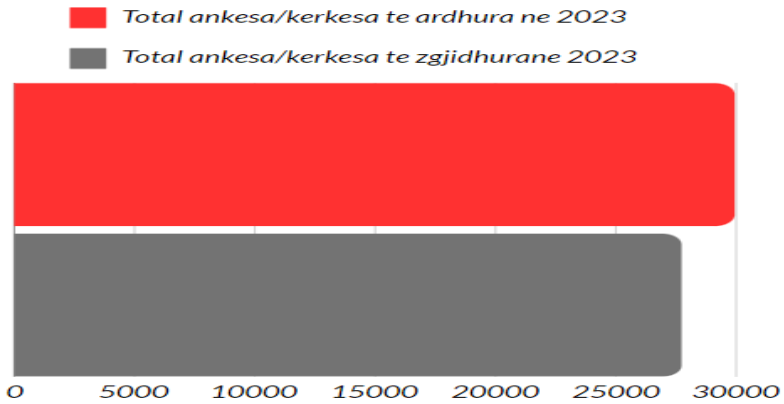
It is worth noting that in the Regulation for the handling of complaints submitted by customers and for the resolution of disputes between licensees, in the electricity and natural gas sector, it is foreseen that ERE, as the case may be, shall send the complaint to the complained subject for verification within 15 calendar days. From the analysis of the practices handled in ERE throughout this calendar year, it results that the average time to fulfill the above is about 11 calendar days. Also, on the other hand, the above-mentioned regulation foresees the obligation for responsible licensees to submit at ERE the requested information no later than 10 calendar days from the knowledge of ERE's requirements. It turns out that on the part of the responsible licensees, in some cases there was a delay in handling the requests of ERE or a correct misunderstanding of the requests for information or documentation.

9.2. Complaints Handled by FSHU company

Regarding the complaints registered in FSHUcompany, they come from all sources, either directly at the customer care centers, from ERE, the co-governance platform, or through other institutions. ERE has analyzed the data of FSHU company regarding the total number of registered complaints, from January 1, 2023 to December 31, 2023 according to the respective categories; over-invoicing, economic damage/unmetered energy, measurement outside the technical condition, wrong charging, non-payment, reference value.
From the data collected during 2023, it results that the total number of complaints submitted during 2023 to FSHU company, from all sources, is 29,939. The resolution level of these complaints is 92.6%, specifically resolved according to FSHU company, there are 27,744 complaints.

The following graphic presents the level of resolution.

Figure 105. Complaint resolution level



Out of the total of 27,744 complaints/requests registered during 2023, most of the complaint addressing resources are those addressed to the physical units of Customer Care Centers in which 27,197 complaints were registered, 282 complaints were addressed through co-governance platform, 110 complaints in ERE (of which 99 complaints were registered for the first time in ERE and 11 of them registered earlier) and 79 requests were addressed by the Ombudsman and 76 Online complaints.

According to the above statistics, it is evident that the largest weight is occupied by the complaints registered at the customer care centers.

Complaints divided by categories in FSHU company:

- Complaints for payments/credits registered in FSHU company are 447, of which only 399 have been resolved, respectively 89%. Compared to 2022, there is a decrease in this number, since in 2022, it turned out that 705 complaints were registered, of which 652 were resolved.
- Regarding complaints/requests for misinvoicing of electricity, (which includes the categories of complaints for overinvoicing, misinvoicing/incorrect invoicing, economic damage, incorrect charging, etc.), 29,939 complaints were registered in FSHU company of which 27,197 have been resolved, specifically 92.6%.
- Complaints about the quality of service, which includes the categories of complaints (quality of energy supply, voltage, power outages, defects in the distribution network, delay in providing the service), result in FSHU company being registered 2,395, of which only 94 complaints have been resolved, namely 3.9%. Compared to 2022, there is a decrease in the number of complaints, which in 2022 result in 2655 being registered, of which 155 have been resolved.
- Complaint categories that include metering outside the technical condition, reference values, etc.) account for 89.6% of the total number of complaints, remaining at a total of 35,059 of which 31,442 have been resolved. Compared to 2022, there is a decrease in them, where 36,008 complaints were registered, of which 32,976 were resolved.
- Regarding complaints about the change of contract data, which includes categories, change of electricity contract holder, change of property user, etc. 58,532 complaints were registered in FSHU company of which 55,116 were resolved, respectively 94.1%. Compared to 2022, there is a noticeable decrease in these complaints. In 2022, it turns out that 70,260 complaints were registered for this category, of which 66,987 were resolved.

Graphically, below, the change in the number of complaints addressed to the Supplier and its performance during 2023, as regards the resolution of complaints compared to the data of 2022, is evident.

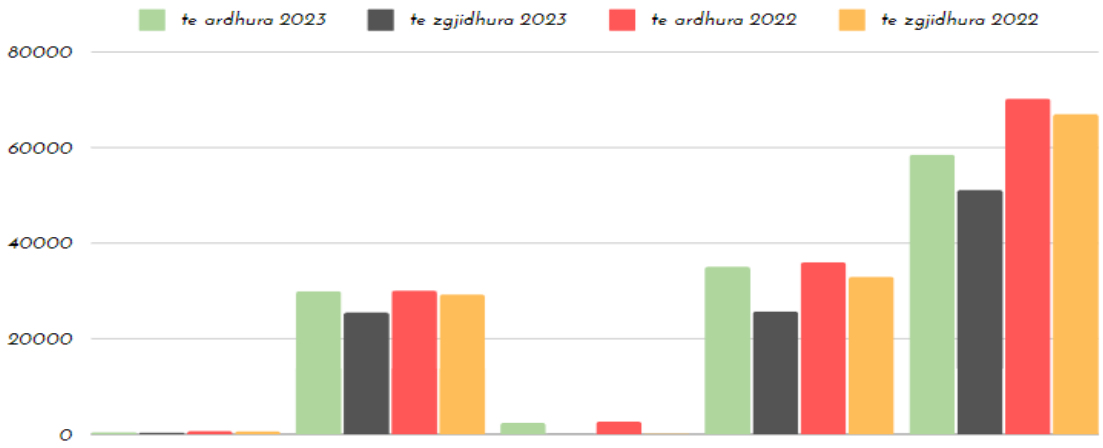


Figure 106. Change in the number of complaints addressed to the Supplier and its performance during 2023 compared to 2022.

During 2022, the margin of error in terms of the arrangements made in relation to the invoices for which a complaint was made is in the value of 79%. During 2023, the margin of error in reference to the implemented invoicing systems is 69% and from the available figures, it results that the margin of error in 2023 has increased to the value of 10% compared to the previous year.

During 2023, 29,089 new electricity supply contracts were signed. Compared to 2022, there is a decrease in the number of new contracts connected in the network.

The graphic on the right reflects the 5-year data of new contracts signed in the distribution network during this period.

For the category of invoicing with reference values which are applicable in cases where metering data is unavailable, 2,959 complaints were registered.

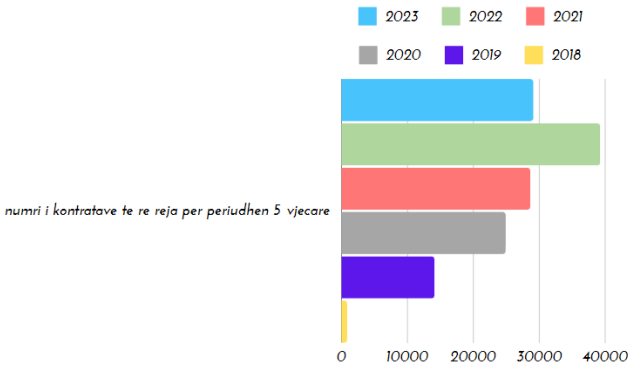


Figure 107. 5-year data of new contracts signed in the distribution network.

According to the provision of the General conditions of the universal service contract for the supply with electricity of the end use customers, it is mentioned that customers have the

obligation to pay the monthly consumption of electricity no later than 30 days from the date of issuance of the last invoice. In contrast, FSHU company has the right, after the payment deadline of 30 days has passed, to invoice the customer a late interest equal to 0.1% of the invoice value for each day of delay, but not more than the total value of the invoice itself.

Over the years, a considerable number of customers move into debtor status or have historical records of maintaining debtor status. The current data presented by FSHU company regarding 2023, present us with this panorama.

The total number of household and non-household customers, who have passed into debtor status during 2023, turns out to be 564,509 household and non-household customers. The number of customers with problems in paying electricity supply payments on time is 276,567 debtor customers. Currently, it turns out that 287,942 customers hold the debtor status obtained during 2023.

Because the debits are collected in large values and often unaffordable for the customer to be paid off in a single payment by FSHU company the possibility of paying off their past historical obligations in installments is offered. Every year, with the proposal of the Administrator, the General Assembly approves the updated terms of the standard agreements that are signed with customers for repayment in installments.

9.3. The measures taken to fulfill the obligations deriving from "the metering plan for the universal service supplier “to meet the rights of the electricity supply customers” approved with Decision no. 201, dated 03.09.2018, as amended.

Pursuant to law no. 43/2015, "On power sector", as amended, ERE has the right and duty to monitor, control and inspect the services of licensed operators in relation to compliance with legal obligations, public service conditions, contract conditions, as well as the implementation of decisions and orders of ERE. ERE's mission includes, among other things, an energy market that reflects good service to household and non-household customers served by the Universal Service Supplier and other Suppliers. ERE through decision no. 201, dated 03.09.2018, has approved the metering plan through which it imposes obligations on FSHU company aimed at providing a better quality service to customers. ERE has the right to request reporting and monitor the licensee for the fulfillment of the obligations stemming from this act that protects and respects the rights of electricity customers.

Regarding the obligation to fulfill the Plan of measures, FSHU company informs the ways it informs customers such as: from the online website www.fshu.al , the Post Office and Customer Care Centers; for cases where the customer's claim does not stand, and in cases where the claim stands, it is notified through the Care Centers.

ERE, after monitoring the website of OSHEE Group, has found that there are published data on the applicable legislation regarding the rights and obligations of the customer in relation to the licensees. Also, ERE finds that between social networks and the official website of OSHEE Group company, information related to customer information is distributed.

TSO- Regarding the complaints registered by suppliers in the free market **regarding the quality of the network service,** it turns out that there are no such for 2023.

9.4. Customer Complaints in the Free Market

ERE has approved the Regulation of the standards for handling the electricity and natural gas complaints from the licensees in the supply activity in the free market, which aims to protect the interests of customers as a whole based on equal treatment and non-discriminatory through legal and transparent procedures and monitoring and control of services offered by the licensee to electricity customers.

The regulation on the measures of licensees in the supply activity to achieve the indicators of measurement and evaluation by ERE of the performance of customer service requires licensees in the activity of electricity supply to submit a 3 (three) monthly report adhering to the annex 2 of the regulation on complaint handling standards.

According to the data available from the reports of 31 suppliers licensed for this activity, it appears that during 2023 there were 9 suppliers who performed activities for customers who entered the free market, who generally reported according to the criteria of the regulation.

During 2023, it turns out that only Albpetrol company reported 3 complaints. The nature of these complaints relates to the price/fee invoiced to these customers. On the other hand, throughout 2023, divided on a 3-month basis, the other licensees have not registered complaints. The very low number of complaints is related to the fact that some subjects have not exercised electricity supply activity, have not concluded contracts with customers or are still in the registration phase with the Market Operator. Also, the number of customers who received the supply service in the free market during 2023 is quite low, and all these factors consequently bring a low number of customer issues. Reports from suppliers are generally submitted in accordance with the regulation and annex 2 of the regulation.

9.5. Giving voice to the Customer

ERE has always paid attention to Customer information, in addition to his protection. Furthermore, ERE is committed to his education, with the aim of knowing the steps he can take in case he encounters various issues related to electricity. The mission of the Energy Regulator Authority, among others, aims to sensitize the customer regarding rights and obligations through the establishment of communication and contact bridges.
The awareness campaign of ERE includes the sharing of information in the form of brochures in our premises but also through social networks. In order to be as close as possible and in order to maintain standards and quality of service, we have also shared surveys and polls to further understand the customer.

The brochures distributed on social networks throughout 2023 consist of information and in the form of advice with the respective titles as follows:

- How to make a connection to the distribution network?
- What do reference values on your electricity mean?
- When and how should you pay your electricity invoice?
- Electricity payment methods?
- How can you conclude an electricity contract?
- World customer rights day?
- Procedure for changing the supplier.
- Interruption of supply by the supplier and reconnection.
- Termination of the contract at the customer's request.
- What do you need to do to be self-producer?
- How to make a connection to the medium voltage distribution network?
- How to make a connection to the distribution network 50-100 kW in low voltage?
- Issues addressed by the supply contract.
- How to save energy?
- You have a complaint about the electricity supplier. You can file a complaint with one click on the official website www.ere.gov.al.
- You have a question about the terms of the electricity supply.
- How to save electricity.
- Heating/cooling system.
- Contact numbers in case of power interruption/failure.
- What conditions must be met to conclude an electricity contract?
- What is a smart meter?

As for the Survey, it was designed in order for the Customers reaction to it to be a help for the steps that are constantly taken to protect the latter.
It consisted in the form of a mini-questionnaire, the answers of which the customer could select in an online survey.
The questions were mainly related to the form of addressing the complaint, opinions on the legislation for the protection of customer rights, on the information they wish to receive at ERE, on customer rights and the information that ERE website enables, on the effectiveness of this the aforementioned information, on the service feedback requested and enabled by ERE.
The Customer responded to this survey by voting as follows:

- How satisfied are you with the service you received at ERE?
  The customer voted mainly - "Very satisfied".

- How did you learn about ERE?
  The customer has voted more the option; "Through the website - 46%".

- Addressing the complaint to the electricity supplier:
  The customer has voted in the questionnaire; Supplier - 50% and ERE - 50%.

- What do you think regarding the legislation for the protection of Customer rights:
  The customer has voted "Complete" and "Complete but not applicable."

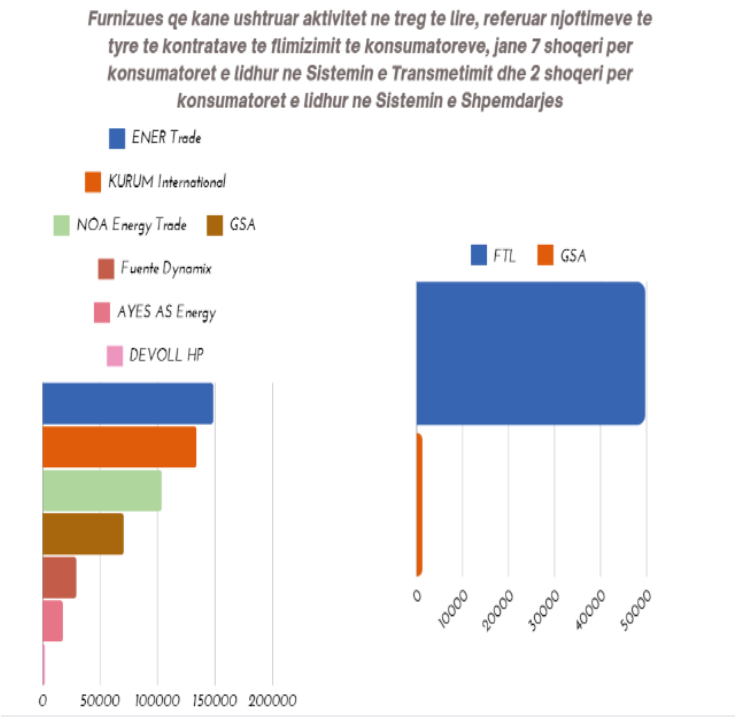
- How effective is the information you receive through ERE website?
  The customer mostly voted that the information is clear.

- Customer information on ERE website:
  The customer voted to be more professional and simpler in the 50/50 ratio.

- Would you like to receive more information on customer rights:
  Mainly from the website, e-mail news, and social networks - 16%

- What kind of information you want to receive through ERE:
  The customer has requested to receive more information regarding "Rights for quality of service", "Rights to be self-producers."

9.6. Customers in the Free Market



According to the data submitted by TSO company, suppliers that have exercised activity in the free market, referring to their notifications of customer supply contracts, there are 7 companies for customers connected to the Transmission System and 2 companies for customers of connected to the Distribution System. So, in total there are 9 suppliers that supply to the free market during the reported period (2023).

Figure 108. Suppliers exercising the supply activity in the free market

The number of customers benefiting from the free market supply service is 13 for customers connected to the Transmission System and 72 customers connected to the Distribution System. In total, there are 85 customers who are currently supplied in the free market. According to reports from DSO company during 2023, 76 customers connected to the 35kV network were supplied in the free market.

9.7. New Connections in Transmission

Regarding the procedures for new connections, as well as the status of applications for connection to the transmission network, for January-December 2023 period, there have been a number of applications for connection of power plants, listed as follows:

- Power plants of the "Hydrogen Generator" type, 5 applications, total power required 64.33 MW, 3 Connection Agreements realized.
- Power plants of the "Solar Generator" type, 83 applications, total power required 5620.82 MWp, 2 Connection Agreements realized.
- Power plants of the "Wind Generator" type, 50 applications, total required power 4874.10 MW, 1 Connection Agreement realized.
- Power plants of the "Thermal Generator" type, 2 applications, total power required 300 MW, no Connection Agreement has been realized.
- During 2023, the Karavasta 140 MWp Photovoltaic Plant was put into operation, connected to the 220 kV side of the 220/110/35/20 kV Substation.

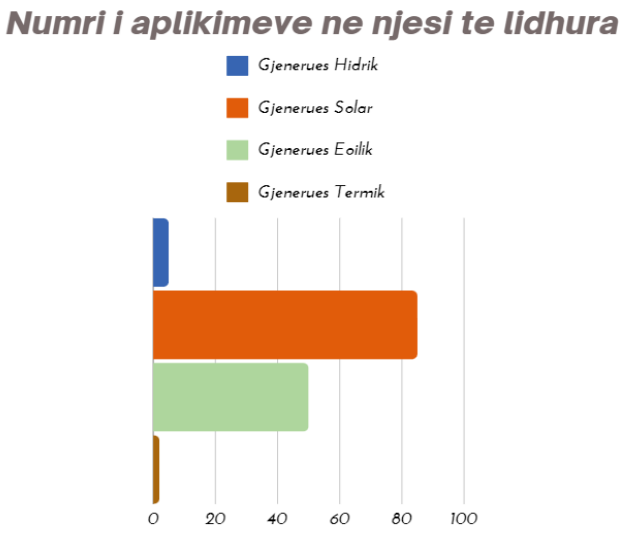


Figure 109. Number of applications in connected units

Compared to 2022, the demand and interest for application and connection agreement in the transmission network for all new sources of electricity production has increased.
Regarding access to the Transmission Network, we note that compared to 2022, we have an increase in the number of applications from 117 to 140 applications for new connections, about 16% more than in 2022. Even during 2023, only one generating source is set into operation.
Regarding the legal deadline for feedback (60 calendar days) according to the "Regulation of Procedures for New Connections and Modification of Existing Connections to the Transmission Network", TSO company submitted the responses within the time limit, as defined in the aforementioned regulation.

9.8. New Connections in the Distribution Network

Based on Law 43/2015 on Power Sector, and the Regulation on new connections in the distribution system approved with ERE Board Decision No. 166, dated 10.10.2016, as amended, the Distribution System Operator regulates agreements with distribution system users who seek to make a new connection or modify their existing connections to the Distribution System. DSO company in the capacity of the operator of the distribution network, determines the procedures, deadlines and tariffs for the performance of this service, as well as to carry out the works, in accordance with the standards and technical characteristics of new connections in the distribution network of the power sector.

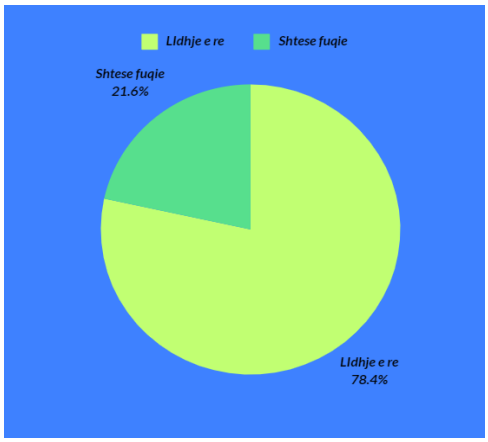


Figure 110. Applications for new connection and additional power

Regarding access to the distribution network, during 2022, it turns out that there were a total of 13467 applications for new connections or additional power in the distribution network, of which 10560 are applications for New Connections 2907 applications for Additional Power. Compared to 2022, the grand total of applications has decreased significantly. Applications for new connections referred to 2022 result in 21,157, over 35% more compared to this year. Also, requests for new connections or additional power have decreased compared to last year.

As evidenced by the graphic on the left, 78.4% of the total applications for 2023 are applications for New Connection and 21.6% applications for Additional Power.

Tirana, Durrës and Shkodra continue to have the highest number of applications for new connections, for each category. Kukës continues to remain the region with the fewest applications for new network connections. These trends remain unchanged from 2022.

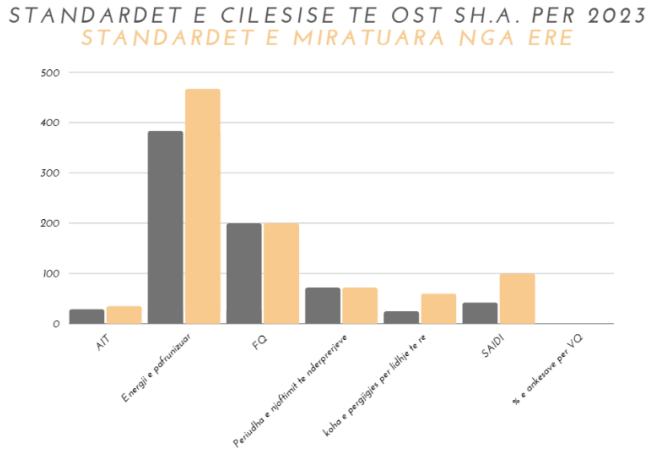
Within the total applications for 2023, DSO company has also reported the status of these applications, among other things we highlight that the completed status occupies 65% of the total weight of these applications with 8692 applications, while the rejected cases are 1163. The cases of rejected applications have a slight increase from 2022 .

9.9. Metering standards for quality of supply and network security performance

9.9.1. Standards for Quality of Supply and Network Security Performance in the Electricity Transmission System

ERE Board with decision no. 207, dated 18.12.2017, approved the Regulation on the quality of supply and network security performance in the electricity transmission system, which provides for the public service obligation of the Transmission System Operator (TSO company) to meet the supply quality standards specified by the Transmission Network Code and by this Regulation.

The standards approved with ERE Board Decision no. 244, dated 02.12.2021 are in force and unchanged for 2023.



Referring to the diagram, the standards approved by ERE with decision no. 244/2021, while in gray the standard criteria of the quality of supply reported by TSO company for 2023. From the presented criteria, a decrease in all indicators is clearly seen, otherwise seen as an improvement trend for 2023.

Figure 111. Quality standards of TSO company and those approved by ERE.

On the right, the Performance of TSO company is presented in an analytical graphic form for 2023 compared to the Standards approved by ERE for TSO company for 2022 with the decision of the Board no. 244/2021.

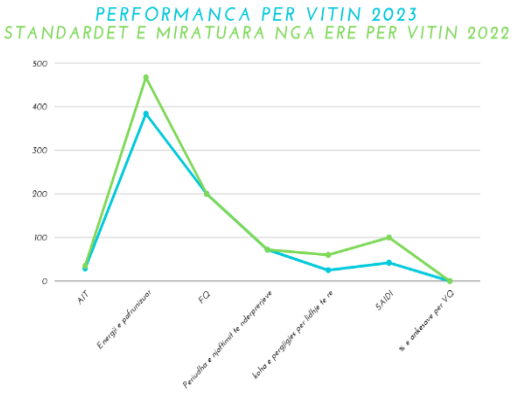


Figure 112. Performance of TSO company and those approved by ERE for 2023.

These indicators, as we note above, are in accordance with ERE Board decision no. 244/2021, and some of them are improved. We note that high parameters such as the Average Time of Electricity Supply Interruption has been reduced to 28.87 min from 35 defined in the decision, as well as Energy Not Supplied seems to have improved greatly in the values of 383 MWh from 467 MWh approved. Also, important indicators such as SAIDI (**System Average Interruption Duration Index**) continue to decrease this year at 42.21 min out of 100 approved

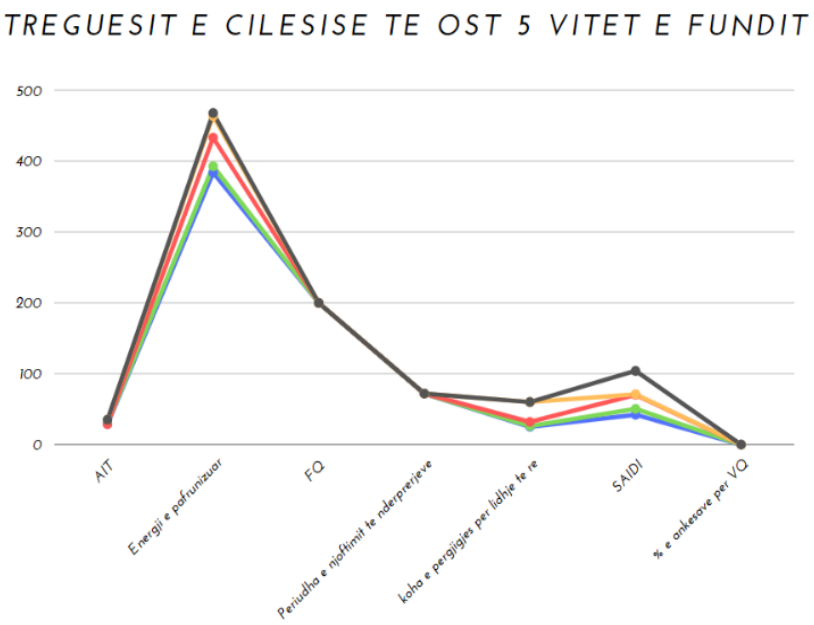
in ERE decision. The value of this indicator is halved even by the proposal of TSO company for 2022. On the other hand, the Response Time to New Connection Requests has been reduced to 25 actual days, or half of the time approved by ERE with the licensee's proposal for 2022.

KPI 2023	KPI 2022	KPI 2021	KPI 2020	KPI 2019
28.87 min	**29.58 min**	**28.76 min**	**35 min**	**35 min**
383.687 MW	**392.731 MWh**	**433.035 MWh**	**463.53 MWh**	**467.87 MWh**
Within the range: +- 200 mHz.	Within the range: +- 200 mHz.	Within the range: +- 200 mHz.	Within the range: +- 200 mHz.	Within the range: +- 200 mHz.
72 hours	**72 hours**	**72 hours**	**72 hours**	**72 hours**
25 days	**26 days**	**32 days**	**60 days**	**60 days**
42.21 min	**50.43 min**	**70.31 min**	**71 min**	**104 min**
Within the range: -10%, +11.8	Within the range: -10%, +11.8	Within the range: -10%, +11.8.	Within the range: -10%, +11.8.	Within the range: -10%, +11.8.
There is not	There is not	There is not	There is not	There is not

Figure 113. Key Performance Indicator from TSO company

Referred to above, TSO company has reported Key Performance Indicators in tabular form, including parameters from 2019 to 2023.
We also note that these indicators during 2023 have significantly improved compared to previous years.

An analytical graphic of TSO quality indicators over the last 5 years is presented on the side.



From the findings, it results that, for 2023, the quality parameters related to energy not supplied, Response Time to New Connection Requests have significantly improved compared to previous years, while there is a clear decrease in the System Average Interruption Duration Index (SAIDI) from 70.31 min to 42 min, which results in an improvement as shown in the graphic on the left. TSO company as a licensee in electricity transmission activity, has significantly improved these parameters compared to the previous 4 years and also fulfills the obligation to achieve the standards approved by ERE with decision no. 244/2021.

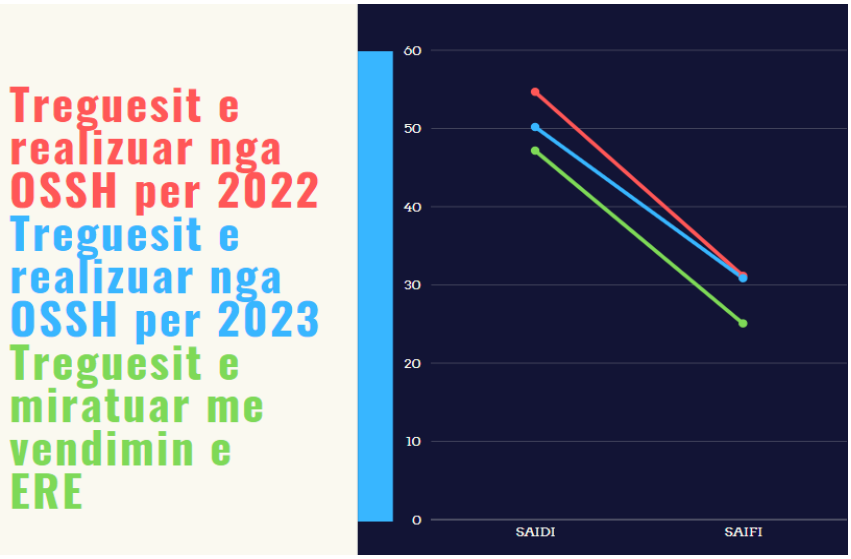
Figure 114. Quality indicators of TSO company in the last 5 years

9.9.2. Standards for Quality of Supply and Network Security Performance in the Electricity Distribution Network

ERE Board with decision no. 97/2021 approved the Metering Indicators for the Quality of Supply and Security Performance of the Distribution Network for 2021. Periodic reports regarding the indicators for the quality of the electricity distribution service have been submitted at ERE by DSO company as defined in the Regulation on the standard criteria of the quality of the supply service and the security performance of the electricity distribution network, approved with ERE Board decision no. 181/2017 as well as decision no. 97/2021 regarding 2023. The standard criteria of the quality of the distribution network supply service

remain unchanged for 2023 with the indicators in force approved with ERE Board decision no. 97/2021.

Figura 115. Treguesit e realizuar nga OSSH sh.a për 2022, 2023 dhe treguesit e miratuar nga ERE



During January-December 2023 period, compared to the same period of 2022, we see that interruptions due to force majeure continue to occupy a high weight in the total, interruptions of the network of DSO company which in this case we have classified interruptions due to bad weather conditions, in the total performance of the network. So in 2023 FM shall account for about 23% of the total interruptions.

As it can be seen from the table below, compared with the same period last year based on the data of SAIDI and SAIFI, including CAIDI, it results that these indicators have improved. One of the calculations we do to see the progress of the performance indicators is the comparison of these values with those of a year before. From this analysis, it results that the values of the SAIDI/SAIFI Indicators have an improvement compared to 2022 of 1% in SAIF and 8.2% in SAID for the total DSO network.

Comparison of DSO Performance in HV+MV+LV 2022-2023 Regarding the Main Indicators SAIFI, SAIDI, CAIDI						
	SAIFI		SAIDI		CAIDI	
	No.of Customers affected by interruptions/ Total no. of customers		No. of hours of total interruptions / Total no. of customers		No. of hours of interruptions in total /No. of customers Affected by interruptions	
	2022	2023	2022	2023	2022	2023
January	2.65	2.29	4.36	4.47	1.65	1.95
February	2.68	2.17	6.43	4.19	2.4	1.93
March	2.38	1.83	5.51	3.23	2.32	1.77
April	3.65	1.73	5.75	2.93	1.58	1.69
May	2.36	2.20	4.1	3.46	1.74	1.57
June	2.49	2.17	3.92	3.40	1.57	1.57
July	2.16	2.89	3.02	3.35	1.40	1.16
August	2.40	2.78	3.41	4.05	1.42	1.46
September	2.49	2.49	4.35	4.06	1.75	1.63
October	1.80	3.06	3.38	5.65	1.87	1.85
November	2.89	3.82	5.26	7.22	1.82	1.89
December	2.97	3.31	4.47	4.17	1.61	1.26
GRAND TOTAL	31.16	30.86	54.68	50.18	1.75	1.63

Figure 116. Comparison of DSO performance in HV+MV+LV 2022-2023 Regarding the Main Indicators SAIFI, SAIDI, CAIDI

As for SAIFI or System Average Interruption Frequency Index the values have decreased in 2023 compared to 2022, respectively from 31.16 hours to 30.86 hours. This reduction is seen as an improvement in the performance of DSO company in relation to the somewhat positive impact that these interruptions bring to the end use customer. The value determined by ERE for SAIFI (Average Interruption Frequency Index) with decision no. 97/2021 is 25.08 hours. For SAIDI or Index of Average Duration of Interruption, these values have improved compared to last year. SAIDI has suffered a decrease from 54.68 hours for 2022 to 50.18 for 2023. Again, the values of these indicators and quality standards are far from the target set by ERE, which is 47.17 hours. However, this improvement can be interpreted as a positive trend for the future (next year).

9.10. Electricity Customers/Self- Producers

Law no. 24/2023 on promoting the use of energy from renewable sources aims to promote the increase in the use of energy from renewable sources to ensure a sustainable development of this sector in the Republic of Albania and to be in accordance with the obligations under of the Energy Community Treaty.

In accordance with this law and MIE Instruction no. 3/2019, as well as in accordance with the metering scheme, a small or medium-sized company or a household customer can install a total capacity of up to 500 kW for the production of electricity from the wind or the sun to cover part or all of the energy needed for its needs and inject the excess energy produced into the distribution network.

As a task of ERE to observe the performance of this relatively new market, a series of correspondences have been carried out in order to assess the impact that this category of producers has had on the country's gross production. For this purpose, DSO company has generated data which are periodically monitored and analyzed by ERE. In 2023, an increase in the number of applications for self-producer status was recorded, resulting in 982 applications

During 2023, Distribution System Operator (DSO company) has granted Self-producer status to 723 customers with a total capacity of about 60.56 MWp, showing the positive tendency of Albanian customers to contribute to the creation of a stable and independent energy system. The specific weight of the category of contracts that have photovoltaic panels installed in the distribution network, taking the status of self-producers according to customer category and power is reflected in the graphic on the right:

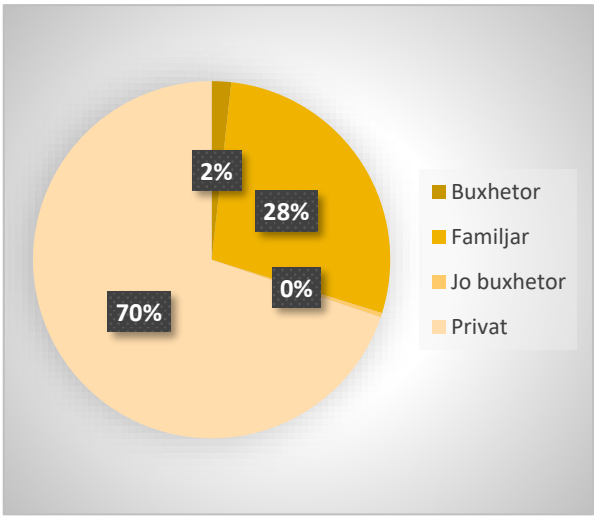


Figure 117. Category of contracts that have photovoltaic panels installed in the distribution network

- Budgetory-27 with 790 PV kW power
- Household-430 with a power of 5375 PV kW
- Non-budgetory-6 with a power of 756 PV kW
- Private 1069 with a power of 146,585 PV kW

These positive developments encourage a faster transition towards a more sustainable and efficient energy environment.

9.11. Electric Cars

Electric cars are the future of transportation and the interest in them is high. The country is moving slowly in preparing the infrastructure that would make their rapid spread possible. At first, electric cars are tried for curiosity, then they turn into a lifestyle, favored by a great advantage.

For this reason, among its general objectives, the Energy Regulator Authority promotes the creation of a safe and environmentally friendly internal competitive market for all customers and suppliers, ensuring the appropriate conditions for the safe and stable operation of electricity networks as well as eases the conditions for new market participants and those who produce from renewable sources. For this purpose, regarding the large-scale integration of energy production from renewable energy sources and with the aim of using new technologies for charging stations for electric cars, ERE has carried out an Assessment on the regulatory and legal framework with the aim of using new technologies for electric vehicle charging stations, including the regulation of the charging of this service. This document is published on the official website of ERE: www.ere.gov.al ; in the item Publications, under the category Studies.

During 2023, according to the data, 26 new points for electric car charging units were installed, respectively in Durrës 2 with an installed power of 250 kW, while in Tirana there are a total of 26 contracts with an installed power of 2565 kW.

Although the total number of electric vehicles has seen steady growth for more than half a decade, many companies and individual customers are still unaware of how electric cars are compared to traditional fuel-powered cars.

10. ERE INTERNATIONAL ACTIVITIES

10.1 International Relations

ERE priority is and shall remain the dignified and active representation of the Regulator in regional and international activities, aiming the consistency and harmonization of its practices with the ones of region and EU countries. The participation in international activities is considered by ERE as one of the main elements that serves to institutional strengthening, increasing the knowledge and experience of its staff.

For 2022, ERE has collaborated in intensifying the multilateral relations with international organisations like Energy Secretariat in Vienna, throughout ECRB or also via associations such as MEDREG, ERRA, NARUC, CEER, IGU etc. During the last year ERE paid special importance to the participation in the workshops, meetings and other international activities. The interest of our institution staff in these activities was high with the aim to be informed with the best international experiences and the latest developments in the power sector by participating on these international activities as well as to present the regulator with dignity on these activities through various speeches, chairing meetings or working groups or various presentations in seminars or meetings.

10.2 Active Participation as a Member International Organization

ERE continues to be a full right member of the Regulatory Authorities Association for the South East Europe and Euro Asian Countries (ERRA), by realizing a regular participation at ERRA Chairman General Assembly, meetings of ERRA permanent Committees, as well as the Working Groups that of Electricity, natural gas and that of Tariffs, Prices or customer.

ERE is a member of the Regulators Association for the Mediteranean Countries (MEDREG) for electricity. Also, ERE staff has actively participated at the working group meetings including their direction for the customers working group, institutional relations, renewable energy, gas issues, the electricity working group being the drafters of the working group materials or reports.

ERE has the observer status at CEER (Council of European Energy Regulators), a status which enables the strengthening and picking up knowledge of ERE staff during participation in working groups and General Assembly meetings or the conferences that take place from the latter.

ERE is participant at UfM (Unioni for Mediteranean) meetings, which is composed of 43 Member Countries part of the Mediteranean and aims to increase and strengthen the regional cooperation as well as implementation of the projects and initiatives that shall serve to the region. In the framework of cooperation in the power sector, UfM drafted the platform for natural gas sector as well as two other platforms for the power sector, regarding renewable resources and energy efficiency.

ERE is a full right member of the South-South-East Gas Regional Initiative (GRI SSE), which is the Initiative of Gas Regulators in the South-South-East Region.

Also ERE is a full right member of OME (Energy Observer for Mediteranean and Europe) a very important forum of the Mediterranean.

For 2022, ERE has continued to maintain a fruitful cooperation with USAID and NARUC in the joint project, supported by USAID and NARUC regarding the implementation of the cyber strategy.

ERE in the framework of Energy Community Treaty during the last year partipated on Athens Forum, Gas Forum and Energy Community activities organized by Vjena Secretariat as well as the working groups of this organization.

Also ERE participated on activities intensively collaborating with the Energy Community Secretariat in Vienna, being consulted for the main decisions and asking for opinions on delicate issues. Likewise, the draft decisions taken by us as well as the draft regulations drafted by us have been sent to the Vienna Secretariat for consultation or meetings have been held with them to improve decisionmaking, as well as the assistance of the Vienna Secretariat in the drafting of secondary regulatory acts. ERE has regularly and actively followed the ECRB Working Group meetings on customer issues, energy and its regional market, renewable resources, statistics, electricity, efficiency, security of supply, REMIT, natural gas. In order to carry out the best possible work and achieve high results, ERE has held joint meetings with the Vienna Secretariat regarding the implementation of the Network Codes, the approval of which comes as an obligation derived from the Energy Community Treaty and ENTSO-E.

In December 2022, in cooperation with the regulators of Italy, Bosnia and Herzegovina, Montenegro and North Macedonia, the Balkan School of Energy has been established based in Milan, which shall serve for the exchange of experiences between regulators. During 2023, seminars were held with interested parties for the training of the staff of ERE and other participant regulators in the School regarding the opening of markets, the problems related to market coupling or other issues such as market balancing and interaction with the day ahead market etc. During 2024, other activities shall be continued within this context.

10.3 ERE Bilateral Relations

During 2022, bilateral relations with the Italian regulator (ARERA) and the Greek Regulator (RAE) or with the regulator of North Macedonia or Kosovo were further intensified, where joint meetings were held to approve decisions related to market coupling of Albania and Kosovo.

10.4 Public Relations

The communication strategy in ERE aims to inform and promote to the interest groups and the general public regarding the objectives, initiatives, progress, impact and achievements of this institution during the exercise of its activity. In order to fulfill these objectives, throughout the period in question, work has been done through the creation and publication of auxiliary and informative materials, easily accessible on the official website of the Energy Regulator Authority www.ere.gov.al , as well as on the social networks of the institution in which,

according to the case and judging by the specific target groups, they are adapted in context and form. It has been important to cooperate with some of the sectors or working groups created for the purpose of processing materials that ensure the smooth progress of the daily work and the general information of the public. Among the latter, we can mention the Guideline on the services provided by the Energy Regulator Authority, which is published on the official website (https://www.ere.gov.al/images/files/2023/05/19/Guideline_on_the_Services_provided_by_the_Energy_Regulatory_Authority.pdf and the content provides concise, accurate and easily understandable information on the purpose and daily work of the Energy Regulator Authority. It is worth mentioning that some of the publications, both on the web and in social networks, have had as their main focus the information of the customer and the latter's awareness of energy saving. For this, several informative videos have been prepared, but it has also collaborated with local partners such as MIE, KESH company or OSHEE company for the re-publication of materials from one party to the other, in order to distribute and inform as widely as possible. ERE has cooperated closely with the Coordinator of the Right to Information, with the preparation of responses to the requests received at the coordinator's address, within the deadlines and provisions of Law 119/2014 "On the right to information", which you can find reflected in the register of requests and responses in the transparency program on our official website (link for quick access https://www.ere.gov.al/sq/transparenca/regjistri-i-kerkesave-dhe-pergjigjeve)

During 2023, over 150 publications were made on ERE's social networks, and among them it can be mentioned:

1. Monthly Newsletter - summary of activities, decisions, or changes made in various regulations.

- Publications on compensation schemes for the protection of the vulnerable customers. How to make a connection to the distribution network? What do reference values on your energy invoice mean? When and how should you pay your electricity invoice? Electricity payment methods? How can you conclude an electricity contract? World Customer Rights Day, Procedure for changing the supplier. Interruption of supply by the supplier and reconnection. Termination of the contract at the customer's request. What do you need to do to be self-producer? How to make a connection with the distribution network, etc.

2. Various studies

    a. Assessment of the regulatory and legal framework for the use of new technologies for electric vehicle charging stations, including the regulation of charging for this service, preliminary findings and the study of electricity consumption in Albania and customer behavior

10.5 ERE in inter-institutional relations

With Order No. 96, dated 10.6.2022, of the Prime Minister of Albania, the inter-institutional working group for the drafting of the cross-sectoral strategy for the protection of customers and market surveillance, 2023-2030, "Energy Regulator Authority (ERE), has been established part of the working group for the drafting of the cross-sectoral strategy for the protection of the customer, in order to provide contribution, in the drafting of this important document, as well as the inclusion and addressing of the interests of electricity customers, as a special category of customer, for whose protection ERE has the appropriate expertise and plays a primary role. ERE, represented in this GNPIE by Mrs. Erjola Sadushi, Commissioner ERE Board, as well as Mrs. Julia Guga "Director in the Customer Protection, Performance and Standards Directory" Also in the framework of the work organized by this GNPIE, either at the level of institutional meetings or official communications , ERE has prepared its contribution regarding the strategy for the protection of customers in the framework of the duties arising from Chapter 28 of the *Acquis* of the European Union and has presented what it prepared before the commission on February 16 and 17, 2023.

- On March 15, on International Customer Day, the national conference "Energy Poverty - Political Dialogue" was organized. This activity was carried out within the framework of the EmpowerMed project: "Empowering women to take action against energy poverty in the Mediterranean" which addresses the challenge of energy poverty in the Mediterranean area, with a special focus on the inclusion and empowerment of women, in collaboration with Milieukontakt Albania and the Albanian Customer Center. The purpose of the meeting was advocacy for addressing policies and measures for energy poverty to national and local actors. ERE Albania - Energy Regulator Authority for Albania was represented in this activity by a member of the Board and staff.
  In the discussion panel together with the Anti-Discrimination Commissioner, representative of the Ministry of Infrastructure and Energy, ERE emphasized the great importance of not only the commitment at the institutional level to address the challenges that energy poverty presents as a phenomenon for the Regulator, but also the decision of cooperation bridges and coordination of the action plan between policy-making actors, regulators as well as mediators or representatives of customer interests, whether they are in need or in conditions of #energy poverty or not. Also, the questions of the organizers and those present were addressed and answered regarding the contribution of ERE in the regulatory addressing of legal competence issues, such as the approval of special rules for the conditions of interruption of supply for vulnerable customers, the active supervision of the provision of the supply service for customers in conditions of financial impossibility or whose quality of life depends on the electrical equipment that is supplied with energy, the adoption of the rules of the quality of the supply service.
- Representatives of ERE have contributed during 2023 to the realization of the study of Expertise France on the topic "Impacts of the possible increase in the price of electricity and instructions for the creation of a National Action Plan regarding the mitigation of energy poverty". This study focused on topics related to Energy Compensation

available to families in need. This Report has attempted to provide the essential content of the National Action Plan (2022-2027) regarding Energy Poverty that shall aim to improve the existing scheme towards an effective electricity compensation scheme in Albania. In this study, Expertise France has highlighted the valuable contribution of ERE in relation to the possible actions to reform the energy poverty system in Albania.

11. ENERGY REGULATORY AUTHORITY ORGANISATIONAL CHART AND ADMINISTRATION OF HUMAN RESOURCES

11.1. ERE Organization and Operation

ERE is a public legal entity, independent from the interests of the energy industry and from state bodies. ERE operates on the basis of law no. 43/2015, dated 30.04.2015 "On power sector" as amended and Law no. 102/2015 "On natural gas sector", as amended.

Law no. 43/2015 "On power sector",as amended, article 9, determines that ERE is the only Regulatory institution of the Power and Gas Sector in Albania and is directed by the Board. ERE Board consists of the Chairman and four members who are elected by the Assembly of the Republic of Albania with a 5-year mandate.

The Energy Regulator Authority is organized in accordance with ERE Board decision no. 78, dated 29.04.2020 and the internal regulation of the organization and functioning of ERE approved with ERE Board decision no. 99 dated 11.2021. The organizational structure and organizational chart of ERE consists of 63 technical employees, support employees and auxiliary employees, organized and according to the functional hierarchy by the General Secretary, 7 Directories and 5 Sectors, as well as according to the needs \the engagement of external experts has been evaluated.

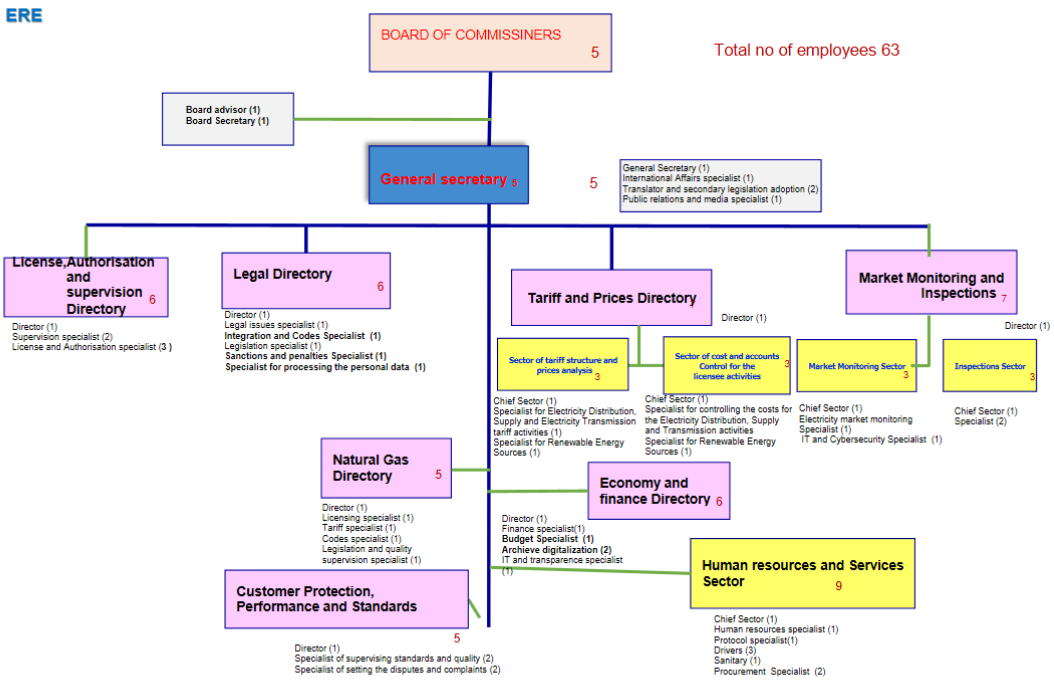


Figure 118. ERE Organizational Chart

In the figure below, the gender participation at all levels of the ERE structures is presented graphically.

Figure 119. Gender participation at ERE

The structure of ERE is based on a clear division, with the necessary capacities, in order to fulfill the tasks and responsibilities related to the areas of regulation by ERE in implementation of the legislations in force.

Throughout 2023, each organizational unit exercised general and special functional tasks with the aim of fulfilling legal obligations such as: Customer Protection, Drafting and approval of Bylaws, Natural Gas Market Development, Market Monitoring, Quality Standards, Establishing Tariffs and Prices in Regulated Market Segments, Licensing, Modification, Renewal and granting of Authorizations for operations in the activities identified in the respective laws, Institutional Relations inside and outside the country, Budgeting Planning, Human Resources Development.

11.2. ERE Staff Recruitment and Training

Employee recruitment and development policies are based on the provisions of the law "On Civil Servants", as amended, and on the Labor Code of the Republic of Albania, as amended.

In fulfillment of the legal obligation, ERE, like every year, has drafted the annual plan for the recruitment of employees. In the framework of human resources management, it is oriented towards gender integration during the exercise of institutional activity, aiming at the elimination of discrimination due to gender, in order to respect the principle of gender equality.

In 2023, the gender representation in the total number of active employees is presented in the ratio of 65% for the female gender and 35% for the male gender, while this ratio at the management levels is 40% female and 60% male.

In the improvement and implementation of this status, the representatives of ERE have continuously participated in trainings and working groups that have been carried out by international organizations where the main focus has been the awareness of gender equality and under the initiative for the advancement of women leaders in energy in order to deal with social norms unfairness in the workplace and awareness of changes in committee policies and procedures. Among other activities, during 2023, the preparation of the draft for the gender strategy of ERE has begun.

In fulfillment of the legal obligation, ERE, like every year, has drafted the training needs calendar. This detailed training plan is based on the specific requirements of each organizational unit as well as in support of the commitment of employees to develop their professional and organizational knowledge in cooperation with the Albanian School of Public Administration and other national and international institutions.

Throughout 2023, the participation of employees in specific, general and according to needs, as well as online trainings, with the aim of deepening knowledge and improving the performance of each employee, has been enabled. The participation and training of the institution's staff in meetings and workshops organized within the framework of various projects where ERE is a party have also been released.

Mainly mentioned, trainings on the Regulation of Electricity Transmission and Distribution Systems in EU Countries, Workshop on Regulation (EU) 2022/869 on guidelines for trans-European energy infrastructure, training on the implementation of regulations of regulatory authorities in region etc.

During 2023, ERE has been part of various inter-institutional roundtables that have focused on the improvement and development of the power sector in the country, and among other things, it has been active in discussions on support for initiatives that accelerate the transition to green energy, adoption of measures to address security of gas supply and improve customer protection; the integration of meters and the smart grid, as well as increasing the cooperation of the countries of the region for a common approach to the challenges of the energy transition. The contribution of ERE has not been lacking in the substantive preparation of the bilateral meetings for the analytical review of the acquis (Screening) within the negotiations with the European Union. In addition to the contribution to the power sector, this year there have been initiatives and contributions in support of social awareness campaigns such as "Pink October" and "International Children's Day".

The Energy Regulator Authority has implemented the obligations arising from Law no. 35/2023, dated 25.5.2023 " “On the Competencies for Determining Salaries, Other Financial Treatments, and Benefits for Employees in Public Administration Institutions, as well as the Minimum Basic Wage Nationwide as amended, revising the level of salaries and the financial treatment of employees in accordance with the requirements of law 43/2015 as well as the progress of the salary level in the power and natural gas sector.

Among other things, ERE has initiated the process of reviewing the organizational structure in function of the development of the dynamics of the energy market and the introduction of new technologies, within the framework of the review of the law in power sector.

Regarding the administration and management of Human Resources at ERE, during 2023 the following were strictly implemented: Law no. 9367 dated 04.07.2005 "For the prevention of conflict of interests in the exercise of public functions", amended by Law no. 86/2012 dated 18.09.2012, amended by Law no. 44/2014 dated 24.04.2014 and Law no. 9049, dated 10.04.2003 "On declaration and control of assets, financial obligations of elected officials and some public servants" amended by Law no. 85/2012 dated 18.09.2012, Law no. 45, dated 24.04.2014 as well as Law no. 42/2017 dated 04.06.2017.

Throughout 2023, periodic/annual declarations of private interests have been completed by the officials who are subject to this obligation, according to the deadlines provided by the law. Regular communication was also maintained with ILDKPKI in implementation of the notices sent by this institution.

11.3. Implementation of Regulations Throughout 2023

For the purposes of internal organization and operation of ERE, the following regulations were approved and implemented during 2023:

The Code of Ethics of the Energy Regulator Authority approved with ERE Board Decision No. 236, Dated 15.12.2020.

The purpose of this Code is to define the relationship between the members of ERE Board, the staff of ERE and the Code of professional conduct that they must apply. The provisions of this Code identify the guiding principles of correctness, the behavior of the members of the Board and the employees of the Authority, in relation to the values within the framework of public ethics, impartiality, independence, confidentiality and transparency. A copy of this Code of Ethics has been made known to ERE employees.

Referring to the rules and principles defined in this Code which are mandatory to be implemented by all employees of ERE, regardless of the level of the work position, hierarchy and the function they exercise, during 2023 no cases were reported of non-implementation of this code.

Regulation on the Organization and Operation of the Archive and Secretary/Protocol Service.

The aforementioned regulation was approved with ERE Board decision no. 221, dated 01.09.2022. Throughout 2023, the organization and operation of the archive and secretary/protocol service in ERE, in accordance with the standards according to the technical and legal norms of the archive, among others, has included activities such as: Processing,

storage and administration of documents, for entry- the output, delivery and technical-scientific processing of documents, as well as for the expertise of the value of document preservation and the technical conditions for their preservation. Also, pursuant to this regulation, the archive and secretary/protocol service, in addition to the paper one, is also processed, stored, and administered in digital format.

Regulation on Preventing and Addressing Violence, Harassment and Sexual Harassment in the Work Environment at ERE.

This regulation, which was approved with ERE Board decision no. 315, dated 06.12.2022, aims to engage all employees to create, guarantee and promote a safe work environment by preventing, reducing and eliminating any form of violence, harassment, sexual harassment and abuse of authority in the workplace , defining procedures to prevent and address violence, harassment, sexual harassment and abuse of authority in the workplace, as well as raising awareness among employees for the easy and clearest identification of situations of such nature, thus ensuring that this Regulation serves as an added guarantee for the fulfillment of the highest standards of ethical and professional behavior.

In implementation of the provisions of this regulation, as well as from the monitoring throughout 2023 by the relevant structures, it results that there has not been any reported or documented case related to harassment, including sexual harassment in the workplace.

12. ADMINISTRATION OF ERE FINANCIAL RESOURCES DURING 2023

12.1. Legal definitions for the financing of ERE

Law no. 43/2015, dated 30.4.2015 "On power sector",as amended in Article 17, among other things, determines that:

- ERE budget is approved by ERE board.
- ERE has autonomy in the use of its budget
- ERE's financial resources consist of regulatory payments and license payments, approved by ERE.
- ERE budget for 2023 was approved by Board decision no. 116/2023. This budget took into consideration the requirements for the operation of ERE throughout 2023.
- The administration of financial resources during 2023 was carried out by implementing the relevant legal and by-laws for the administration of ERE's finances, including the provisions of law no. 43/2015, dated 30.4.2015 "On power sector",as amended, law no. 9643, dated 20.11.2006 "On public procurement", amended, Law no. 9228, dated 29.4.2004 "On accounting and financial statements", as well as Order no. 64 dated 22.7.2014 "On the announcement of improved national accounting standards and their mandatory implementation".

13.2. ERE's Main Expenditure Items

Among the main expenditure items of ERE for 2023 we can mention:

Personnel salaries, social and health insurance contributions, income taxes, for which the ERE institution has settled all obligations and from the electronic system "Liabilities in real time" there is no debtor or fines.

Payments for repayment of service obligations such as water, electricity, telephone, for which ERE is also not a debtor,

Expenses for services necessary for the smooth running of the work, as well as the depreciation of durable physical assets,etc.

Throughout 2023, payments were made in order to fulfill commitments as a member country in a number of important international organizations of the power sector such as MEDREG, ERRA, IGU, CEER.

Publications for informing the public opinion throughout this year were carried out in accordance with Law no. 43/2015, dated 30.4.2015 "On power sector" as amended and Law no. 102/2015 "On natural gas sector" as amended.

12.3. ERE audit

Law no. 43/2015, dated 30.4.2015 "On power sector" as amended in article 17 point 7 defines "The audit of the financial activity of ERE is carried out by approved accounting experts, who are selected and exercise their activity, in in accordance with the legislation in force".

The economic - financial activity of ERE for 2023, in accordance with the provisions of Article 17 of the aforementioned Law no. 43/2015, has been audited by a group of accounting experts registered and licensed for this activity based on Law no. 10091, dated 05.03.2009 "On the legal audit, the organization of the profession of the registered accounting expert and the approved accountant".

Appendix 1 of this report presents the relevant report of the accounting expert related to the financial performance of ERE during 2023, as well as in Appendix 2 the performance report.

ERE budget for the following year was approved by Board decision no. 38 dt. 29.03.2024.

This budget takes into consideration the requirements for the operation of ERE throughout 2024.

This budget is presented in detail in the table below.

13.4 Budget for 2024

No.	Name	Amount
I	**OPERATING EXPENSES**	**441,540,000**
	Staff salaries	273,500,000
	Expenses for Social and health insurance	25,200,000
	Depreciation Expenses	2,000,000
	Other Expenses	140,840,000
II	**INVESTMENTS**	**17,600,000**
	Monetary surplus * for 2023	90,270,000
	Total of the expected expenses for 2024	**368,870,000**

Figure 120. ERE Budget for 2024

ANNEX 1. AUDIT REPORT OF FINANCIAL STATEMENTS

ANNEX 2. PERFORMANCE REPORT

Enti Rregullator i Energjisë Elektrike (ERE) Letra për Drejtimin – Raporti Vjetor 2023

LETER REKOMANDIMI E PROFESIONISTËVE TË PAVARUR

Drejtuar: Kryetarit dhe Bordit të Entit Rregullator të Energjisë (ERE)

Gjatë planifikimit dhe kryerjes së procedurave tona për të shqyrtuar informacionin jo-financiar të paraqitur në Raportin Vjetor për vitin e mbyllur më 31 Dhjetor 2023 ("të dhëna të zgjedhura"), me qëllim dhënien e sigurisë së kufizuar ne morëm në konsideratë strukturën e kontrollit të brendshëm të Entit në mënyrë që të përcaktonim procedurat e Angazhimit për Dhënien e Sigurise planifikuar dhe kryer në përputhje me Standardin Ndërkombëtar SNAS 3000, "Angazhimet e Dhënies së Sigurise ("SNAS 3000") që ndryshojnë nga Auditimet ose Rishikimet e Informacioneve Financiare Historike", me qëllim që të jepnim një opinion për dhënie sigurie të nivelit të kufizuar për:

- *Verifikimin e informacioneve shpjeguese cilësore dhe sasiore të paraqitura me strukturat organizative te ERE-s si dhe në Raportin Vjetor 2023 në mënyrë specifike për gjendjen në sektorin e energjisë elektrike dhe të gazit natyror, në krahasim me kriteret e zbatueshme ("Kriteret e Përformances", të ilustruara në Raportin Vjetor), mbështetur në Ligjin nr. 43/2015, "Për Sektorin e Energjisë Elektrike", i ndryshuar dhe Ligjin Nr. 102/2015 "Për Sektorin e Gazit Natyror", i ndryshuar.*

Ne kemi raportuar vetëm ato çështje që kanë qenë në vëmendjen tonë gjate procesit të këtij angazhimi duke përfshirë dhe vlerësimin e sistemit të kontrollit të brendshëm deri në masën e nevojshme për të përcaktuar natyrën, kohën dhe shtrirjen e procedurave të tjera. Puna jonë nuk ka pasur si qëllim kryesor zbulimin e dobësive, zbulimin e mashtrimeve ose parregullsive të ngjashme dhe si rrjedhim nuk duhet të merret si bazë që asnjë dobësi tjeter nuk ekziston.

Çështjet e ngritura në këtë leter janë vetëm ato të cilat kanë qenë në vëmendjen tonë gjatë këtij angazhimi dhe që ne besojmë se duhet të sillen në vëmendjen tuaj. Nuk përfshihen të gjitha çështjet e mundshme, dhe në veçanti, ne nuk mund të jemi përgjegjës për raportimin e të gjitha rreziqeve në biznesin tuaj ose të gjitha dobësive ne kontrollit e brendshëm. Rrjedhimisht, komentet në këtë letër i referohen vetëm çështjeve, të cilat kanë ardhur në vëmendjen tonë gjatë rrjedhës normale së punës sonë dhe nuk paraqet të gjitha përmirësimet e mundshme, të cilat mund të identifikohen nga një shqyrtim i veçantë.

Ky raport lëshohet vetëm për qëllim informativ dhe për përdorim nga Drejtimi dhe Bordi i ERE, e për rrjedhojë nuk mund të përdoret nga persona të tjerë.

Ne duam të shprehim vlerësimin tonë ndaj drejtimit dhe punonjësve për ndihmën dhe bashkëpunimin përgjatë procesit.

Nexia-AL sh.p.k
Orjana Kalaja
Auditues Ligjor
License Nr.284

Viar-Consulting
Fatime Alliu
Auditues Ligjor
License Nr.166

2

REKOMANDIME TË AUDITUESVE TË PAVARUR PËR VLERËSIMIN E PËRFORMANCËS 2023

1. Automatizimi i mënyrës së raportimit të licensuarve pranë ERE

Çështje
Gjatë kryerjes së procedurave tona për të shqyrtuar informacionin jo-financiar të paraqitur në Raportin Vjetor për vitin e mbyllur më 31 Dhjetor 2023, ne vumë re që përpunimi i informacionit në lidhje me Bilancin Energjitik kryhej në formate excel në departamentin e monitorimit në bazë të raportimeve të kryar nga operatoret e licensuar.

Këto formate raportimi ishin të ndryshme në varësi të secilit operator, nga ku ERE, konsolidon të dhënat më pas në mënyrë manuale, gjë që kërkon kohë dhe mund të jetë subjekt i gabimeve manuale.

Impakti
ERE, përgatit Raportin Vjetor, mbështetur në Ligjin nr. 43/2015, "Për Sektorin e Energjisë Elektrike", i ndryshuar dhe Ligjin Nr. 102/2015 "Për Sektorin e Gazit Natyror", i ndryshuar, megjithatë, nuk ka implementuar një sistem informatik gjithëpërfshires për konsolidimin e informacionit nga entitetet raportuese pa patur nevojën e ndërhyrjeve manuale.

Rekomandimi
Të krijohet një tool në excel monitorues dhe raportues i cili te unifikojë mënyren e raportimit të entiteteve të licensuar nga ERE. Në këtë tool çdo operator i sektorit energjitik duhet të ketë mundësinë të raportojë dhe dokumentojë në mënyrë të standardizuar bilancin e tij energjitik, gjë që duhet të lehtësojë edhe procesin e konsolidimit të të dhënave në mënyrë të standardizuar.
Gjithashtu është evidentuar pamundësia e garantimit të një shërbimi cilesor që lidhen me inspektimet e të licensuarve ku përfshihen realizimet e inspektimeve të thelluara rastësore.

Komentet e Drejtimit
ERE sipas parashikimeve në Buxhetin e vitit 2023 ku në zërin për investime në automatizimin e mënyrës së raportimit të pjesëmarrësve të tregut në ERE ishte parashikuar një fond ka përfunduar kontratën për realizimin e kësaj platforme. Aktualisht pritrt të realizohen testimet dhe trainimet me të licensuarit për përdorimin e kësaj platforme dhe vijimin e raportimeve nëpërmjet saj, proces i cili pritet të përfundojë brenda muajit maj 2024.

3

Enti Rregullator i Energjisë Elektrike (ERE) Letra për Drejtimin – Raporti Vjetor 2023

2. Mbivendosje funksionesh në strukturën organizative të ERE

Çështje

Gjatë kryerjes së procedurave tona për të shqyrtuar informacionin jo-financiar të paraqitur në Raportin Vjetor për vitin e mbyllur më 31 Dhjetor 2023, ne vumë re që disa funskione monitorimi ndaj operatorëve të licensuar pranë ERE janë të përsëritura dhe të mbivendosura përkatesisht pranë Departamentit të Monitorimit të Tregut dhe Inspektimeve, si edhe pranë Departamentit të Licensimit, Autorizimeve dhe Mbikëqyrjes.

Gjithashtu ne vumë re se sipas kërkesave të Ligjit nr. 43/2015, Nenin 11 pika 7 ERE ka përcaktuar pagën dhe strukturën në përputhje me këto kerkesa. Kështu me anë të vendimit nr. 46, nr. 47 dhe nr. 61 të vitit 2016 janë miratuar Rregullorja për trajtimet financiare bazë të punonjësve të ERE, trajtimi financiar bazë me karakter të përkohshem si edhe përcaktimi i nivelit të trajtimit financiar bazë për kushtet e tregut të punës.

Impakti

Mbivendosja e funksioneve dhe përseritja e tyre në disa departamente, bën që të rriten kostot operacionale si edhe përseritje procedurash për subjektet e licensuara duke shtuar burokracitë dhe kohën e procesimit të informacioneve.

Rekomandimi

Të rishikohet struktura organizative e ERE si edhe përshkrimi i roleve të secilit department, duke parë mundësinë që funksionet mos të jenë të përsëritura por të rritet koordinimi midis departamenteve në menyre që të kontribuojë në rritjen e eficensës në kryerjen e proceseve të ndryshme administrative. Po ashtu verehet qe ambjentet e punes ne ERE nuk ofrojne kushte optimale per punojesit dhe per sherbimet ndaj konsumatoreve, te licensuarve si dhe pozicionit qe ERE ze në sektorin e Energjisë brenda dhe jashtë vendit.

Duhet vlerësuar mundësia e sigurimit të ambjenteve të përshtateshme për kryerjen e funksioneve të dhe shërbimeve të ERE sipas standarteve.

Komentet e Drejtimit

ERE, ka realizuar analizën përkatëse lidhur me ndarjen e funksioneve të drejtorive respektivisht DLAM, DMTI dhe DMKPS. Nga analiza rezulton se detyrat e këtyre drejtorive janë të ndara sikurse vijon:

- DLAM kryesisht realizon mbikqyrjen e kushteve të licenses, në të njëjtën kohë DMTI realizon procesin e monitorimit të tregut me shumicë të energjisë elektrike ku rol të vecantë kanë transaksionet në tregun e energjisë elektrike,
- DMPKS realizon mbikqyrjen e standarteve të cilësisë së furnizimit me energji elektrike në tregun me pakicë të energjisë.

ERE në vijim, në përputhje me dinamiken e zhvillimit të tregut të energjisë, si dhe eksperiencave të institucioneve homologe ka përgatitur rishikimin e organigramës e cila do të pasohet me ndryshimin e strukturës organizative për shmangjen e këtyre mbivendosjeve në detyrat funksionale. Në këtë kuadër të rishikohet dhe të përshtatet rregullorja e funksionimit të ERE në përputhje me strukturen e përgatitur. Bordi i ERE në përputhje me Ligjin nr. 43/2015, ka përcaktuar pagën dhe strukturën në përputhje me Nenin 11 pika 7 të ligjit. Për më tepër Bordi ka marrë parasysh edhe kushtet e tregut dhe nivelin e pagave të subjekteve që kontrollohen nga ERE në procesin e përcaktimit të tyre për punonjësit e saj proces i cili në perputhje dhe me Ligjin nr. 35/2023,datë 25.5.2023 "Për kompetencat për caktimin e pagave, trajtimeve të tjera financiare dhe përfitimeve të të punësuarve në institucionet e administratës publike, si dhe të pagës bazë minimale në shkallë vendi" në perputhje me të cilën është miratuar me Vendimin 214/2023 dhe Regullorja "Për caktimin e pagave, trajtimeve të tjera financiare dhe përfitimeve të të punësuarve në ERE".

Eshtë për tu theksuar po ashtu se ERE duhet të parashikojë në buxhet dhe në vijim marrjen e ambienteve të përshtatshme me qera për krijimin e kushteve për punonjësit pasi aktualisht ambientet e ERE-s nuk krijojnë mundësinë e funksionimit optimal të strukturës apo dhe sfidave që i dalin në hapjen e tregut apo dhe fushat si bashkëpunim me entet e tjera rajonale apo dhe më gjerë.

4

Enti Rregullator i Energjisë Elektrike (ERE) Letra për Drejtimin – Raporti Vjetor 2023

REKOMANDIMET PËR VITIN 2023 SIPAS REZOLUTËS "PËR VLERËSIMIN E VEPRIMTARISË SË ERE PËR VITIN 2022"

1. Nxitja e investimeve për prodhimin e energjise elektrike nga burimet e rinovueshme

Çështje
Të luajë një rol proaktiv dhe të bashkëpunojë me të gjithë aktorët për të bërë të mundur lehtësimin e barrierave dhe nxitjen e investimeve në rritjen e prodhimit të energjisë elektrike nga burime të rinovueshme (dielli, era dhe forma të tjera), shfrytëzimi i burimeve diellore dhe të erës do të përmiresonte ndjeshëm sigurinë energjitike të vendit duke diversifikuar burimet e energjisë dhe duke e bere sistemin më pak të ekspozuar ndaj ndikimeve klimatike.

Impakti
Lehtësimi i barrierave dhe nxitja e investimeve do të ndikonte ndjeshëm në rritjen e prodhimit të energjisë elektrike nga burimet e rinovueshme.

Rekomandimi
Përcaktimi i afateve të pritshme për finalizimin e këtij procesi.

Komentet e Drejtimit
Për plotësimin e këtij rekomandimi ERE ka zhvilluar një sërë korrespondencash me OSSH sh.a. për të kërkuar informacion për të krijuar një panorame më të gjerë në lidhje me situatën dhe potencialin e burimeve të vogla të rinovueshme si ato fotovoltaike.

ERE ka kërkuar informacion subjekteve tregëtarë, lidhur me shkallën e interesit të shfaqur gjatë vitit 2023 nga konsumatorët e energjisë elektrike për instalimin e paneleve fotovoltaike për kategorinë e konsumatorëve familjarë dhe jofamiljarë si dhe një vlersim nga ana e subjekteve tragtarë në lidhje me masën e kthimit të investimit të kryer për këto impiante.

ERE ka qene pjese aktive e bashkepunimit me MIE ne draftimin e Ligjit "Per nxitjen e perdorimit te energjise nga burimet e rinovueshme" i cili ka hyre ne fuqi ne Prill te vitit 2023.

5

Enti Rregullator i Energjisë Elektrike (ERE) Letra për Drejtimin – Raporti Vjetor 2023

2. *Miratimi i akteve rregullatore për nxitjen e përdorimit të energjisë nga burimet e rinovueshme*

Çështje
Të angazhohet në miratimin në një kohë sa më të shkurtër të akteve rregullatore që dalin si detyrim pas miratimit në Kuvend të ligjit "Për nxitjen e përdorimit të energjisë nga burimet e rinovueshme".

Impakti
Nxitja e investimeve të burimeve të vogla të rinovueshme nepërmjet krijimit të një terreni ligjor optimal, do ishte mjaft impaktuese për diversifikimin e prodhimit të energjisë por edhe në uljen e shpenzimeve konsumatore me qëllim garantimin e furnizimit me energji elektrike.

Rekomandimi
Materializimi i informacioneve të marra nga korrespondeca me OSSH sh.a dhe MIE, në raporte, relacionë, apo akte konkrete me qellim nxitjen e investimeve.

Komentet e Drejtimit
Për plotësimin e këtij rekomandimi ERE ka vijuar korrespondenca me OSSH sh.a. apo dhe OST sh.a. për të kërkuar informacion për të krijuar një panorame më të gjerë në lidhje me situatën dhe potencialin e burimeve të vogla të rinovueshme si ato fotovoltaike apo dhe korespondencen me te licensuarit lidhur hyrjen ne pune te impianteve te prodhimit te energjise elektrike nga burimet e rinovueshme si impianti i Karavastase me fuqi 140 MWp, licensat e dhëna në impiante për të cilat është marre autorizimi në MIE përgjatë vitit 2022-2023. Të dhënat e marra nga OSSH sh.a janë analizuar dhe janë bërë pjesë e raportit Vjetor.

Përvec sa më sipër, ERE në mënyrë periodike ka mbledhur të dhëna në lidhje me impaktin që burimet e rinovueshme, vecanërisht ato fotovolatike (vetëprodhuesit si një kategori në rritje vitin e fundit) kanë në bilancin energjitik, dhe ka mbajtur korespondenca të vazhdueshme me Ministrinë e Infrastrukturës dhe Energjitikës , me qëllim plotësimin e kuadrit të nevojshëm ligjor që do të lehtësojë rritjen e peshës se kësaj kategorie prodhuesish në prodhimin vendas e do të kontribuojë në uljen e shpenzimeve të konsumatorit sa i përket konsumit familjar të energjisë elektrike sic është draft VKM "Për miratimin e rregullave, procedurave dhe skemën mbështetëse të faturimit neto për vetëprodhuesit e energjisë së rinovueshme".

Duke qenë se aktualisht ligji për burimet e rinovueshme është miratuar, ERE është angazhuar dhe ka marrë masa për nxjerrjen e një sërë aktesh të rendesishme sic janë;

(i) Metodologjia mbi përcaktimin e detyrimit për energjinë e rinovueshme për t'u paguar nga konsumatorët fundorë të energjisë elektrike për të cilen ERE ka filluar procedurën dhe është në proces të konsultimeve të dokumentit me palët e interesit;
(ii) Rregullorja për Lëshimin, Transferimin, Shlyerjen dhe Revokimin/Anullimin e Garancive të Origjinës për Energjinë Elektrike të Prodhuar nga Burimet e Rinovueshme për të cilën po ashtu është filluar procedura dhe dokumenti po konsultohet me palet;
(iii) Kushtet e përgjithshme të Kontratës për Diferencë e cila është në fazën e përgatitjes.

6

3. Draft rregullorja për kriteret specifike për përfitimin e statusit të klientëve në nevojë

Çështje
Në kuadër të mbrojtjes së konsumatorit, të bashkëpunojë me Ministrinë e Mirëqenies Sociale dhe Rinisë dhe aktorët e tjerë në draftimin e rregullores për kriteret specifike dhe procedurat për përfitimin e statusit të klientëve në nevojë të parashikuara në legjislacionin në fuqi.

Impakti
Aksesimi i "Klientit në nevojë" në disa të drejta të veçanta lidhur me furnizimin me energji elektrike, të siguruara në përputhje me kriteret specifike dhe procedurat për përfitimin e statusit të klientëve në nevojë.

Rekomandimi
Draftimi i rregullores për kriteret specifike dhe procedurat për përfitimin e statusit të klientëve në nevojë të parashikuara në legjislacionin në fuqi.

Komentet e Drejtimit
Gjatë vitit 2023 ERE me ngritjen e grupit të punës ka realizuar dhe miratuar një vlerësim mbi politikat rregullatore për mbrojtjen e klientëve në nevojë në sektorin e energjisë elektrike. Në realizimin e këtij studimi janë mbajtur në konsideratë analizimi i të dhënave si:

- Varfëria energjitike dhe konsumatorët në nevojë në BE;
- Varfëria energjitike dhe konsumatorët në nevojë në Palet Kontraktore te Traktatit të Komunitetit të Energjisë;
- Faktoret që ndikojnë ne vleresimin e varferise energjitike;
- Krijimi i observatorit të varfërisë energjitike të Bashkimit Europian dhe Energy Advisory Hub;
- Monitorimi i Varferise Energjitike;
- Programet e Varferise Energjitike;
- Komunitetet e Energjise per zbutjen e varferise energjitike;
- Shqipëria dhe legjislacioni për konsumatorët në nevojë dhe varfërinë energjitike;
- Rekomandimet e ERE.

Gjetjet e këtij vlerësimi të ERE u janë përcjellë të gjitha palëve të identifikuara të interesit duke përfshirë ministritë përgjegjëse për draftimin e kritereve të idnetifikimit të klientëve në nevojë apo edhe shoqatave që në objekt të veprimtarisë së tyre kanë mes të tjerave dhe mbrojtjen e kësaj kategorie.

4. Adresimin në kohë reale të kërkesave për informacion të konsumatorit

Çështje
Të marrë masa që numri i gjelbër të jetë funksional dhe të ketë stafin përkatës, i cili bën të mundur adresimin në kohë reale të kërkesave për informacion të konsumatorit, si dhe jep orientimet për adresimin më të shpejtë të ankesave sipas legjislacionit në fuqi. Në të njëjtën kohë, duke patur parasysh fuqinë e mediave sociale, të jetë më aktiv në promovimin përmes tyre të të drejtave të konsumatorëve, sensibilizimin e tyre mbi kursimin e energjisë elektrike, broshurave informative për konsumatorin, si dhe informacione të tjera që i shërbejnë konsumatorit.

Impakti
Adresimi në kohë reale i kërkesave për informacion të konsumatorit si edhe realizimi i orientimit për adresimin më të shpejtë të ankesave.

Rekomandimi
Promovimi proaktiv përmes mediave sociale të të drejtave të konsumatorëve, sensibilizimin e tyre mbi kursimin e energjisë elektrike, broshurave informative për konsumatorin, si dhe informacione të tjera që i shërbejnë konsumatorit.

Komentet e Drejtimit
Gjatë vitit 2023 është realizuar dhe arritur nëpërmjet disa mjeteve të komunikimit ku peshën më të madhe e zë Vënia në funksion e numrit të gjelbër për informimin e konsumatorit.

Aktualisht konsumatorët telefonojnë rregullisht për të pyetur për stautsin e ankesës së bërë pranë ERE-s, por edhe për të marrë informacion të përgjithshëm mbi cështjet e tyre të interesit. Nga ana e strukturave përgjegjëse për menaxhimin e numrit të gjelbër jepen përgjigjet lidhur me trajtimin e ankesës si dhe orientohen gjithashtu për të ndjekur në faqën zyrtare të ERE-s në regjistrin e ankesave që përditësohet rregullisht.

Ky numër telefonik reklamohet jo vetëm në faqen zyrtare të ERE-s dhe në rrjetet sociale por dhe në shkresat e drejtorisë së DMPKS.

Përgjatë vitit 2023 janë organizuar disa aktivitete ndërkombëtare të organizatave në të cilat ERE aderon, ku objekti i diskutimit dhe fokusi ka qënë pikërisht arritja te konsumatori me informacion utilitar dhe aktivizimi i tij.

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5. Implementimi i platformës së krahasimit të cmimeve

Çështje
Të rrisë përpjekjet për implementimin brenda vitit 2024 të platformës së krahasimit të cmimeve {Price Comparison Tool), e cila u ofron furnizuesve mundësinë e paraqitjes së cmimeve të energjisë elektrike për konsumatorët që zgjedhin të furnizohen nga tregu i lirë duke i dhënë mundësinë e vlerësimit në mënyrë transparente të ofertave.

Impakti
Ju ofrohet furnizuesve mundësia e paraqitjes së cmimeve të energjisë elektrike për konsumatorët që zgjedhin të furnizohen nga tregu i lirë duke ju dhënë mundësinë e vlerësimit në mënyrë transparente të ofertave.

Rekomandimi
Implementimin brenda vitit 2024 të platformës së krahasimit të cmimeve {Price Comparison Tool) të energjisë elektrike nga furnizuesit për konsumatorët.

Komentet e Drejtimit
Platforma e krahasimit të cmimeve (PCT) është kontraktuar nga ana e ERE-s përgjatë vitit 2023 në përputhje me parashikimet e buxhetit të vitit 2023. Përgjatë fundit të vitit 2023 dhe fillimit të vitit 2024 nga ana e ERE janë zhvilluar trainime me përfaqësues të shoqatës së Furnizuesve dhe tregtarëve të energjisë elektrike për të mundësuar hedhjen e të dhënave në platformë e cila do të jetë funksionale brenda Prillit të vitit 2024.

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6. Bashkimin e tregjeve në bursë edhe me Maqedoninë e Veriut / Malin e Zi

Çështje
Të vijojë kontributin e saj për bashkërendimin e punës mes rregullatorëve, TSO-ve dhe bursës për të mundësuar bashkimin e tregjeve jo vetëm ndërmjet Shqipërisë dhe Kosovës, por edhe më tej me Maqedoninë e Veriut apo Malin e Zi.

Impakti
Funksionimi i bursës për të mundësuar bashkimin e tregjeve jo vetëm ndërmjet Shqipërisë dhe Kosovës, por edhe më tej me Maqedoninë e Veriut apo Malin e Zi sjell lehtësim në bashkimin e tregjeve me vendet fqinje dhe modelin e synuar Europian.

Rekomandimi
Bashkërendimin e punës mes rregullatorëve me vendet fqinje për të mundësuar bashkimin e tregjeve edhe me Maqedoninë e Veriut apo Malin e Zi.

Komentet e Drejtimit
Në lidhje me këtë detyrë në përputhje dhe me Memorandumin e mirëkuptimit të nënshkruar në nëntor 2023 mes rregullatorëve, OST-ve dhe Bursave të Shqiperise, Maqedonisë së Veriut, Kosovës dhe Greqisë synohet vijimi i punës për bashkërendimin e punës dhe përafrimin e legjislacionit apo dhe marrëveshjeve teknike për bashkimin e tregjeve me vendet e rajonit. Nëpërmjet platformës së trajnimit që do të trajtohen nëpërmjet shkollës së Balkanit të energjisë e krijuar me pjesëmarrjen e Italisë, Malit të Zi, Maqedonisë së Veriut dhe Bosnjes pjesë e së cilës u bë dhe Greqia do të shihet mundësia e trainimit të stafeve të Rregullatorëve për barrierat dhe sfidat e mundshme që dalin në vijim të këtij procesi.

7. *Bashkëpunimi me Albgaz për riparimin e TEC Vlore dhe mundësinë e injektimit të gazit në rrjetin TAP*

Çështje
Të vijojë bashkëpunimin me Albgaz sh.a. lidhur me tubacionin nga Terminali në Vlorë deri në pikën e takimit me TAP në Fier, e cila, nga njëra anë, krijon mundësinë e përshpejtimit të riparimit të TEC-it Vlorë dhe të vendosjes së tij në punë dhe, nga ana tjetër, krijon mundësinë që të injektohet gaz edhe në rrjetin e TAP-it për nevojat e rajonit.

Impakti
Funksionimi i tubacionin nga Terminali në Vlorë deri në pikën e takimit me TAP në Fier dhe riparimi i TEC-it Vlorë krijon mundësinë që të injektohet gaz edhe në rrjetin e TAP-it për nevojat e rajonit.

Rekomandimi
Bashkëpunimi me Albgaz për funksionimin e tubacionin nga Terminali në Vlorë deri në pikën e takimit me TAP në Fier e cila krijon mundësinë e përshpejtimit të riparimit TEC-it Vlorë si edhe krijon mundësinë që të injektohet gaz edhe në rrjetin e TAP-it për nevojat e rajonit.

Komentet e Drejtimit
Në lidhje me realizimin e këtij rekomandimi ERE nëpërmjet korrespondencës drejtuar MIE dhe Albgaz, ka ofruar ndihmesën dhe bashkëpunimin dhe dhënien e asistencës së nevojshme për çështje të kompetencës së saj, për të bërë të mundur ndërtimin e rrjetit të transmetimit dhe shpërndarjes së gazit natyror si dhe është kërkuar informacion lidhur me parashikimet dhe planet e investimet strategjike për ndërtimin dhe zhvillimin e infrastrukturës së rrjeteve të transmetimit dhe shpërndarjes së gazit natyror. Në po këtë proces është vijuar dhe me nisjen e procedurave të miratimit të planit të zhvillimit 10 vjecar të Albgaz e cila është në procesin e konsultimeve me palët e interesit pjesë e së cilës është dhe ndërtimi i tubacionit nga terminali në Vlorë në pikën e TAP në Fier.

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8. Ndihmesë në funksionimin e tregut të gazit

Çështje

Në bashkëpunim me aktorët e tjerë të fushës, të ndërmarrë veprime koherente dhe me objektiva të qartë për të krijuar një treg funksional gazi, që shfrytëzon potencialin e infrastrukturës ekzistuese në vend dhe krijon bazat e tregut për planet e zhvillimit të infrastrukturës.

Impakti

Funksionimi i tregut të gazit krijon mundësinë që të injektohet gaz si edhe bazat e tregut për planet e zhvillimit të infrastrukturës.

Rekomandimi

ERE të japë ndihmesën e saj në bashkëpunimin me palët si edhe asistencën e nevojshme për ato problematika që janë në kompetencat e saj për realizimin e këtij procesi.

Komentet e Drejtimit

Në lidhje me realizimin e këtij rekomandimi ERE nëpërmjet korrespondencës drejtuar MIE dhe Albgaz, ka ofruar ndihmesën dhe bashkëpunimin dhe dhënien e asistencës së nevojshme për çështje të kompetencës së saj, për të bërë të mundur ndërtimin e rrjetit të transmetimit dhe shpërndarjes së gazit natyror si dhe është kërkuar informacion lidhur me parashikimet dhe planet e investimet strategjike për ndërtimin dhe zhvillimin e infrastrukturës së rrjeteve të transmetimit dhe shpërndarjes së gazit natyror apo dhe projekteve pilote për gazifikimin e rrethit të Korcës nëpërmjet takimeve me MIE dhe me perfaqesues të SOCAR.

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9. Vijojë bashkëpunimi me Agjencinë e Eficencës për përdorimin eficent të energjisë

Çështje
Të vijojë bashkëpunimin me Agjencinë e Eficencës për hartimin e një strategjie të përbashkët afatmesme për adresimin e cështjeve me interes të konsumatorit sa i përket përdorimit eficent të energjisë.

Impakti
Futja e teknologjive të karikimit për makinat elektrike dhe shtimi i këtyre stacioneve. Duke qenë se përdoruesve të tyre do ju shtoheshin akoma më tepër mundësitë për karikim, kjo do nxiste edhe më tepër përdorimin e mjeteve elektrike, që do të sillte një impakt pozitiv në reduktimin e ndotjes nga emëtimet.

Rekomandimi
Duke marrë parasysh rëndësinë dhe impaktin e kësaj çështje, nga ana e ERE-s shihet e nevojshme nxjerrja e konkluzioneve në lidhje me opsionet dhe zgjidhjet përkatse, sa më shpejt të jetë e mundur.

Komentet e Drejtimit

Për plotësimin e këtij rekomandimi ERE ka adresuar disa korrespondenca me Agjensinë e Eficencës duke i kërkuar koordinimin e punës me qëllim adresimin më të shpejtë dhe eficient të çështjeve të interesit për konsumatorin apo informimin e tyre në lidhje me synimin tonë të përbashkët, mbrojtjen e interesave të konsumatorit si edhe përdorimin eficient të energjisë elektrike.

Lidhur me sa më sipër, aktualisht ERE është në negociata zyrtare me Agjencinë e Eficiencës për përgatitjen e borshurave informativeme qëllim lidhjen e një marrëveshje bashkëpunimi për koordinimi e punëve sa I përket të cilat do të synojnë të përcjellin këtë informacion të konsumatorit për të adresuar kësisoj bashkërisht këtë çështje interesi të përbashkët. Nga ana e ERE do të bëhen përpjekjet më të mira që broshura që do të përgatitet për këtë qëllim të mbërrijë tek çdo konsumator.

Po ashtu, gjatë vitit 2023 janë realizuar komunikime të vazhdueshme të mesazheve sensibilizuese për konsuamatorët me qëllim ndërgjesimin e tij në përdorimin më eficient të energjisë elektrike të tillë si informacione se si të kursejmë energji, si funksionon e operon Sistemi ngrohës/ftohës, si ndikon matësi inteligjent në menaxhimin e konsumati familjar apo edhe njohuri në lidhje me përdorimin eficient të pajisjeve eletkroshtëpiake dhe informacion mbi konsumin mesatar të tyre.

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10. Implementimi i sistemit të lëshimit, anulimit dhe tregtimit të garancive

Çështje
Gjatë vitit 2023-2024 të punojë për implementimin e sistemit të lëshimit, anulimit dhe tregtimit të garancive të origjinës në përputhje me standardet e BE-së.

Impakti
Implementimi i sistemit të lëshimit, anulimit dhe tregtimit të garancive të origjinës në përputhje me standardet e BE-së.

Rekomandimi
Të bëhen përpjekje për implementimin e sistemit të lëshimit, anulimit dhe tregtimit të garancive të origjinës në përputhje me standardet e BE-së.

Komentet e Drejtimit
ERE në Maj të vitit 2023 ka firmosur me shoqerinë Grexel e përzgjedhur nga Sekretariati i Energjisë në Vienë, kontratën për shërbimin e mbajtjes së regjistrit elektronik të garancive të origjinës në vendet e Traktatit të Energjisë së vendeve të Evropës Juglindore. Sa më siper shënon një hap të rëndësishëm në njohjen e Garancive të Origjinës në vendet e rajonit. Në po këtë kuadër përgjatë vitit 2024 do të realizohet dhe pjesmarrja e plotë e ERE-s në Shoqatën Evropiane te Autoriteteve lëshuese të garancive të Origjinës (AIB). Përgjatë 2023 janë lëshuar Certifikata të Garancisë së Origjinës për prodhimin e energjisë elektrike nga burimet e rinovueshme për të licencuarit në aktivitetin e prodhimit të energjisë elektrike te cilat do te regjistrohen ne platformen elektronike GREXEL pergjate vitit 2024.

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STATUSI I ÇËSHTJEVE SIPAS LETRES SE DREJTIMIT TE VITIT 2021

1. Zvogëlimi i barrierave rregullatore

Çështje
Me qëllim zvogëlimin e barrierave rregullatore dhe shkurtimin e kohës së procedurave rregullatore, të kryeje një analize ex-post të rregulloreve përkatëse.

Impakti
Rishikimi dhe kryerja e një analize të rregulloreve aktuale, bën të mundur që të identifikohen mangësitë përkatëse, bazuar gjithashtu edhe në evidencat apo rastet specifike që mund të jenë raportuar, si pasojë e barrierave dhe burokracive rregullatorë. Dobësitë dhe problematikat e nxjerra nëpërmjet kësaj analize ex-post, shërbejnë për të përmirësuar kuadrin rregullator në vijim.

Rekomandimi
Realizuar me vendimin 220/2022.

Komentet e Drejtimit
Realizuar me vendimin 220/2022.

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STATUSI I ÇËSHTJEVE SIPAS LETRES SE DREJTIMIT TE VITIT 2020

1. Pronësia e kabinave elektrike

Çështje
ERE për zgjidhjen e problematikës së pronësisë së kabinave elektrike të bëjë propozimet përkatëse edhe për ndryshime ligjore, nëse është e nevojshme, apo të japë rekomandimet e nevojshme për institucionet përkatëse dhe të kërkojë edhe ndërhyrjen e Kuvendit përmes Platformës Ndërinstitucionale Online, të ngritur nga Kuvendi i Shqipërisë, e cila është në dispozicion të institucioneve të pavarura si një mjet i ri që synon rritjen e autoritetit të institucioneve të pavarura, si dhe përfshirjen e Kuvendit të Shqipërisë si katalizator ndërmjet institucioneve të pavarura dhe atyre qeveritare për zgjidhjen e problemeve.

Impakti
Problematika me pronësinë e kabinave elektrike ndikon në krijimin e defekteve të shumta për abonentët duke ndikuar në cilësinë e shërbimit. Abonentët shpesh herë mbeten pa energji elektrike dhe ankohen drejtëpërdrejtë tek OSSH. Gjithashtu për OSSH humbjet në rrjet janë të mëdha për shkak të amortizimit të madh të kabinave dhe kushteve jo të mira të mbajtjes së tyre. Ato gjithashtu shfaqin edhe rrezik për jetën e individëve pranë tyre. Që ato të kalojnë në pronësi të tyre duhet bërë blerje të prokurimeve publike gjë që është e vështirë për tu realizuar.

Rekomandimi
Realizuar me ndryshimet e ligjit 43/2015 ne vitin 2020 neni 71/1.

Komentet e Drejtimit
Realizuar me ndryshimet e ligjit 43/2015 ne vitin 2020 neni 71/1.

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3. Sistemet informative dhe rreziku i sulmit kibernetik

Çështje
Gjatë vitit 2020, me miratimin nga ERE të strategjisë për infrastrukturat kritike në ektorin e energjisë elektrike, ajo duhet t'i kushtojë vëmendje të veçantë implementimit të kësaj strategjie në përputhje me direktivën e BE-së *"Për sigurinëe sistemit dhe sistemeve informatike".*

Impakti
Strategjitë e rregullores për sistemin informative dhe mbrojtjen ndaj sulmeve kibernetike do të sillnin parandalimin e humbjeve të të dhënave në kushtet e një sulmi kibernetik. Vetëm OST deri më tani ka dërguar rregulloren e përcaktuar për informatizimin e tyre. Mungesa e një specialist IT të trajnuar mbi sigurine e informacionit tek ERE do të sillte problematika në shqyrtimin e rregulloreve të sjella nga ana e shoqërive. Mungesa e raportimeve periodike nga ana e shoqërive tregon rrezikshmëri për rënien në kontakt të tyre me sulmet kibernetike sepse vëmëndje kushtuar ndaj tyre mund të jetë më e vogël.

Rekomandimi
Ne rekomandojmë ERE të ndërmarrë masat e nevojshme dhe të vazhdueshme për të marrë rregulloret nga ana e 3 shoqërive KESH sh.a., OST sh.a, dhe OSHEE sh.a duke vendosur theksin tek sistemi i parandalimit të vjedhjes dhe humbjes së të dhënave.

Komentet e Drejtimit
Në përputhje me Rregulloren për Sigurinë Kibernetike të Infrastrukturave Kritike në Sektorin e Energjisë Elektrike ERE ka marrë masa për përcjelljen e infomacioneve periodike nga ana e 3 shoqërive KESH sh.a., OST sh.a, dhe OSHEE sh.a për marrjen e masave nga këta të fundit në lidhje me implementimin e kësaj regulloreje. Po ashtu zhvillimi i takimeve të ndryshme me Autoritetin Kombëtar për Certifikimin Elektronik dhe Sigurinë Kibernetike AKCESK për të vijuar bashkëpunimin lidhur me permirësimin e legjislacionit në fuqi dhe përfshirjen në të të infrastrukturave energjetike pasi siguria kibernetike me avancimet teknologjike në çdo proçes për rrjedhojë edhe ekspozimi ndaj rreziqeve është i madh. Po ashtu ERE duhet të parashikojë masa dhe parashikime në buxhet përgjatë vitit 2024 për rritjen e sigurise kibernetike të sistemeve në përdorim të ERE-s si dhe në vijim duhet të merren masa për akomodimin e strukturës IT që përfshin paisjet hardware dhe ambjentet e nevojeshme sipas kërkesave të akteve ligjore.

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REKOMANDIME TE TJERA

- Transpozimi dhe zbatimi i rregullores CACM (Alokimi i Kapaciteteve dhe Menaxhimi i Konxhestioneve) sipas vendimit te Keshillit te ministrave te vendeve antare te Komunitetit te Energjise.
- Transpozimi i regullores te FCA, (foreëord capacity allocation)
- Berjen funksionale te sistemit rajonal te garancive te origjines

Lidhur me keto transpozime dhe miratime te akteve rregullatore qe lindin si detyrime nga pjesmarrja ne tregun vendas dhe rajonal te energjise eshte e nevojeshme qe ERE te kete konsulence te jashtme te specializuar ne keto fusha.

Shtojcë

Përgjegjësia e Drejtimit për Objektivat dhe Kufizimet e Sistemit të Kontrollit të Brendshëm

Komentet e mëposhtme u referohen përgjegjësise së Drejtimit për sistemin e brendshëm të kontrolleve, ku objektivat dhe kufizimet e qënësishme në sistemin e kontrollit të brendshëm janë marrë nga Standardet Ndërkombëtare të Auditimit të Federatës Ndërkombëtare të Kontabilistëve.

Përgjegjesia e Drejtimit
Drejtimi është përgjegjës për vendosjen dhe mirëmbajtjen e sistemit të kontrolleve të brendshme.Në përmbushjen e kësaj përgjegjësie, Drejtimi duhet të vlerësoje përfitimet dhe kostot e pritura përkatëse të politikave dhe procedurave për kontrollet e brendshme.

Objektivat
Objektivat e sistemit të kontrollit të brendshëm janë që të japin siguri drejtimi, sa më shumë të jetë emundur, që asetet të jenë të mbrojtura nga përdorimi i paautorizuar ose keqpërdorimi, dhe se transaksionet janë ekzekutuar në përputhje me politikat e drejtimit dhe të regjistrohen saktë, në mënyrë që të mundësohet përgatitja në kohë e informacionit të besueshëm financiar në përputhje me parimet e zbatueshme të kontabilitetit.

Kufizimet
Për shkak të kufizimeve të qënësishme në çdo sistem të kontrollit të brendshëm, gabimet apo parregullsitë, mund të ndodhin dhe të mbeten të pazbuluara. Gjithashtu, parashikimi i çdo vlerësimitë sistemit të kontrollit të brendshëm për periudhat e ardhshme është subjekt i rrezikut që politikat dhe procedurat mund të bëhen të papërshtatshme për shkak të ndryshimeve të kushteve ose efektiviteti i hartimit dhe i zbatimit të politikave dhe procedurave mund të përkeqësohet.