ENERGY REGULATOR AUTHORITY

ANNUAL REPORT

The Situation of the Power Sector and ERE Activity during 2020

Tirana, 2021

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Introduction

General situation on the Power System

Energy Regulatory Authority (ERE) is the regulatory authority in Power and Natural Gas Sector, which operates pursuant to Law no. 43/2015 "On Power Sector", as amended, Law no. 102/2015 "On Natural Gas Sector" as well as other approved legal acts implementing them.

ERE exercises its activity to guarantee the comply of market operators obligations for a sustainable and secure electricity supply of the customers. Taking into consideration the customers rights and interests, the security for electricity supply quality of service and the requirements for environmental protection, ERE licenses the subjects that exercise their activities in this sector, monitors the electricity market, drafts the regulatory framework, reviews carefully the applications for the tariffs and prices and by its decision making authority as well as implementing the law, acts by expressing its will through the Board decisions.

ERE Board, is the decision making body for all the issues under ERE jurisdiction and competence. ERE Board is composed from the Chairman and 4 Board Members, which are appointed by the Parliament for a 5 year period.

According to the requirements of "Power Sector" and "Natural Gas Sector" Laws this report is prepared on the "Situation of the Power Sector and ERE activity during 2019" to be submitted at the Parliament.

On this report are submitted the data for the progress of Power and Natural Gas Sectors for 2020 as well as the indicator's comparison of this year with the previous years.

Taking into account the analysis of the history of electricity production registered in the country, it turns out that during 2020 the electricity production is 5,313 GWh. The amount produced results to be below the average electricity production in 2009 – 2020 period, which is in the value of 5,882 GWh. The amount of electricity produced for 2020 is about 10% lower than the average production for 2009 – 2020 period. This is due to the fact that the water inflows in the basins of the main power generation plants have entirety been below the annual average. It is also noticed that the average water inflows in the main basin administered by KESH company in the basin of Fierza Hydropower Plant, is generally below the historical average and in October it results about 23 m3 / sec higher than the multi-year average, in comparison to 1991.

In this context, 2020 is considered as a bad hydrological year due to the fact that despite the increase of production capacity during 2020, the total production of electricity for this year resulted in the amount of 5,313 GWh, or about 569 GWh less than the average production of electricity in the 2009 – 2020 period.

Also, compared to the amount of electricity produced during 2018 of about 8,552 GWh, which is considered the year with the highest production of electricity in our country, the production of KESH company for 2020 turns out to be 3,090 GWh or about 38% lower.

This year being not a good hydrological one, led to the realization of a significant import of electricity to cover the demand and the uninterrupted supply of customers in the country. The net balance of electricity exchange for 2020 was net import in the amount of 2,275 GWh, which is about 31% of the total value of consumption, resulting in one of the years with large imports of electricity over the last decade.

The balance of electricity exchange (import) for 2020 in total is 3,238 GWh, in supply it results in the amount of 963 GWh and in receiving 2,276 GWh. The production of electricity at 5,313 GWh

was realized by the power plants owned by the public production company (KESH company) in the amount of 3,090 GWh or almost 58% of the entire electricity production nationwide. The rest of the 2,222 GWh was produced by other plants, which accounts for about 42% of all electricity production.

As perceived from these figures, the share of production realized by independent private producers of electricity, occupies a considerable part in domestic production. The number of the independent producers of electricity is growing every year thus rising the importance of these producers in the market, which is a significant step for the liberalization of the electricity market in our country. In relation to the increase of generation capacities and with the establishment of the Electricity Power Exchange by using the contracts for differences, their financial effect for electricity customers shall be optimized.

During 2020, a total of 20 power plants have entered production, with an installed capacity of 227.8 MW, which during 2020 produced the amount of 182,816 MWh. Electricity production realized by the plants that have entered production during 2020 occupies about 3.44% of the total domestic production of electricity,such value managed to cover and exceed the projected growth of electricity demand for the following years.

The installed capacity of the power plants connected to the transmission network during 2020 is about 2,200 MW and their net production is 4,712,074 MWh. The installed capacity of the power plants connected to the distribution network during 2020 is about 306 MW and their net production is 601,090 MWh.

For 2020, the total number of the private generation power plants that have produced electricity is 216, where 8 of them are independent private producers owned by 3 licensed entities, while the remaining 208 plants are priority producers of electricity , which are owned by 155 entities in the electricity generation activity.

In total, the installed capacity of private generation power plants is 1,058 MW, where the installed capacity of the power plants from independent producers is 436 MW, while 622 MW correspond to the plants from the priority producers of electricity.

The demand for electricity in 2020 reached the value of 7,589 GWh. Compared to 2019, there is a slight decrease in electricity consumption in the country by 23 GWh compared to the demand that for 2019 was in the amount of 7,612 GWh. The decrease in demand observed formerly and also in the course of this year, it is mainly related to climate change, energy efficiency or the extention for the implementation of measures to reduce electricity theft and mainly related to the measures approved by the Albanian Government on restrictions regarding the spread of the pandemic starting from March 2020. These measures among other things, have reduced the demand for electricity as several businesses were obliged to work with restricted hours or to close completely.

In this context, electricity losses in the distribution system for 2020 according to data reported by the company, reach the value of 21.48%, marking a slight decrease in the level of losses compared to the value of 21.79% in 2019. The level of electricity losses continues to decrease from year to year, trying to reach the levels defined in Council of Ministers Decision no. 253, dated 24.04.2019.

For 2020, the total electricity losses in the distribution and transmission system according to the reports of the companies have been in the values of 1,632 GWh. Compared to 2019 there is a reduction by 19 GWh of the total electricity losses in the distribution and transmission system.

The total level of receipts for 2020 is in the amount of 95.8%, compared to electricity billed to customers. This indicator is consolidated as in recent years it has been at the level of over 95%. This figure is a key indicator of the stability of the operator in this area.

The structure of electricity customers for 2020 is mainly focused on household customers. Household customers account for about 86.17% of the total number of electricity customers in the country. In

terms of electricity consumption, household customers occupy about 38.96% of total consumption for 2020, a figure higher than the one realized for 2019 which was 36.1%

The distribution of the value of electricity billing for 2020 in customers supplied by the Universal Service Supplier turns out to be in the value of 51.8% for household customers, 34.9% for private customers and the remaining 5.8% for budgetary customers and 7.6% for non-budgetary customers . Budgetary and non-budgetary customers continue to be a problem in terms of payment of electricity bills, accumulating a debt for OSHEE company and creating financial difficulties during this year as well.

Regarding the prices of the end use customers supplied by the Universal Service Supplier during 2020, there was no increase and their fees as well as the fees of the Transmission System Operator remained those that were in effective during 2019

Regarding the customers, who have been supplied by the Supplier of Last Resort, as a result of their failure to enter the free market, despite the creation of technical and legal conditions for this, the average price of the Supply of Last Resort for 2020 has been at an average value of11.09 (ALL) / kWh, a decrease of almost 3.01 (ALL) / kWh compared to the average price of 2019 or a decrease of almost 21%.

It is evidenced that for 2020 there is a significant decrease of the energy supplied for customers who are supplied based on the conditions of last resort at the rate of 32% compared to that of 2019, which emerged as a result from entering in supply agreements in the free market for that part of customers who were previously supplied based on the last resort.

Pursuant to the provisions of the applicable Methodology approved with Council of Ministers decision no. 687, dated 22.11.2017, the electricity purchase price from the existing priority producers for 2020, resulted in the value 8.0532 (ALL) / kWh. For 2020 it is estimated in the value of 0.405 (ALL)/ kWh estimated lower from the value 8.4582 (ALL) / kWh in 2019. This decrease for 2020 arose from the fall in price of the market in the region, which serves as reference for determining this price.

Within the framework of customer protection, as one of the main tasks of the regulator, it was monitored the implementation of the action plan for the subsidiaries of OSHEE Company, approved in September 2018. In this context, it was deemed necessary to review the measures plan and for this purpose with ERE Board decision no. 217, dated 15.12.2020, ERE decided to review the " “Measures plan for the Distribution System Operator of Electricity “OSHEE” Company to respect the rights of electricity supply customers” ", approved with ERE Board decision no. 201, dated 03.09.2018. The review of the measures plan is based on the tasks appointed by the Resolution of the Assembly and it is related to the structural adjustments in OSHEE Company. In this prism, the complaints regarding the general conditions of supply or other complaints related to customers are treated with transparency.

This year has been very important for the Natural Gas Sector, in view of the fact that on November 15, 2020, TAP AG project concluded its implementation. The construction of the overland pipeline that passes through Albania was completed in accordance with all the criteria and standards of a project of such a large size. ERE with Decision no. 97, dated 15.06.2020, approved “TAP Network Code”. This Code shall be applied to all Traders / Shippers in a non-discriminatory manner, thus creating the necessary conditions for potential Traders / Shippers in the future to use the capacity of this pipeline.

In the meantime, ERE Board decision no. 149, dated 10.09.2020 approved the "Regulatory Compliance Program" submitted by TAP AG according to the "Final Joint Opinion" within the exemption procedure for TAP pipeline."

TAP project is 100% completed in Albania, Greece and Italy. On November 15, 2020 TAP started the commercial operations. From November 15 onwards, TAP opened the capacity reservation auctions held on the PRISMA capacity booking platform. On December 31, 2020 TAP initiated the first gas transportation to Italy and Greece.

Along with its important contribution in the establishment of the gas market in Albania, TAP is also significant / unique from a regulatory point of view owing to the fact that Albania is an EU candidate country.

TAP exceeds the jurisdiction of our country, as a Contracting Party in the Energy Community, which is actively transposing and aligning national legislation with the EU legal basis for energy (electricity and natural gas) and the two EU Member States (Italy and Greece).

ERE in cooperation with the Greek and Italian Regulatory Authorities (NRAs) (RAE and ARERA) granted to TAP the exemption from the essential provisions of the Third EU Gas Directive (third party access, regulated tariff and ownership unbundling) for 25 years from the Commercial Operations Date (COD) of TAP.

The obtainment of the Exemption Decision indicates an excellent cooperation between ERE and the two other Regulatory Authorities. This is indicated in the various joint documents issued by the Regulatory Authorities, such as the Joint Opinion of the Energy Regulators on TAP AG's Exemption Application , the Joint Decision on the Certification of the Independent Transmission Operator,the Guidelines for management and allocation of capacity, documents related to the first market test, the approval of TAP Regulatory Compliance Programme, TAP Tariff Code, the approval of TAP Network Code, etc.

A great deal of work was achieved to draft the secondary legislation for natural gas sector by the Line Ministry as well as by ERE and Albgaz Company, approximately 80 laws, bylaws and orders realized the entire legal framework for a normal functioning of the natural gas market in our country.

At the moment, there is no gas transportation from Albania, the gas transmission and distribution grid is to be built, as well as the possibility for reserving capacities in Fier or Kuçova planned for the exit points. It is very urgent to set up the gas infrastructure because not only its application is more economic but it also has smaller emissions, significantly reducing environmental pollution. The first consumer shall be Vlora TPP. With the completion of TAP Project, the construction of IAP Project (Ionian Adriatic Pipeline) which shall serve as a main highway extended in our country and at the same time shall connect Montenegro, Croatia, Kosovo and Bosnia and Herzegovina, the construction of the LNG (Liquefied Natural Gas) Terminal by the prestigious companies Exxon Mobil and Axelerate, as well as the underground gas storage project in Dumre, the agreement being already concluded with SNAM, all of the aforementioned shall make our country an important hub regarding Natural Gas in the region.

Meanwhile, Albgaz carried out the procedures to design and construct two maintenance centers of TAP Pipeline in Albania, namely: Maintenance Center in Fier (in operation) and Maintenance Center in Korça being in the construction phase after the completion of tender procedures. These projects

were implemented within the agreement between TAP AG and Albgaz Company aiming to realize the pipeline maintenance service through the joint Project with Albanian Gas Services Company

As evidenced, TAP cooperates closely with ERE for the adoption of bylaws which aim to regulate the operation of TAP transport system. At the same time, TAP submitted these acts and received the relevant approvals from the Regulatory Authorities of the countries through which TAP pipeline passes. ERE cooperated with the two other regulators, respectively Greek and Italian Regulatory Authorities to coordinate the work for the adoption of TAP regulatory acts.

During 2020, the work of the sector during the period of the restrictions, which followed as a result of the measures adopted by the Albanian Government to prevent the spread of the pandemic, was of great importance. In this context, the licensees in charge of public service have taken all necessary measures to supply with quality and safety the customers and also to provide them with the necessary services. In this context, as a response to the resulting situation ERE provided;

- DECISION No. 51, dated 26.03.2020, "On some temporary amendments of the licensing procedures in exercising the activities in electricity and gas sector within the measures after the occurrence of virus Covid-19 and announcement of the natural disaster situation in our country."
  This decision enabled licensed companies that had their licenses terminated during the pandemic period to automatically renew their licenses until the termination of the natural disaster in order to allow the continuance of their work in the sector.
- DECISION no. 58 dated 26.03.2020, "On defining the electricity billing method, during the period of implementation of the Council of Ministers normative act no.8, dated, 24.03.2020 "On some additions and changes in the Council of Ministers normative act no.3, dated 15.03.2020, "On taking specific administrative measures during the period of infection caused by Covid-19", as amended and also Council of Ministers decision no.243, dated 24.03.2020 "On natural disaster declaration".
  Decision, which by adapting to the conditions created by the natural disaster to maintain the health of customers and employees of DSO company, minimized the jkmmovements of DSO meter readers and also the contacts with customers during the performance of the task of reading the meters by billing according to reference values until the termination of the natural disaster. This decision continued for a period of 3 (three) months.

Throughout the pandemic, ERE held their meetings via online platforms, adhering to the established rules for social distancing as well as maintaining physical distance. During 2020, 53 Board meetings were held and 275 Decisions were approved by ERE Board.

The trainings and meetings with the international organizations where ERE is also a participant, were organized through online platforms. It is worth mentioning that recently, in the Assembly held on November ERE Chairman was elected President of MEDREG (Mediterranean Regulators Association) for a period of 2 (two) years.

Despite the achievements and good performance of the Power Sector in general and also regarding the plan for the preparation of Secondary and Regulatory Legislation, which covers the Natural Gas Sector for 2020, among the areas that have been some of the main objectives of ERE for the previous year , it is worth mentioning:

- The satisfactory performance regarding the unbundling of the Distribution System Operator.
- The establishment of the Electricity Power Exchange in October 2020 with the participation of TSO and KOSTT.
- The commencement of the electricity market for customers supplied with 35 kV in March

- The implementation of TAP project in November 2020.

REGARDING EU PROGRESS REPORT RECOMMENDATIONS.

The recommendations of the EU progress report for 2020 referring to chapter 15 "Energy" are as follows:

- Diversification of electricity production sources besides hydropower sources and their promotion
- Establishment of the organized electricity market in Albania (the Albanian Power Exchange).
- Completion of the legal and functional unbundling of public companies in Power Sector.

Regarding the above mentioned, it shall be informed that during 2020 ERE approved the purchase price of electricity produced by wind farms with an installed capacity up to 3 MW.

Also, the procedures for defining the purchase price of electricity produced from small renewable sources from the sun, wind and the biodegradable part of solid waste used by industrial, urban and rural waste for 2020, are opened and ERE invited the entities that are holders of the final approval issued by MEI,to submit their supporting documentation.

Regarding the establishment of the Albanian Power Exchange, implementing the relevant decisions approved by the Council of Ministers, it is decided on its structure and capital, the shareholders are also defined and currently it is in the tendering phase of the electronic platform, which shall serve for the transition on the Go-Live of the power exchange. This transition is expected to occur during the second half of 2021.

The realization of the legal and functional unbundling of the Electricity Distribution Operator is already a successfully completed process, where 2020 marked the first year of the individual operation of DSO company, FSHU company and FTL company. The above-mentioned companies have developed their respective activities independently of each other, according to the licenses they hold.

In this context, it can be stated that the activity of ERE during 2020 has developed in accordance with the recommendations of the 2020 progress report for Albania, approved by the European Commission.

ERE STRATEGIC OBJECTIVES FOR 2021 - 2023

By means of this document, the Energy Regulatory Authority, hereinafter ERE, handles the strategic objectives and key aspects of action for 2021 - 2023 within the dynamics of sector development in the national context, as well as that of regional integration.

GENERAL MISSION AND OBJECTIVES

ERE activity in the areas subject to regulation, is guided by the general objectives defined according to Law no. 43/2015 and no. 102/2015. As defined in these Laws, ERE is responsible for the "Regulation of Power and Natural Gas Sectors". The regulation is performed by ERE, through the approval of normative or individual bylaws that regulate the activity of the sectors. The regulation

also includes the establishment of a reliable, transparent tariff system in the regulated market, which is based on the criteria defined by law, taking into account consumer interest, as well as the provision of quality services that ensure a continuous supply with fair and supported costs. In defining the tariffs, ERE shall also "*harmonize the economic - financial objectives*" of entities that exercise regulated activity, with the overall objectives of the sector within the framework of consumer protection or state policy regarding sectoral developments.

Another aspect of the regulation includes monitoring functions through the control of licensees and the establishment of measures aimed at ensuring compliance of the licensee's operation with the applicable rules. The goal is to protect and have a positive impact on all electricity or natural gas market participants. For the purpose of this, ERE focuses on engaging to promote security of supply and sustainability for the present as well as for the future. In order to achieve this objective ERE exercises the regulation and implementation of supporting schemes, as well as conducts market surveillance.ERE cooperates with the main actors of the sector, keeping intact the institutional independence of the Authority as a dedicated purpose of the work of the regulator. The aforementioned is performed within a legal framework defined in the laws that regulate ERE activity in the Power or Natural Gas Sector.

Among the main objectives of ERE is the protection of consumer interests, in relation to regulated services provided by sector operators. ERE executes its functions by assessing the advancement of the objectives defined in the law, promoting effective and transparent competition among market participants. In the methodology regarding ERE's to carry out its functions with the purpose of promoting competition, ERE takes into account the extent to which consumer interest shall be protected when exercising these functions and whether or not they shall promote transparency in market activity.

In defining the Strategic Objectives, ERE is based on the realization of the goals of the above-mentioned laws and best international practices, to guarantee services to all citizens as a necessary service in economic, technical, and environmental terms, extending throughout country and harmonized with the principles and strategic objectives of the country.

STRATEGIC FRAMEWORK

The Strategic Framework is presented below oriented in two main directions:

- **Strategic objectives,** in all regulated activities of the power and natural gas sector.
- **Action plans** which describe the main measures that ERE intends to use for the realization of each strategic objective within a defined term and with concrete actions that positively affect the activities in these areas.

Strategic objectives and action plans do not interfere in the framework of activities that ERE shall undertake to regulate and control the sectors in its area of responsibility, but they represent the main points on which it intends to intervene with priority, also in the context of sectoral developments in the country.

STRATEGIC OBJECTIVES FOR 2021-2023

1 - Consumer protection through awareness

The main priority of the regulators is the "Protection of consumers' interests" and this is the main reason why consumers are at the core of ERE strategy for the next 2 years. In the information society important aspects of consumer protection besides reasonable tariffs that reflect the supported costs, is also the service according to the rights and obligations of the parties. Regarding the topic of information, important aspects of consumer protection are not only reasonable tariffs, which reflect the supported costs, but also the service in accordance with the rights and obligations of the parties who provide and receivie this service.

In the general context of the objectives and actions described below, technological innovation and development (of which digitalization represents one of the key elements) constitute important factors of evolution, closely related to the benefits that come from the use of technology, but accompanied in parallel with the potential risk of extra costs incurred by this use of technology, which requires constant attention to service costs.
Regarding the regulatory framework, ERE is committed to consolidate the coherence of regulatory mechanisms in various activities in its area of responsibility. Within this framework, the consumer takes on a crucial and growing role. In this context, consumer awareness to become a customer capable of evaluating offers, a proper understanding of market mechanisms, to the opportunity to actively participate in supply-related services, such as the case of Self-Producers that produce and consume energy themselves, takes on a special significance. This is another aspect of the role of the consumer and the spectrum of rights and the possibility of choice, not only of the energy supplier, but also of the active performance of the function of producer / consumer of electricity, minimizing the individual costs for providing electricity and increase their role in the market. In this regard, it is very important to raise consumer awareness of the various regulatory mechanisms, but also to raise awareness about their role of consumption, in the context of the facilities created by market opening processes in the sector. On the other hand, the regulation should not only reflect a sustainable policy that allows the consumer to evaluate, but on the other hand should harmonize the need for investment in information technology with the careful assessment of the costs associated with investments in the sector.

Another important aspect of the objectives set by ERE within the regulation framework and also the integration of contemporary practices of electricity use, is the objective related to the opening of public discussion, as well as conducting factual analysis on the impact and efficiency of use of other sources of energy, as an alternative to the use of electricity in order to reduce the impact that the latter has on the environment. Technological innovations are increasingly moving towards maximizing efficiency in providing services with low environmental impact and lower costs. Such, but not the only one, is the use of electricity as a source of energy for mobile means of transport (taxis, private cars or even public transport).

Energy is an expensive commodity and it is based on the income of a household, the need for electricity use and due to that, raising consumer awareness on the rationalization of electricity is of great importance. Establishing bridges of cooperation between ERE and Energy Efficiency Agencies

in order to raise consumer and collective awareness on the importance of using electricity as a valuable product, shall be among the targets of ERE work -over the next three years.

2 - Giving Customers a Voice

ERE, in accordance with the objectives defined by law, aims to support and promote the transition from a passive consumer, subject to regulated tariffs and regulatory acts, to an active participant in the energy market. The first step in this direction is providing the consumer with the tools to better understand their needs in quality terms, so that the concept of active market participation can work. One of the mechanisms that can be used for this purpose is focusing in ERE work for the next 3 years, for the best use of information tools, organization of trainings or information roundtables, providing a toll free number for customer service, as well as transparency regarding legislation in favor of consumers. These mechanisms shall also serve ERE in order to handle, through the understanding of the problems or barriers that consumers find and manage to evaluate.

3 - Customer awareness and transparency in service evaluation

Regulatory interventions are mainly related to the development and updating of a system for the management and handling of complaints, providing accurate and fast information, within the new technological possibilities, which enable management in the shortest possible time and with more simple tools. Facilitating access to the services required under the Alternative Dispute Resolution (ADR) as a means of quickly resolving issues that normally take time and also cost more such as going through court solutions.

For this purpose, it is very important to establish cooperation protocols with organizations and associations that focus on consumer protection or responsible units in customer service at the local or central government.

4 - Reinforcing support mechanisms for vulnerable customers

The Law on Power Sector specifically handles the protection of vulnerable Customers, ensuring a fundamental and very important right, such as the right for electricity. This law, which among the objectives of ERE, defines the protection of vulnerable customers, provides inter alia, the obligation for the universal service supplier to continuously supply vulnerable customers, respecting the conditions defined in law , as well as the special conditions to be taken into account by ERE in order to guarantee the protection of those electricity customers who were granted with this status, based on the criteria and procedures for obtaining the status of vulnerable customer, defined in the corresponding legal acts.

Electricity is a vital and essential service that affects the well-being as well as the quality of life and on the light of these considerations, ERE considers that an important aspect of market functioning is related to meeting the specific needs for electricity supply to consumer categories in certain circumstances. Thereby, ERE considers that the drafting of clear regulatory policies to handle all challenges and obstacles related to the implementation of protection policies for the vulnerable consumer in power sector, is a necessary target to be achieved during the next three years.

Customer support and protection is a key priority linked to the responsibilities of the Entity. The vision is to enable an energy market for all customers including vulnerable customers. ERE work and tasks on the protection of the vulnerable customer, shall require continuous and active cooperation with the institutions that are responsible for the protection policy for all customers in general. Although it is not provided in the Law for ERE to define vulnerable customers and the criteria for obtaining the abovementioned status, in its role as a regulator of the sector, ERE's role is extremely important in establishing conditions for the possibility to supply these customers in a consistent and qualitative way.

Bylaws approved by ERE, handled the circumstances of power outages for vulnerable customers who are debtors. The focus of ERE's work remains to undertake compliance and enforcement activities in order to ensure that licensees providing supply services have the necessary attention and care so their activity can be in accordance with the concepts of consumer protection according to the regulatory framework in force.

ACTION PLAN

1 - Customer activation

Within the framework of cooperation with associations and organizations, that object of their activity is consumer protection, special attention shall be paid to the promotion of transparency and clarity in the dialogue with consumers, by improving all current communication channels by ERE, which enables a more effective way to disseminate knowledge about the rights and obligations of consumers and strengthen their level of trust, by establishing a direct and innovative relationship with a wider audience using on the one hand , technological opportunities, but continuing with traditional tools, for those consumers who need it.

The establishment of a Customer Portal which is active and available to the latter, in accordance with the legislation on personal data protection and which also provides a service on the historical data of its consumption through the Integrated Information System with the Operator responsible for recording the energy consumption of customers.

Implementation of information and awareness campaigns that aim to improve consumer / user awareness on the functioning and regulation of the areas that are under ERE's competence.

2 - Customer awareness and transparency for service evaluation

Actions aimed at this objective include following international best practices in dispute resolution to assist in their solution. An analysis of regional practices shall serve to update these rules in the dispute resolution process. This analysis shall include, inter alia, the study on improving existing dispute resolution procedures, establishing a strategy to support effective communication by engaging in dispute resolution between consumers and licensees, interactively between ERE and the latter.

The regulatory approach to the energy market is to ensure that consumers' opinions, or their current and future needs, are taken into account in any case that has or needs to be adjusted.

To this end, regulatory practices shall continue to include the holding of hearing sessions and consultations between the parties, for a fair decision of the issues raised and also their respective solutions.

Electricity supply mainly consists in the provision of the service in a quality manner and with its standards. For this purpose, ERE shall prepare the indicators for measuring and evaluating the performance of customer service, that is guaranteed by each licensee during the supply activity.

These indicators shall determine the level of customer satisfaction with the service provided, considering all aspects of the relationship with the service provider. The above relates to the terms of guarantee and implementation of a supply contract and further, aspects such as customer evaluation on the procedures and deadlines for concluding a contract, changing the supplier, issuing invoices on time, handling and resolving complaints by the service supplier and guaranteeing access to personal data related to energy consumption.

Simultaneously, service quality standards shall be defined and monitored on a regular basis. For this purpose, the criteria of quality standards shall be determined in accordance with the regulation on service quality, as well as their periodic updating based on the data generated during a calendar year and the expectation of service quality evaluation of the proposed and approved investments for public service suppliers, based on international best practices.

Any other form of involvement shall also be developed, aiming to obtain the opinion of consumers, in order to better understand their future objectives and what they expect from ERE.

3 - Reinforcement of support mechanisms for vulnerable customers

Handling the solutions for a sustainable supply of vulnerable customers requires joint action between the government, the regulator and other participants in the power sector. Vulnerability is a complex issue to handle where all policymakers, stakeholders, organizations or consumer-focused associations, as well as service suppliers need to act jointly to handle the challenges associated with this category.

Special attention shall be paid to the cooperation with the institutions that are responsible for the protection policy of vulnerable customers. For this purpose, the communication with the institutions responsible for setting the criteria on determining the vulnerable customers shall be continued.

In accordance with the developments of these policies, the aim is to update the regulatory acts related to ensure the quality of electricity supply for these customers. Based on the best regional practices and beyond, ERE shall prepare the necessary proposals to advance legal initiatives, to regulate the complementary legal framework for this category, in the role of a more active actor in terms of regulatory competencies for this category of customers.

Therefore, conducting a study on the best regulatory policies for the protection of vulnerable customers in EU countries, shall serve for the purpose of proposing the necessary amendments in legal and bylegal acts, including the necessary amendments in ERE regulatory acts, to the responsible institutions. A separate challenge in terms of protection policies for vulnerable customers, is the aspect of avoiding cross-subsidies and the role in redistributing costs to different groups of consumers, or also the need to apply policies related to energy efficency.

Within the study for the necessary amendments in the regulatory framework, special attention shall also be paid to the aspects related to the barriers faced by these customers compared to other customers. Experience has shown that vulnerable customers may feel incapable for making decisions regarding their energy supply. The study of barriers may also include cooperation with bodies responsible for consumer protection or with consumer associations. Vulnerable customers should also be supported by consumer protection bodies or consumer associations, as well as the awareness of licensees or market participants to design policies for companies regarding the way they design and implement their services for vulnerable customers.

The drafting of a Consumer Protection Program shall serve to provide sufficient and countinuous knowledge on consumer support policies.

THE DEVELOPMENT OF ELECTRICITY AND NATURAL GAS MARKETS IS BEING MORE EFFICIENT AND INTEGRATED.

ERE shall focus on the work, among others, in promoting competition and innovation in order to reduce prices and increase the quality of services;

In light of this, the following:

- The principle of market opening - the use of market mechanisms wherever possible to take full advantage of innovation and competition;
- The principle of coherence - efficient and accountable regulation where possible, taking advantage of the great potential of the digital economy (smart), and
- The principle of fair distribution - customers of all categories must pay a fair share of system costs in accordance with the service they receive and the costs they incur.

In this regard, ERE priorities during this period shall be:

<u>The development of a tariff reform based on the reorganization and opening of the market.</u>

- For this purpose it is necessary a complete analysis of the problems identified after the adoption of methodologies as well as handling solutions through international best practices in this regard. Given that, reports and studies conducted by donors or regional organizations to which ERE adheres, shall be used.
- To conduct a study for assessing opportunities that lead to lower costs for consumers and support the transition to full liberalization.
- The detailed analysis on an assessment of how regulation affects different groups of consumers; and
- To develop effective ways of establishing a regulatory asset base (RAB).

The need to allow an increasingly active participation of market participants with transactions oriented in the day-ahead and intraday market, shall find a solution, in order to include the costs of the system regarding the services that are provided in the market.

The objective of this strategy is to ensure that regulatory policies, mechanisms and operational practices are implemented in accordance with best regulatory practices and applicable provisions of the legislation of the Energy Community as well as the applicable Network Codes.

The Energy Regulatory Authority, approves the rules and regulations necessary to meet the obligations according to the Law on Natural Gas Sector, as amended. ERE also issues licenses for the operation of activities in the field of natural gas. It determines the tariffs and prices in accordance with the terms of the Law on Natural Gas Sector in 2015. ERE monitors, controls and ensures compliance with the terms, laws and licenses.

Provides consumer protection in relation to tariffs.

Regarding the natural gas sector, ERE has taken the necessary measures to draft the full legal framework that facilitates the operation in this sector, despite the fact that the activity in the natural gas sector in Albania is in its first steps. The long-term objectives of ERE for the next 3 years shall be:

1. The identification of the need and requirements for natural gas as well as possible scenarios to enable the supply of natural gas to the Albanian consumer, whether household or non-household.
2. The study of the Policies for the prices, tariffs and implementation of gas regulations approved by ERE.
3. The development of knowledge and skills in order for the Energy Regulatory Authority (ERE) to identify on time the possibility for regulation and intervention if it is necessary,
4. Handling issues related to the national institutional framework of the gas sector and providing recommendations for its further development, as well as supporting the development of knowledge in the field of gas and professional training of ERE employees through targeted training for specifics of the development of this sector in Albania.
5. Evaluating the existing gas network in Albania and providing recommendations for its possible integration into the future national gas system.

1 - Regional integration

WB6 Memorandum of Understanding, signed on 27 April 2016 in Vienna by 6 countries, including Albania and Kosovo.Under this Memorandum, in accordance with their legal competencies, regulators shall use their authoritiy to:

- Remove regulatory barriers and monitor the ongoing development at technical and regulatory level.
- Approve a joint and efficient decision-making procedure, which shall help in the possible and proper creation of the Power Exchange (PX).

Law no. 43/2015, "On power sector", as amended, defines ERE as the Authority responsible for ensuring the promotion of competition and efficiency in the sector.The Market Model approved Council of Ministers decision no. 519, dated 13.07.2016, states, among other things, that Albania is committed to implement a series of short-term measures, within the framework of the Berlin process (Western Balkans 6). The market model aims to support the implementation of commitments

undertaken under law no. 43/2015, "On power sector", as amended and relevant regulations. This model aims, inter alia, to provide a stable structure and create the conditions for further regional integration between Albania and neighboring countries. The Market Union Mechanism is part of the European project for the creation of the Internal Energy Market in order to increase its efficiency.

Currently, under the assistance and the support of USAID, important steps have been taken for market merging between Albania and Kosovo.

As follows the work of the regulator among others shall focus on:

- Controlling and updating the legislation in force, to search if there are any legal obstacles in the process of market integration, including cooperation for licensing in reciprocal markets, operation of market participants, allocation of cross-border capacity through explicit auction or implementation of international best practices in this direction.
- Support for the implementation of technical rules for the operation of common markets by both TSOs.
- Drafting and signing agreements between TSOs and Regulators on the implementation of market integration.
- NEMO nomination for the operation of both markets in accordance with the nomination conditions, as well as international best practices.

2 - Reinforcing access information for the appropriate functioning of market processes.

ERE in accordance with regulatory competences shall focus on collecting and managing the increasing flows of data that become available and also establishing its analytical methods and decision-making based on these data. A better usage of the data shall enable ERE to operate more efficiently and transparently.

For this purpose, ERE intends to strengthen its commitment for the integration of the national energy market into the regional one, in close coordination with the ministry in charge of energy, network operators and neighboring regulators by ensuring the necessary transparency to the interested parties.

The activity progress of electricity transmission and distribution system operator, as well as their relationship with the users, shall also be analyzed within the context of avoiding barriers and handling as part of the approval of investments, which not only serve the quality of service, but also the system security, the latter has its own benefits from digitalization, but is also vulnerable from cyber attacks. In this context, ERE shall also focus on analyzing the implementation level of the Regulation on cyber security of critical infrastructure in power sector by operators as well as its expansion in the natural gas sector.

In addition to the standard regulation through supervision or data processing, it is necessary to progressively strengthen the activities for monitoring the behavior of market operators, especially in the implementation of the European Regulation REMIT, in order to guarantee transparent competitive conditions as well as to combat and prevent abusive behavior by immediately identifying any need to adapt within the regulation (also for system security purposes), as well as any reporting on market competition.

The implementation of REMIT shall be based on the legal framework and international best practices oriented towards:

- The obligation to publish private information
- The prohibition of market abuse (internal trade and market manipulation)
- Market Monitoring (registration of market participants)
- Detailed Reporting Mechanism, data collection
- Investigative and enforcement powers of the regulator
- Other aspects related to data protection and reliability
- List of contracts and data to be reported
- Responsible parties and deadlines
- Instructions, recommendations
- Introducing the parties with the obligations for the implementation of this regulation
- Interregional interaction for its implementation in the region and beyond

The regulatory policies shall continue to aim at ensuring legal and regulatory balance in order to manage the potential for abusive practices that unfairly damage the market.

Within 2021 it is intended that the consulting proces of the Draft rules on wholesale electricity market integrity and transparency shall be completed, these rules shall enter into force and their implementation within the first quarter of 2021 shall be also mandatory.

ACTION PLAN ON MARKET DEVELOPMENT

1- Rationalising and simplifying information flows to asses the operation processes of the market

The purpose is to complete the reforms aimed at rationalising and simplifying information flows which guarantees the proper functioning of markets and obtaining the most simplified information for the consumer. In this context it is necessary to complete the trade reforms related to the right for a change in supply and the administration of debt intervention procedures between the parties, as well as regulatory interventions in the field of data management regarding the usage of end- use customer data that are processed by network operators.

For this reason, analysis on the data related to reporting obligations, methods and time to put into operation, use of data for interested parties and in particular for market participants, shall be conducted. In this context, in accordance with the findings during 2021, it was assesed that for 2023 proposals for the necessary amendments in regulatory acts shall be made. The above shall be the product for the evaluation of the regulatory framework that identifies any obstacles in the primary and secondary legislation in order to decide on possible amendments where deemed necessary.

In the same light, the regulator shall also serve as an interface for providing the necessary information to customers and the opportunities offered by suppliers so that the customer has an accurate overview of the opportunities offered, including prices and quality with which these services are provided, as well as the obligations of the customer according to the supply contract with the providers of this service.

2 - The realization of market integration Albania-Kosovo

Market integration between Albania and Kosovo began under a voluntary approach. The governments of both countries have been involved from the beginning to support the project. Regulators shall play an important role in promoting cooperation agreements and the operational agreements proposed by TSOs, TSOs and PX.

It shall also focus on:

- Identifying which sections of The regulation on capacity allocation and congestion management (CACM) can be transposed into the current legal framework;
- Monitoring whether there are any legal obstacles in national legislation that hinder or delay market integration;
- TSO and PX shall be responsible for implementing the initiative and handling the operational phase.

Further work shall be performed to expand the integration by inviting other Balkan regulators to join WB6 projects.

3 - Increase the access to information for the proper functioning of market processes.

ERE has always valued access to information and transparency as critical to achieving its mission and purpose, a policy which underpins decision-making practices. ERE has always functioned as an open public body by publishing its decisions, without avoiding the obligations to protect confidentiality and privacy. ERE decisions are simply accessible through the website, but also through publication in the Official Gazette.

The use of new Technologies is considered as one of the tools to further the practices of an open body to the public and to the interested parties. In this regard, it is the focus of ERE by amplifying this policy within the framework of designing a digitalization strategy that serves as a basis to help establishing a culture, where data plays a major role in regulatory decisions. For this purpose it is important to ensure the following:

- The regulator's access to data, in order to make decisions, guaranteed by this information.
- Implementation of technology in regulatory practices, providing more effective customer services, using joint platforms to improve the distribution of information to all energy market actors in order to enable more efficient and coordinated distribution of digital information throughout the sector where ERE is the recipient but also the source of market information. The action plan in this regard also includes the use of opportunities to purchase equipment, digital applications on data processing.

REGULATORY IMPACT ASSESMENT

1 - Transparency and integrity in administrative activity

In the study conducted by the Organisation for Economic Co-operation and Development (OECD) , it is estimated that it is important for regulators to be aware of the impacts of their regulatory actions and decisions. A measurement index for many regulators can be the time neccessary for drafting regulatory acts or other decisions. Unnecessary delays in regulatory processes can impose additional costs for the business and the community, thus regulators need to accelerate their processing time for key decisions within the defined standards.

ERE is an independent administrative body, in accordance with the Law on Power and Natural Gas, which exercises its powers with impartiality and transparency.

A principle consolidated in ERE activity, is that the exercise of regulatory powers includes participatory procedures, both through consultation of persons, experts in the field, as well as towards groups of interested parties. The above has been assessed as an important aspect of accountability, informing market stakeholders adequately and gathering and receiving opinions, comments and proposals.

2 - The Action Plan consists in :

Involving interested parties in defining regulatory strategies and policies, not only ensuring that they are perceived, but also supervising the commitment to provide a report of activities, for their periodic engagement on the impact of regulatory acts.

For this purpose, there shall be evaluated the best practices for the establishment of permanent consultative structures such as joint commissions of interested parties that shall assist in decision-making.

The appointment of performance indicators for evaluation by the regulator itself constitutes a very important key element of this strategy.

3 - Lines of action

In this regard, the following lines of action are identified:

Transparency of decision-making,

- Publication of decisions, reports and applications.
- Ex post verification of the impact of the regulation.
- Study of best practices for regulatory impact assessment supported from academic experts and other experts in the field.

All these allow the regulator, on the one hand, to understand the response of the operators or other interested parties to the regulator's interventions, on the other hand, to implement any corrective action after the investigations, fact-finding analysis, verifying and inspecting the documents related to the implementation of these acts. For this purpose, ERE shall continue to conduct surveys to assess the regulatory impact.

ERE is focused on creating an analytical framework to continuously assess the impact of our policies on specific customer groups in different situations. Given that, ERE shall focus on drafting a regulatory framework for the criteria on the Regulatory impact assessment.

This regulatory framework shall be used to understand the impact of our policies on specific groups of customers who may be in vulnerable situations.

Our goal is that decisions shall be taken in a way that best protects the interests of existing and future customers, which includes the balancing of the benefits for every action taken against costs that may arise as a result of those decisions.

4 - Promoting the reducement of the regulatory barriers and shorten the time for the regulatory procedures.

There are several obstacles that can affect customers decision making in the current energy market, including not knowing the options available to them and the lack of complete and complex information from licensed operating companies. Understanding these barriers and customer behaviour as well as companies response towards these customers, is of great importance.

The regulatory framework should enable investors and customers the right to maximize their opportunities. In a centralized retail market, universal services and other social and environmental obligations shall be managed, in order to guarantee a competitive market where the central infrastructure of technology and the standards that support the retail market serve as a mechanism for equitable growth of competition between suppliers to maintain the supply costs low.

ERE shall undertake a number of activities in order to ensure that the market works efficiently. These include supervising rules, monitoring market activity and the possibility for market abuse. In particular, the analysis shall include examining whether the electricity market is working to ensure efficient trading transactions or if the market reform is required to allow more efficient ways of trading, enabling more efficient use of energy and reducing costs.

REGULATORY FRAMEWORK UPDATE

1 - Promoting the rules in accordance with the development of the legal framework of the Energy Community and evaluating the specifics of the energy system in our country.

Albania signed the Energy Community Treaty, which covers a number of areas related to Albania-EU relations, including energy. This treaty establishes several pillars regarding the security of supply, renewable energy efficiency and statistics, as well as the resemblance of the regulatory framework of the countries of the region with those of the EU.

Completely in line with the country's commitments within the framework of European integration, ERE shall continue to work with the government and the actors of the energy market, in the country and Europe, to ensure that the regulatory framework is in line with the obligations arising from this commitment. One of the most important parts of EU legislation for the European gas and electricity

markets is the third package consisting of three regulations and two directives. One of the main goals of the third package is the liberalization of the energy market, the appointment of an independent national regulatory authority (NRA), responsible for regulating the energy market in the country. One of the key aspects of the third package is to ensure that transmission system operators (TSOs) are separate (or independent) from production and supply interests and are also certified as such. ERE has already approved the certificate of compliance of TSO according to the legal requirements, a process which is under constant monitoring by ERE.

In addition, the legislative package encourages long-term investment by requiring Entso-G and Entso-E to update their ten-year network development plans once in two years. This policy is reflected in the regulation approved by ERE to approve the investment plan of TSO company. The focus for our work and a key element of the third package, is the requirement to ensure that consumers are protected. The third package sets out obligations for suppliers relating to issues such as: Customer Invoices, Content of supply contracts, Time and duration in which supply data must be stored, the period of time a customer must take to switch the supplier, etc. The third package designed a regulatory framework to support a single European energy market by developing the European grid codes. The grid codes shall form a legally binding set of common technical and commercial rules and obligations governing the access and use of the European Energy Networks. Grid codes have been and shall be developed in capacity allocation mechanisms, energy balancing, transmission tariff structures and the interaction of interested parties.

ERE cooperated closely with the interested parties discussing opinions during the drafting and approval of bylaws that constitute the regulatory framework of the sector, which also serve to protect the customers.

2 - Regulatory measures

The measures taken by ERE shall be:

- Necessary amendments in licensing regulations and procedures for mutual recognition of licenses;
- Engagement with operators regarding network code administration;
- Engagement with actors within the country and the European organizations or even with counterparts to complete the regulatory framework;
- Inter-institutional cooperation with European institutions related to the mechanisms that promote an efficient and sustainable market.

ERE shall work to ensure that the regulatory approaches support a competitive market that benefits consumers and does not undermine their legitimate interests.

Legal and regulatory measures shall also be taken in order to ensure that ERE has a strong regulatory administration that operates focusing on consumers and also promotes market opening.

Regulatory practices shall continue to focus on the cooperation with other members and have a transparent and effective regulatory framework.

COOPERATION WITH OTHER INSTITUTIONS ON REGULATORY AFFAIRS, FOR A SUSTAINABLE DEVELOPMENT

1- Extent of cooperation

The strategic objectives described above require close cooperation with other bodies. Given the radical nature of the perspective aqmendments and their demands for new legislation, close cooperation with other institutions is particularly important. ERE considers important to continue the cooperation with the ministry responsible for energy using their joint teams for a number of objectives, starting from the reform in the retail market, to the role of the functioning of the systems / operators.

Of particular importance is the interaction with other institutions, such as the National Authority for Electronic Certification and Cyber Security within the framework of cooperation on issues related to the implementation of comprehensive organizational and technical measures of cyber security in communication and information systems, the Competition Authority or the People's Advocate.

ERE shall continue to deepen its engagement with European organizations and institutions, considering cooperation with such organizations as a good expertise, to help ensure positive results for consumers.

It is clear that the policy related to the power sector is in many ways cross-sectoral, with clear links to general policy areas in the country, such as, public service issues, government support for Renewable Energy Producers, vulnerable customers or development plans in the country as a whole. Therefore, ERE shall continue to engage the resources directly with policy-making institutions to ensure a mutual understanding of the respective objectives within the area of responsibility and competence.

The cooperation shall also include holding ERE annual meetings with customers, organizations, investors to be informed regarding their views, but also to promote the regulatory framework. In our regulatory work, we rely on and are also grateful for the cooperation with various bodies representing customers, but also other market participants in particular with regard to the consulting processes that ERE conducts in order that the regulatory acts reflect a balance of the interests of customers, investors and the state. Measures shall be taken to meet the obligation to be transparent, to provide arguments for the decisions that are taken and to emphsize our later goals. Experience in supply services from the customers and service providers point of view is considered to be an important asset, which reflects a prevention of barriers and also the creation of facilities in the market.

ERE shall continue to emphasize the importance to establish and maintain close connection with various types of customers: households, businesses, and large energy users.

2- Action Plan

The period handled in this strategy is short-term, but we still need to perform significant amendments not only in our actions, but also in the way we perform them.

With the beginning of this period shall be implemented the new organization chart of the regulator to implement the measures described above. Meanwhile, they impose new challanges which may be

complied only by a major change in the way we all work: higher proficiency and rapidity, a stronger collaboration between working groups to make ERE a more efficient, capable authority to make a positive change for the customers and above all that advances and adapts to the rapid steps of technologic and economic development of the power sector.

The Board decided to change its contribution and to have a more selective and strategic focus on the overall impact that ERE has in providing services that benefit the end-use customers of electricity, whether being existing customers or potential ones. The aim is to publish a more detailed guidance on how this strategy and our priorities for this period shall guide the work of ERE and also our operation plan.

During the period for the implementation of this strategy, ERE shall prepare such guidelines in order to analyse the impact of the regulatory framework. The Board shall constistently review ERE progress in distributing priorities and changing its practice.

By means of the annual customer impact report, ERE shall regularly measure and publish the progress in customer protection and the distribution of priorities set out in this document.

CONCLUSIONS

ERE shall conduct analysis / studies of important aspects of the regulatory framework related to the issue of regulated services.

ERE shall examine how the regulatory framework needs to evolve dynamically to keep pace with the amendments arisen as a result of Covid-19 and all the other amendments affecting the power system.

ERE shall also monitor the developments in CyberSecurity.

ERE shall focus their work and attention towards the Consumers and retail markets.

A major part of our work program 2021 - 2023 is dedicated to consumer protection and empowerment as well as to retail markets and promoting retail market competition.

ERE shall promote and make every effort to involve the interested parties in decision-making, to convey our belief in values such as integrity, simplicity, inclusiveness and above all Mutual Trust and Respect.

These values constitute our Work Culture, a culture where everyone has a responsibility to act in the long-term interest of society.

1. POWER SECTOR

1.1 POWER SECTOR STRUCTURE

The Power system in the Republic of Albania consists of :the production, transmission and distribution of electricity in order to supply electricity customers. Each of these activities is exercised by entities licensed pursuant to Law no. 43/2015 "On Power Sector", as amended Electricity generation is realized by public companies KESH and Lanabregas HPP with 100% of state shares, as well as by private entities licensed in this activity. Electricity transmission is realized by "Transmission System Operator" (TSO) company, which is a company with 100% of state shares, licensed to operate the electricity transmission system. The distribution of electricity is realized by " Distribution System Operator" (DSO) company, which is a company with 100% of state shares, licensed to operate the electricity distribution system. The following figures show the Albanian Power System Scheme as well as the Scheme of Electricity and Commercial Flow.

It shall be emphasized that as a result of the global pandemic COVID-19, during 2020 the process for the verification and field monitoring of the data used in the preparation of this report resulted quite challenging, these data are provided by periodic reports of energy market participants and licensees in the power sector, but the verification and monitoring remains in the focus of ERE during 2021, in accordance with the relevant instructions.

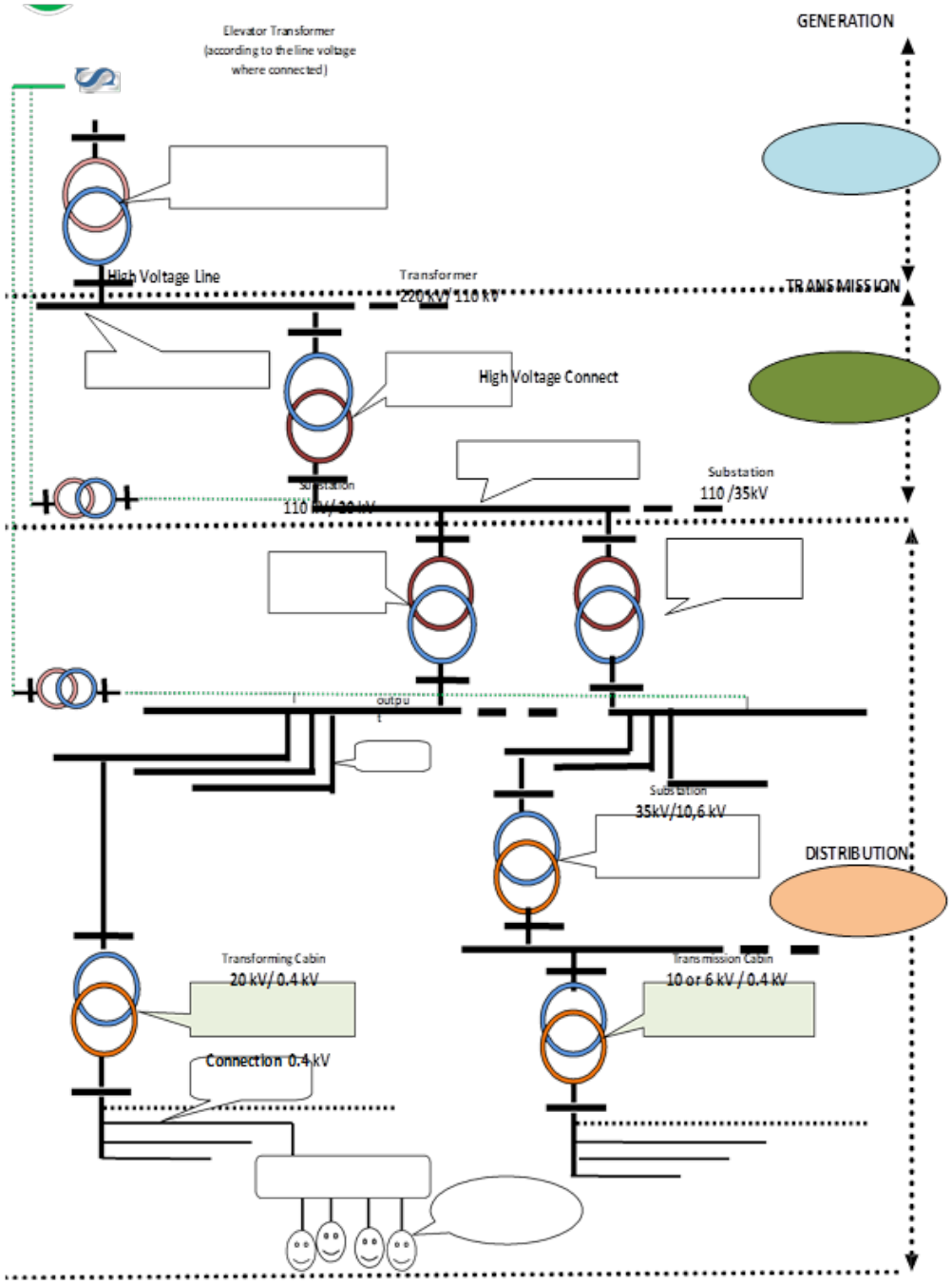


Figure 1 Power System Scheme (Source: ERE)

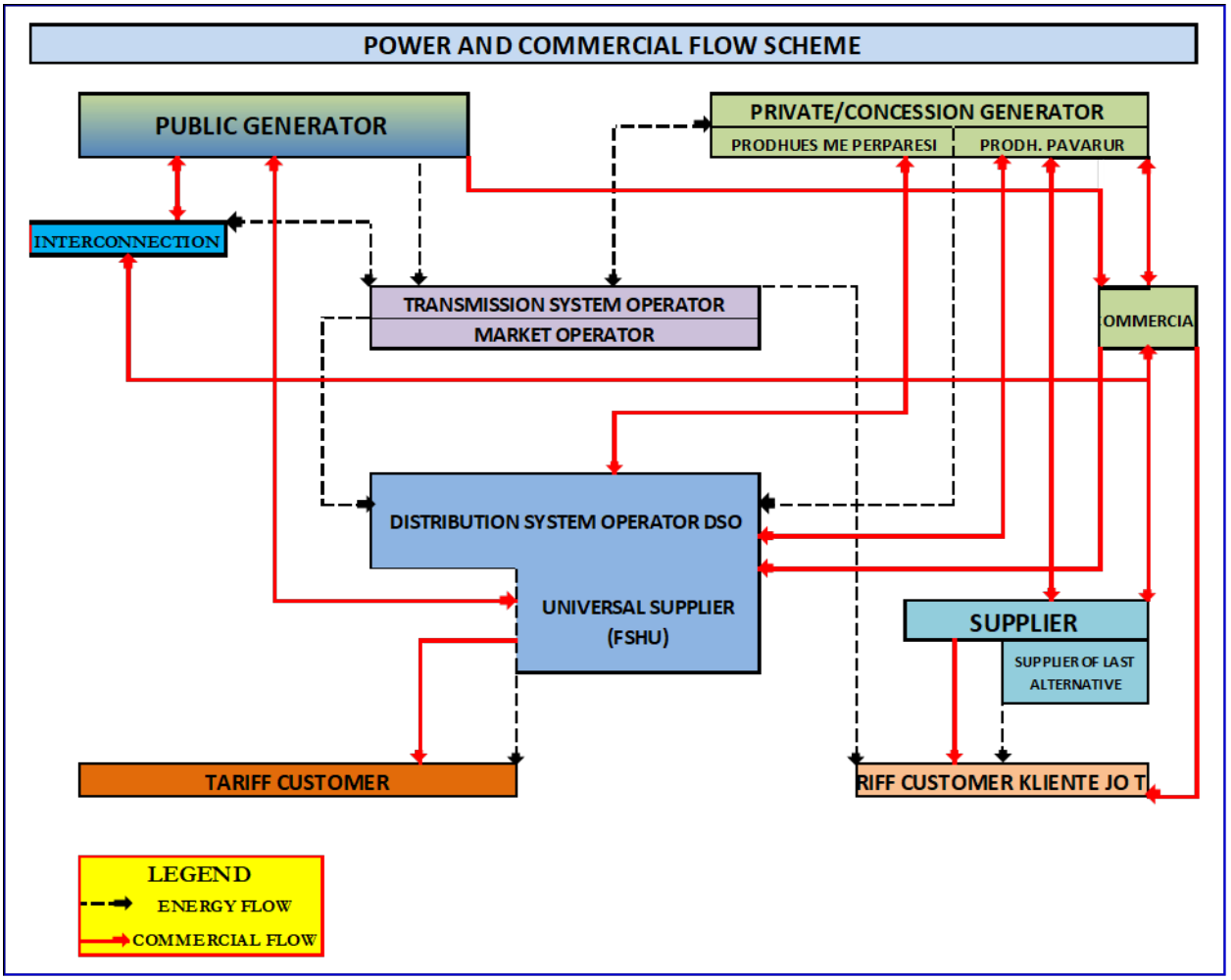


Figure 2 Scheme of Commercial and Electricity Flow (Source: ERE)

1.2 ELECTRICITY PRODUCTION

Electricity generation in our country is realized by entities licensed by ERE in electricity production activity as well as self-producing activities, based on Law no. 43/2015 "On the Power Sector", as amended.

Currently electricity production consists of two main components. The production realized by the Public Company KESH company and the production realized by other entities licensed in electricity production activity.

KESH company, is the biggest production company in Albania with a state owned capital. KESH is charged with the public service obligation for the Electricity supply of the Universal Supplier and to cover the Electricity losses in the distribution network according to Council of Minister Decision No.244 dated 30.03.2016, as amended.

Other electricity production companies are private entities, such as the priority and independent producers of electricity, as well as Lanabregas HPP. These companies licensed by ERE throughout the years utilize the existing plants, or the new ones mainly by concession agreements or the contracts to utilize the administration of the Electricity Production plants. These contracts are signed with the Albanian Government and other responsible Authorities defined by law, as well as some of the production plants that operate within the framework of privatization agreements. The total installed capacity in our country until December 31, 2020 is **2,506** MW. This capacity has had an increase

level in 2020 of 231MW, compared to 2019.

Total electricity production capacity of the public company KESH is 1448 MW and constitutes about 58% of the total installed capacity in our country.

The total installed capacity of other electricity producers is 1 058 MW and accounts for about 42% of the total installed capacity in our country.

1.2.1 Electricity production for 2020

The net domestic production of electricity realized for 2020 is **5,313,033** MWh.

3,090,199 MWh was produced by the power plants owned by the public company KESH.

2,222,834 MWh was produced by other plants.

Electricity production realized by KESH company occupies 58% of all electricity production in our country and electricity production from other producers occupies about 42%.

The power plants of the electricity production are connected to both the electricity transmission and distribution networks. The installed capacity of power plants connected to the transmission network during 2020 is about 2,190 MW and their net production has turned out to be 4,712,074 MWh. The installed capacity of power plants connected to the distribution network during 2020 is about 306 MW and their net production has turned out to be 600,958 MWh.

Data on Producers 2020		Network	Number of Entities	Number of the Plants	Installed capacity (MW)	Production 2020 (MWh)
Public producers	Prodhues Publik (Ngarkuar me detyrimin e shërbimit Publik)	Connected to the TSO	1	4	1 448	3 090 199
Independent Prod	Prodhues të Pavarur (Prodhues në treg të Hapur)	Connected to the TSO	3	8	436	855 441
icity Priority Prod	Priority producers (Supporting from the Supporting Schemes) + Ashta	Connected to the TSO	29	44	306	766 434
	Priority producers (Benefiting from the Supporting Schemes)	Connected to the DSO	115	153	285	568 825
	Fotovoltaic Priority Producers (Benefitting from the Supporting Schemes)	Connected to the DSO	11	11	21	32 265
			159	**220**	**2 496**	**5 313 164**

Figure 3 Data on the Producers for 2020.

The figure below presents the net domestic production for 2020, evidencing the contribution to the production of electricity of KESH company, as the only public producer as well as the contributions of other Private/Concession producers. The production realized by the public company KESH company, continues to have the main weight in the domestic production for 2020.

PRODHIMI NETO VENDAS 2020 (MWh)	2020
HPP-s / PPE (Private/Konc.) in the DSO company network	540 050
HPP-s / PPE (Private/Konc.) in the TSO network	579 212
Independent HPP-s (IPP) in the TSO company network	855 441
Lanabregas HPP	28 643
Ashta HPP	187 223
Photovoltaic Plants	32 265
Production from the HPP-s of KESH company	3 090 199
TOTAL Domestic 2020	5 313 032

Domestic Net Production 2020 (MWh) **Source TSO company; KESH company; FTL company**

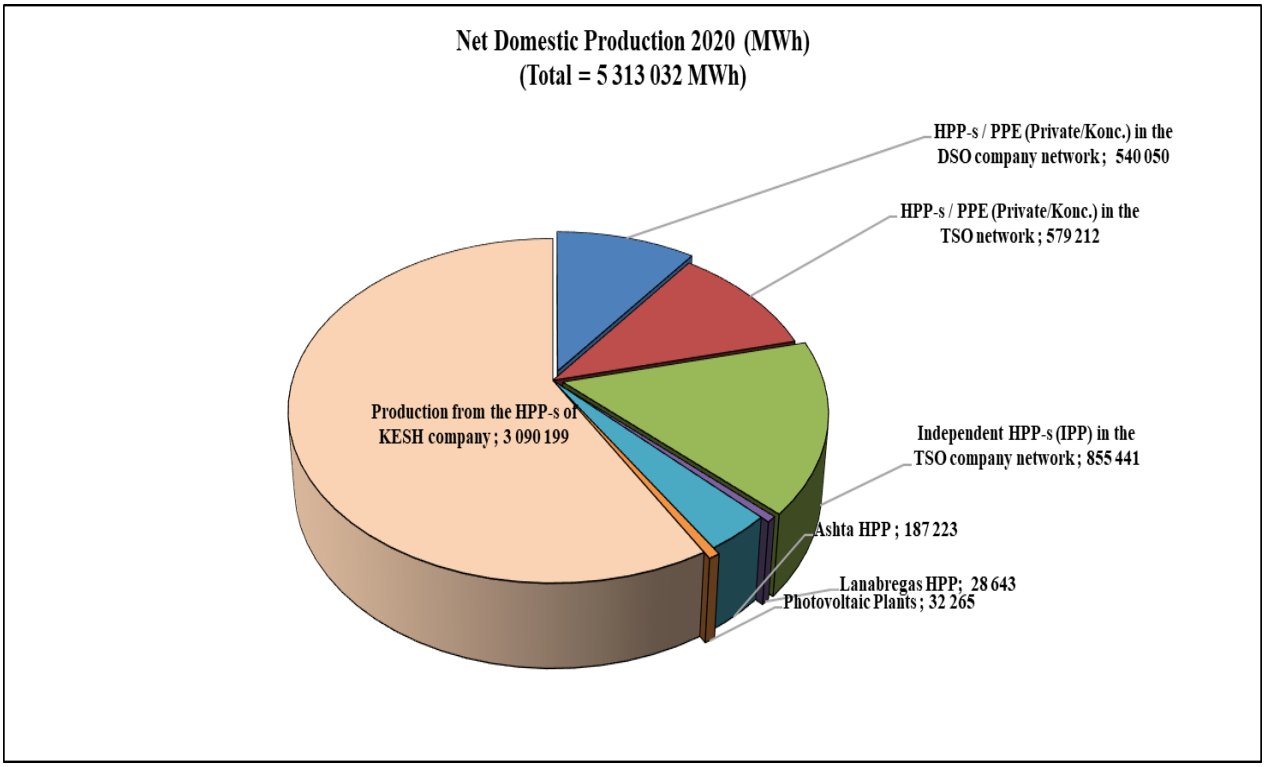


Figure 4 Net domestic production for 2020.

Contributors in Domestic Production during 2020 (MWh)													
	JAN	Feb	March	April	May	June	July	Aug	Sept	Oct	November	Dec	2020
Private/Concession HPP-s at OSHEE network	51 043	65 805	105 406	84 561	63 812	30 116	16 623	10 292	11 038	42 111	18 587	40 789	540 182
Private/Concession HPP-s in the TSO network	52 748	73 848	114 190	86 009	72 468	29 646	15 059	8 565	11 969	54 797	18 043	41 870	579 212
Lanabregas HPP-s	2 720	2 570	3 116	2 819	2 676	2 312	2 299	1 890	1 527	2 368	2 158	2 188	28 643
Net Kurum Production	41 281	30 310	46 138	37 115	21 358	16 672	14 532	12 498	12 023	26 193	25 412	19 531	303 063
Ashta HPP	18 639	16 120	15 350	8 573	11 414	13 580	17 496	17 488	14 683	24 028	13 616	16 235	187 223
Peshqesh HPP	6 612	12 230	13 772	5 360	7 755	2 470	1 227	1 116	4 112	12 515	3 505	8 288	78 962
Fangu HPP	24 545	23 230	28 792	10 581	8 998	8 724	9 768	7 888	9 350	12 358	22 464	11 220	177 918
Banje HPP	14 468	8 159	26 147	12 637	6 684	7 833	10 268	10 449	8 804	13 901	9 679	6 746	135 775
Moglice HPP	-	-	295	15 367	22 287	14 766	10 913	14 379	35 245	21 654	6 719	18 097	159 722
Net KESH Production.	320 656	232 362	189 098	138 036	149 444	283 726	384 974	369 553	223 129	339 020	236 588	223 613	3 090 199
Photovoltaic Plants	1 510	1 881	2 591	2 980	3 252	3 668	3 931	3 658	2 850	2 331	2 110	1 503	32 265
Total Domestic Production	534 223	466 517	544 895	404 037	370 148	413 514	487 089	457 776	334 730	551 275	358 881	390 079	5 313 164

Figure 5 Contributors in domestic production during 2020 (MWh)

The figures below show the comparison of the monthly net production during 2020 with the average production 2009 – 2020 period.

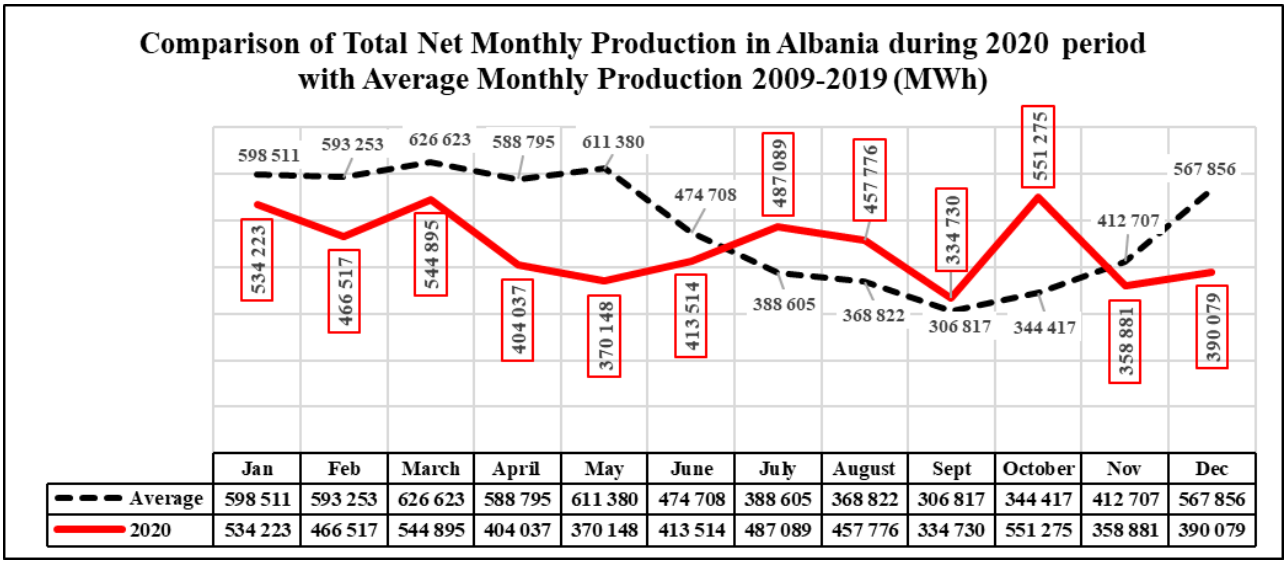


Figure 6 Monthly domestic production for 2020 compared to the average of 2009-2020 period

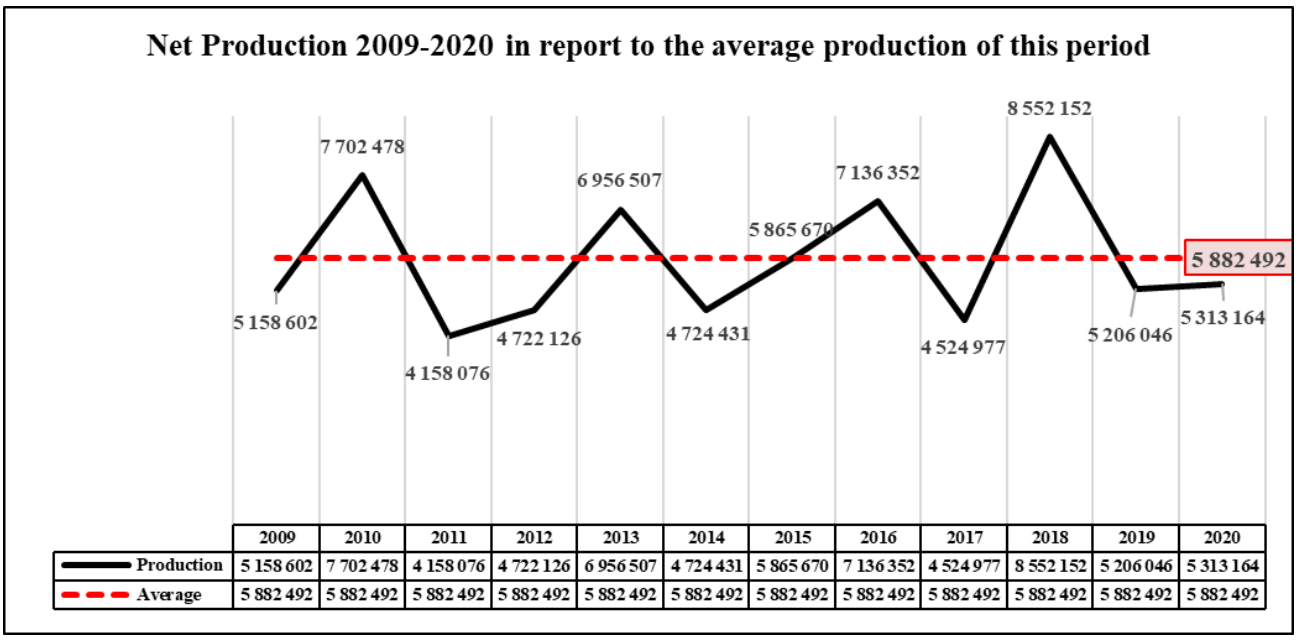


Figure 7 Domestic historic net production for 2009-2020 period regarding the average production of this period

From the analysis of electricity production history registered in the country, it results that 2020 with the amount of production of about 5,313 GWh, continuing to be below the average electricity production in 2009 – 2020 period. The average electricity production for the 2009 – 2020 period is 5,882 GWh. The production realized for 2020 is about 9.7% lower than the average production for 2009 – 2020 period.

The maximum monthly electricity production for 2020 was recorded in October with the amount of **551,275** MWh. This production is realized by hydropower plants under the administration of KESH compan up to 61%, while the minimum monthly electricity production during 2020 results in September in the amount of **334,730** MWh.

The graph shows that 2020 is considered as a bad hydrological year, due to the fact that despite the increase of production capacity during 2020, electricity production for this year resulted in the amount of 5,313 GWh, ie. 569 GWh less than the average electricity production in 2009 – 2020 period. Taking into account the fact that our country bases the production of electricity mainly on hydro resources, in the bad hydrological years where 2020 is included, the production of electricity is lower than multi-year average in 2009 – 2020 period.

1.2.2 Main technical data and electricity generation from public production plants for 2020.

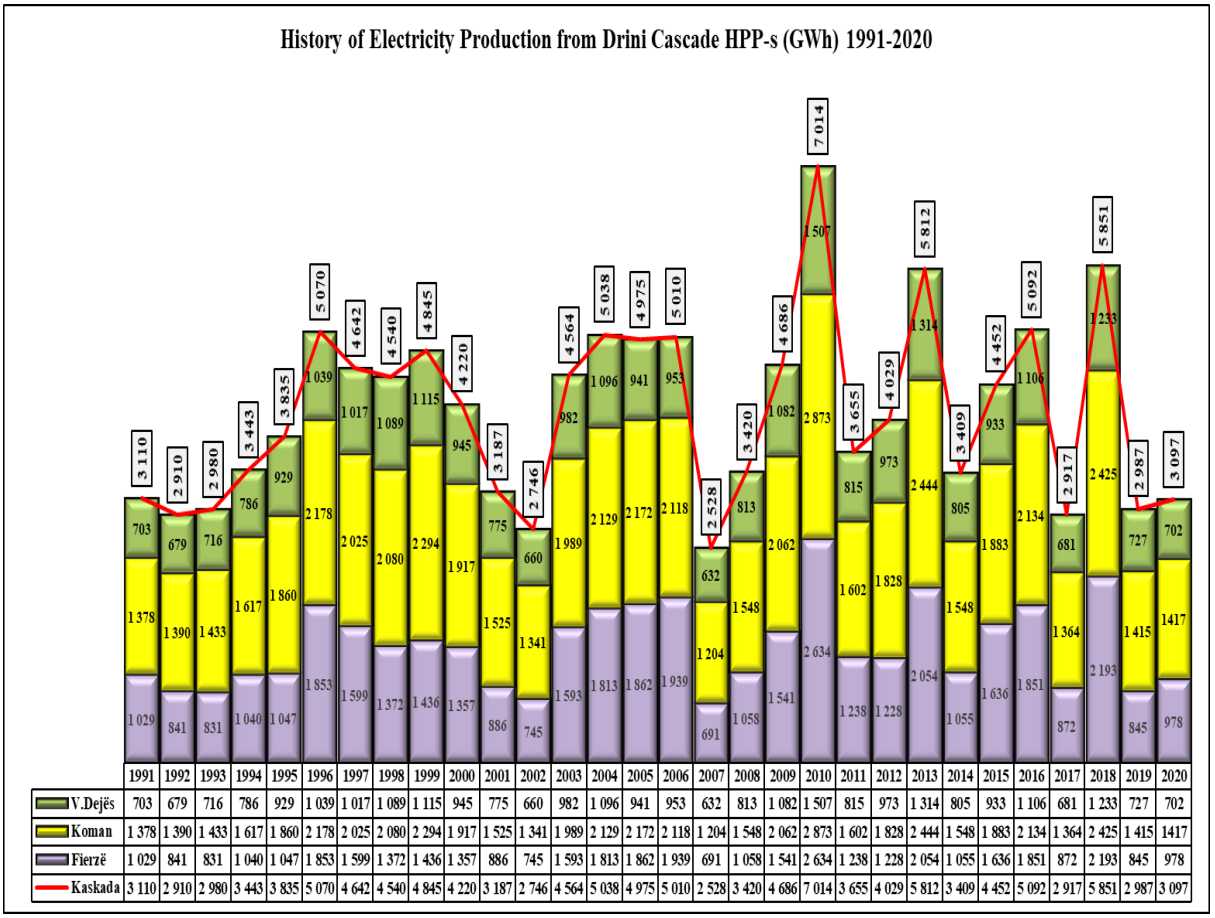
Public production of electricity is performed by the joint stock company KESH company with 100% of state shares. KESH owns three hydropower plants of Drin River Cascade as well as Vlora termo power plant. The composition of the group of plants owned by KESH company and the installed capacity of each one of them, that realize public production is presented in the table.

Characteristics of the Plant	Public Production Plants			
	Fierzë HPP	Koman HPP	V.Dejës HPP	Vlorë TPP
No. of the Aggregates	4	4	5	2
Power of the aggregates MW	125	150	50	70 + 28
Installed capacity of the plant MW	500	600	250	98
Total capacity MW	1,448			

Figure 8 Structure of the Electric Plants of Public Production (Source: KESH company)

The total installed capacity owned by KESH company, reaches to 1,448 MW, of which the installed capacity of HPPs in Drin River cascade is 1,350 MW and of Vlora TPP 98 MW.

The net production from the production plants of KESH company for 2020 turns out to be 3,090,199 MWh, which constitutes 58% of the total net domestic production during this year. This production is realized in the amount of 1 417 GWh from Koman HPP, 978 GWh from Fierza HPP and 702 GWh from Vau i Dejës HPP.



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
V.Dejës	703	679	716	786	929	1 039	1 017	1 089	1 115	945	775	660	982	1 096	941	953	632	813	1 082	1 507	815	973	1 314	805	933	1 106	681	1 233	727	702
Koman	1 378	1 390	1 433	1 617	1 860	2 178	2 025	2 080	2 294	1 917	1 525	1 341	1 989	2 129	2 172	2 118	1 204	1 548	2 062	2 873	1 602	1 828	2 444	1 548	1 883	2 134	1 364	2 425	1 415	1417
Fierzë	1 029	841	831	1 040	1 047	1 853	1 599	1 372	1 436	1 357	886	745	1 593	1 813	1 862	1 939	691	1 058	1 541	2 634	1 238	1 228	2 054	1 055	1 636	1 851	872	2 193	845	978
Kaskada	3 110	2 910	2 980	3 443	3 835	5 070	4 642	4 540	4 845	4 220	3 187	2 746	4 564	5 038	4 975	5 010	2 528	3 420	4 686	7 014	3 655	4 029	5 812	3 409	4 452	5 092	2 917	5 851	2 987	3 097

Figure 9 History of Electricity Production from Drini Cascade HPP-s (Source: TSO company).

Maximum production of electricity realized by KESH company for 2009 – 2020 was reached in 2010 in the amount of 7 014 GWh. The production of electricity in 2010 is about 2.2 times higher than the production of electricity achieved in 2020 which results in the amount of 3,097 GWh. This indicator clearly represents the high degree of hydrological risk in the stability of electricity production in our country, which bases the production of electricity mainly on hydropower sources.

Below is presented in detail the monthly electricity production from the hydropower plants of the Drin River cascade under the administration of KESH company.

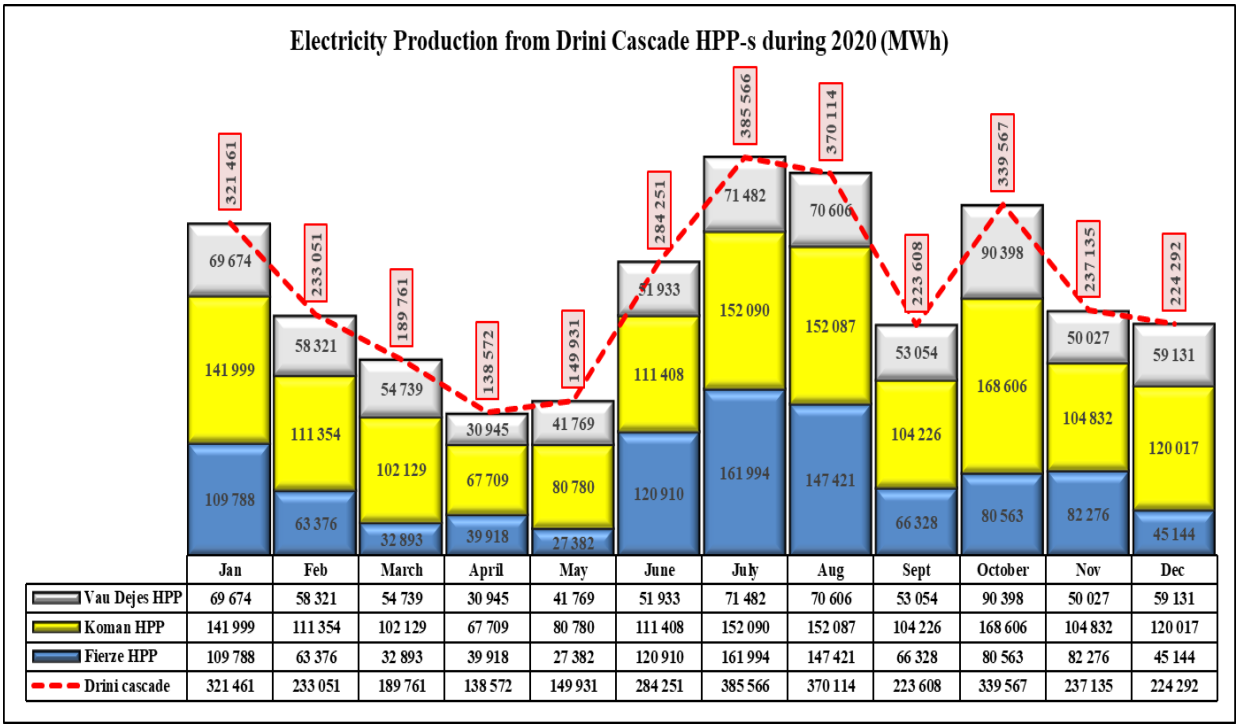


Figure 10 Electricity production from Drini Cascade HPP-s during 2020 (Source: KESH company, TSO company).

Maximum production of KESH company was recorded in October in the amount of 551 275 MWh and the minimum in September in the amount of 334,730 MWh.

According to the reports of KESH company, the utilization of the hydropower reserve has been in optimal conditions. The loading coefficients of the aggregates presented in the following table for 2020 in percentage are higher for all three HPPs in the Drin river cascade compared to the multi-year average for each HPP.

Aggregates Load	Fierze HPP	Koman HPP	V.Dejes HPP
Average in (%) for 2019	89	79	86,1
Multiannual average (%)	85	77	85

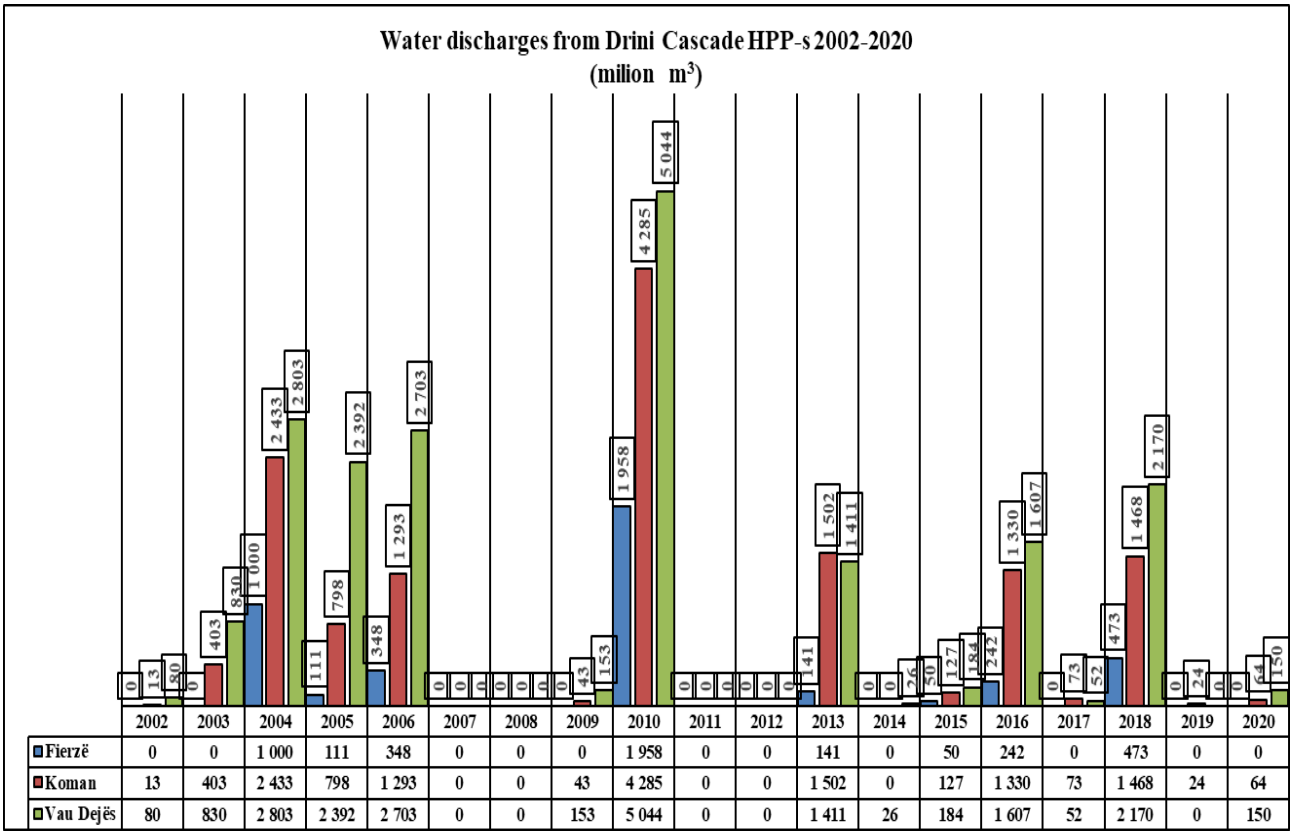
The figure below shows the discharges from hydropower plants during 2020.

Water discharges from Drini Cascade HPP-s during 2020 (milion m3)													
	January	Febr	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	2020
Fierzë	0	0	0	0	0	0	0	0	0	0	0	0	0
Koman	0	0	0	0	0	0	0	0	0	0	0	64	64
Vau Dejës	0	0	0	0	0	0	0	0	0	0	0	150	150

Figure 11 Water discharges without electricity production from KESH company HPP-s during 2020 period.

Water discharges without electricity production from HPPs of the Drin River cascade result in minimum values and occurred only during the end of December 2020. This period has been characterized by large water inflows in the basin of HPP Koman (basin with small reserve capacity) and pursuant to the Regulation of Complete Discharge, in terms of maximum loading of production units in Koman HPP, water discharge was realized without electricity production.

Figure 12 graphically shows the water discharges from HPPs of KESH company in the Drin River Cascade, for each year in the period 2002 – 2020.



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fierzë	0	0	1 000	111	348	0	0	0	1 958	0	0	141	0	50	242	0	473	0	0
Koman	13	403	2 433	798	1 293	0	0	43	4 285	0	0	1 502	0	127	1 330	73	1 468	24	64
Vau Dejës	80	830	2 803	2 392	2 703	0	0	153	5 044	0	0	1 411	26	184	1 607	52	2 170	0	150

Figure 12 Water dischanges from Drini Cascade HPPs (2002-2020) period (Source: KESH company).

Below it is presented the level in meters of Lake Fierza for 2020 at the end of each month.

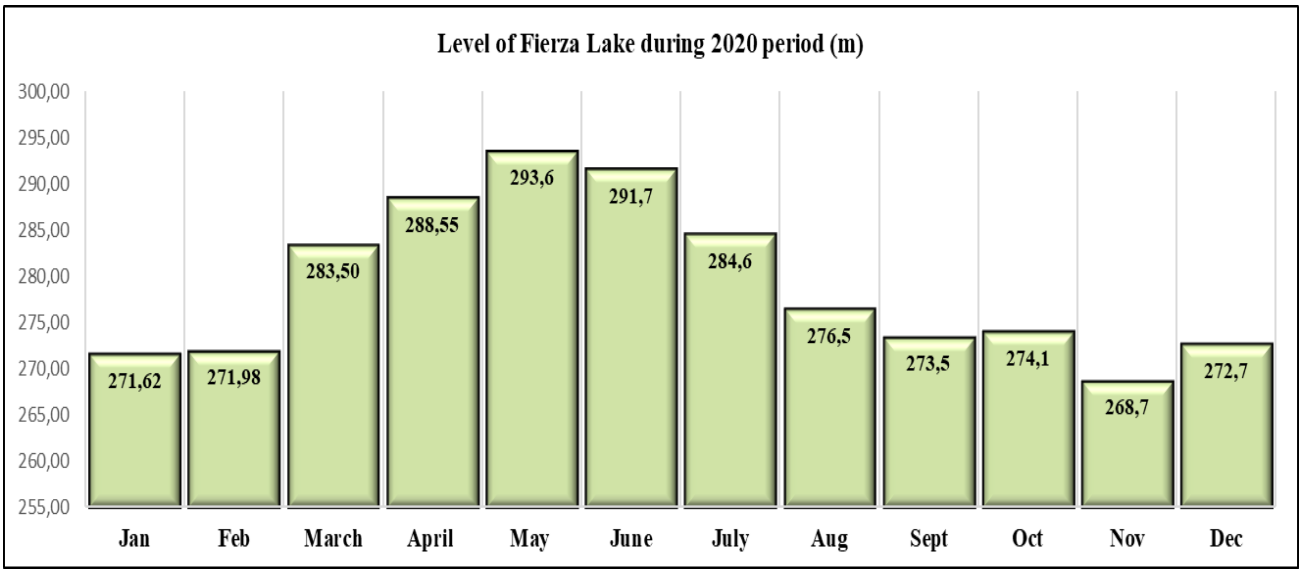


Figure 13 level of Fierza lake during 2020 (m).

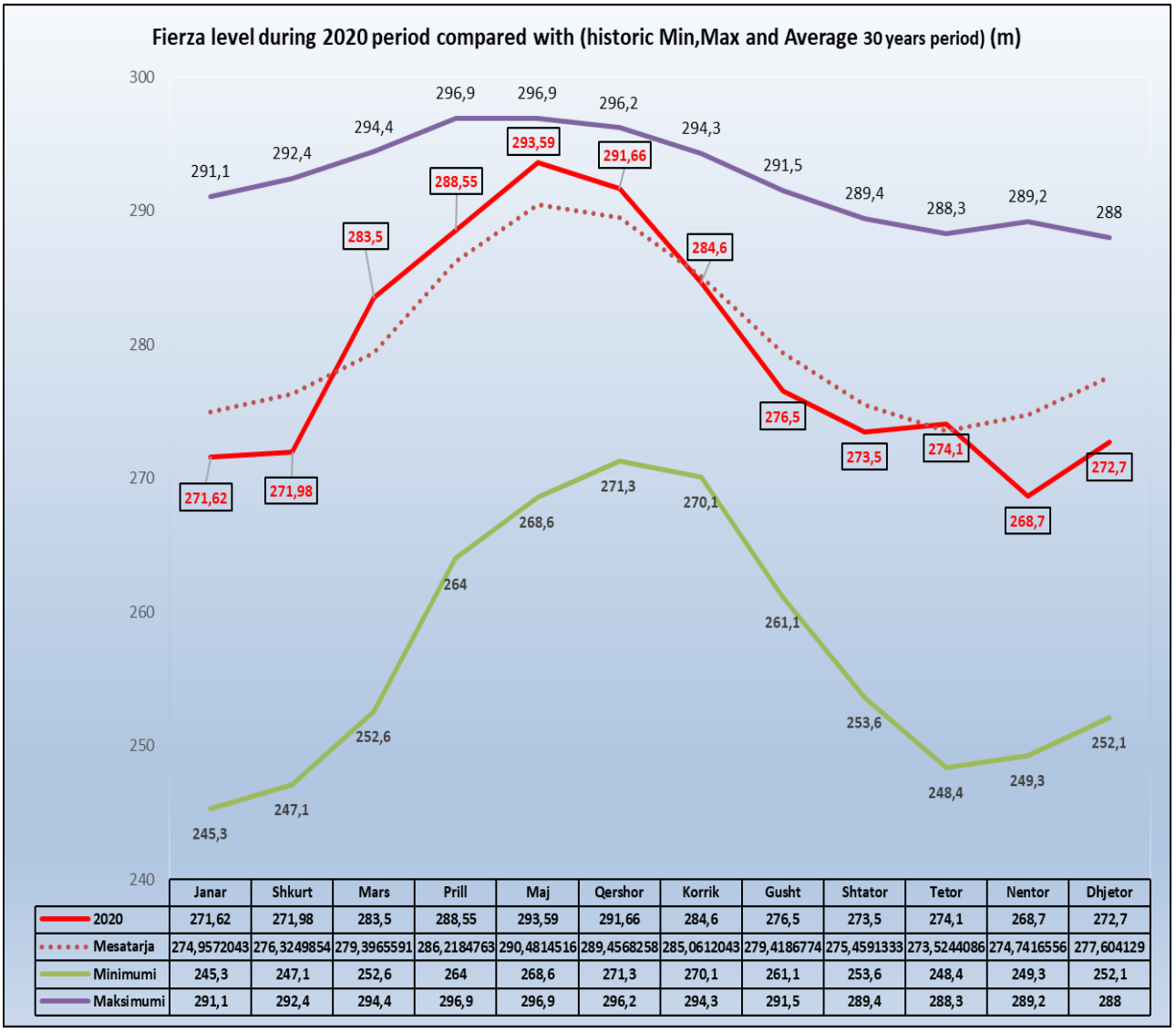
The basin of the Fierza HPP functions as an annual regulator of the hydro reserve of the Drin River, which directly affects the use of the entire cascade over the Drin River.

Historical data on the level of the lake of Fierza HPP for the period 1991 - 2020 are presented below, identifying the minimum quotas and maximum quotas.

	Fierza Level 1991-2020											
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
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	274,4	275,0	276,6	281,0	286,1	284,7	279,0	273,9	268,2	261,6	264,5
2012	265,8	267,7	262,0	280,2	293,4	294,4	288,4	280,4	261,4	261,6	269,0	276,6
2013	278,3	281,5	294,8	296,9	296,9	294,2	289,7	283,6	280,8	281,4	282,5	276,1
2014	275,1	277,5	274,6	285,3	292,9	294,9	291,7	286,8	285,5	285,0	284,8	286,3
2015	288,7	289,4	292,2	296,3	296,1	293,3	287,5	280,1	272,1	275,4	278,9	275,9
2016	289,9	292,4	291,8	296,5	296,2	295,6	290,5	285,4	283,3	288,4	288,9	281,6
2017	271,5	277,7	280,9	278,7	281,6	272,4	270,2	268,0	271,0	264,6	269,6	289,9
2018	289,7	292,0	295,0	296,5	296,4	296,0	294,0	287,5	277,9	270,2	266,5	267,3
2019	267,3	268,2	272,7	279,9	289,9	292,7	287,6	278,5	274,2	268,6	273,2	275,6
2020	271,62	271,98	283,50	288,55	293,6	291,7	284,6	276,5	273,5	274,1	268,7	272,7

Figure 14 Fierza HPP level for 1991 – 2020 period.

Below is graphically presented the water level in meters in Fierza reservoir for each month of 2020, compared to the average monthly historical levels for the period 1991-2020.



	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor
2020	271,62	271,98	283,5	288,55	293,59	291,66	284,6	276,5	273,5	274,1	268,7	272,7
Mesatarja	274,9572043	276,3249854	279,3965591	286,2184763	290,4814516	289,4568258	285,0612043	279,4186774	275,4591333	273,5244086	274,7416556	277,604129
Minimumi	245,3	247,1	252,6	264	268,6	271,3	270,1	261,1	253,6	248,4	249,3	252,1
Maksimumi	291,1	292,4	294,4	296,9	296,9	296,2	294,3	291,5	289,4	288,3	289,2	288

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2020	271,62	271,98	283,50	288,55	293,6	291,7	284,6	276,5	273,5	274,1	268,7	272,7
Average	275	276	279	286	290	289	285	279	275	274	275	278
Minimum	245,3	247,1	252,6	264,0	268,6	271,3	270,1	261,1	253,6	248,4	249,3	252,1
Maximum	291,1	292,4	294,4	296,9	296,9	296,2	294,3	291,5	289,4	288,3	289,2	288,0

Figure 15 Level in (m) of Fierza Lake regarding the average, min, max of 1991 – 2020 period.

As it can be seen, until February 2020, the water level in Fierza Lake has been lower compared to the historical average level. In addition, the water level in Fierza Lake for a period of 5 months March - July has been slightly higher than the multi-year average reaching in July almost the average level and then until December this level has been below the multi-year average.

The following Figure shows the average inflows for 2020 in Fierza Lake compared to the historical average inflows for each month.

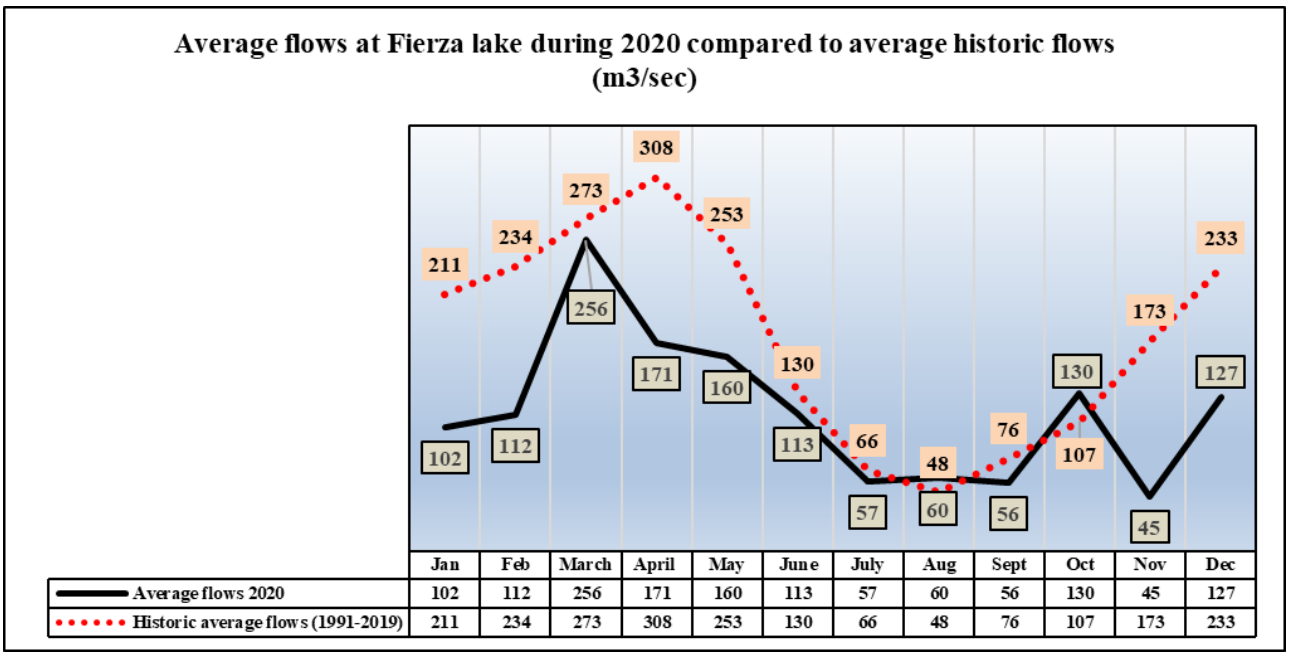


Figure 16 Average monthly flows (m3/sec.) in Fierza HPP during 2020 period compared to historic average.

During 2020, the average water inflows are generally below the historical average (where the highest results in October with about 23 m3 / sec higher than the historical average).

The graph of the following figure shows the utilization of the hydropower reserve in the Drini River Cascade during 2020.

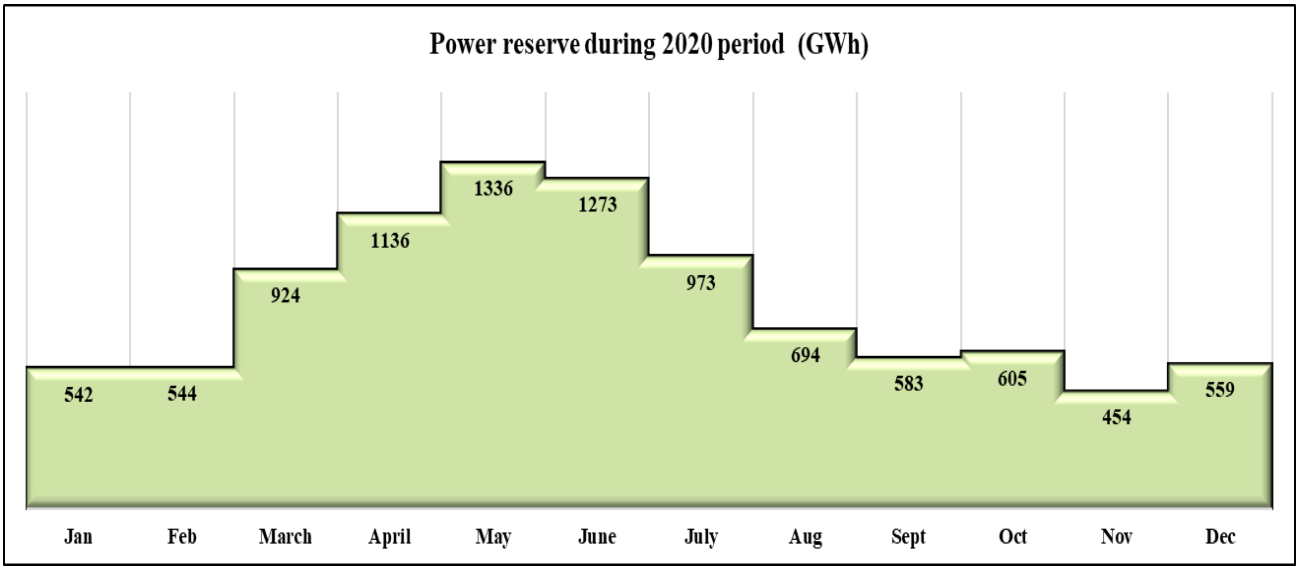


Figure 17 Daily Power Reserve on Drini Cascade during 2020 period (Source: KESH company).

The hydropower reserve of the Drin river cascade is administered by KESH company based on the following criteria:

- Optimization of KESH company, portfolio and the sector in general.

- Operation at optimal levels of HPP and best usilization of the basins.
- Operation according to the provisions of the dam safety regulation.
- To generate in a stable and qualitative way, guaranteeing electricity supply which is secure and at the lowest possible cost to the end use customers.
- To provide in a timely and appropriate manner the ancillary services, in order to guarantee a secure and stable operation of the power system.

1.2.3 Realization of Production Indicators and Management of the Hydro Reserve.

According to the reports submitted by KESH company, 2020 is considered to be an unfavorable year regarding hydropower, as a result of the drought inherited from 2019, which had a significant impact on the inflows and the level of the lake of Fierza HPP and consequently also in the energy reserve that KESH company manages in order to fulfill public obligations and commercial activity of KESH company.

Similar to the first 6 months of 2019 and also in this period for 2020, the average inflows resulted in 154.2 m^3 / sec or almost 36% lower than the multi-year average (for the same period of 240.4 m^3 / sec). The average flow level of about 155 m3 / sec is almost at the same value as the analogous situation of the first 6 months of 2019, repeating almost the same hydro-meteorological situation scenario as in 2019. An improvement was evidenced by rainfall local during March, which resulted in an increase in inflows in Fierza to 253 m^3 / sec

In January it was 271.6 m, in other words about 5 m lower than the multi-year reference 1993-2019, this is due to the unfavorable hydrological situation inherited from 2019. At the end of June 2020 the level of Fierza is 291.66 m or +2.55 m higher than the multi-year reference level 1993-2019, of 289.11 m. In June 2020, KESH increased production from cascade HPPs and generated 286 GWh for the needs of end-use customers. July, August and September resulted in lower inflows, compared to other months over the years and the multi-year average.

Gross electricity production from Drini Cascade HPPs in the first 6 months was 1,327 GWh or 44% less than the average multi-year production for the same period of the year. During October there was a significant increase in inflows by 22% compared to the multi-year average, which was reflected in overproduction by about 343 GWh. Meanwhile, in November and December, the hydric situation continued with inflows of 70% and 50% less than the average of multi-year inflows, which was reflected in production of 239 GWh and 227 GWh.

According to the information of KESH company below are presented the developments in the management of situations created during 2020.

Specific water consumption in m3/kWh from KESH company HPP-s during 2020 (compared to multi-year average)												
HPP	January	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Fierze	4,17	4,26	3,94	3,76	3,45	3,53	3,67	3,93	4,19	4,07	4,22	4,39
	4,00	3,98	3,87	3,72	3,57	3,57	3,68	3,88	4,04	4,16	4,15	4,03
Koman	4,14	4,16	4,16	4,11	4,21	4,14	4,14	4,10	4,15	4,22	4,18	4,19
	4,21	4,21	4,21	4,18	4,18	4,17	4,15	4,16	4,16	4,17	4,19	4,21
V.Dejes	8,53	8,53	8,56	8,52	8,47	8,54	8,53	8,51	8,55	8,53	8,62	8,66
	8,50	8,50	8,48	8,43	8,41	8,45	8,46	8,46	8,47	8,47	8,49	8,51

Figure 18 Specific water consumption at the KESH company HPP-s.

Data to utilize the Generation Capacities for 2020					
HPP	Production (MWh)	Average permited capacity for the Aggregate (MW)	Aver.coeffi. load.of the aggregate (%)	Working hours in total	Average.coeff.utiliyation of the Aggregate Agregatit (%)
Fierze	984	104,8	0,91	10 183	29,00
Koman	1,429,244	150,0	0,78	12 243	35,00
Vau Dejes	708	46,6	0,86	17 668	40,00

Figure 19 Utilization of the generation capacity of the Plants.

The above data show that the utilization coefficients for 2020 have been above the multi-year average for the three HPPs of the Drin River cascade.

1.2.4 Situation of Vlora TPP.

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

During 2020, Vlora TPP has exercised its activity in relation to the conservation of the generating asset which is not in working condition due to a defect in the cooling system since 2012.

Meanwhile, the Ministry of Infrastructure and Energy, on date 28.12.2018, made a public announcement for bids of concession with the object "For the rehabilitation and commissioning of the Vlora Power Plant and the construction of the Fier-Vlora gas supply pipeline TPP, in the form of R.O.O.T. ”

The procedure was contracted by the Ministry of Infrastructure and Energy, which organized the competition for the concession of this generating asset, which, as published, it was canceled as a procedure.

Since Vlora TPP is in conservation conditions, personal consumption of Vlora TPP is guaranteed through the supply line 220 kV, Babica Substation and is covered by KESH company.

1.2.5 Electricity production from independent and priority private generating plants.

Electricity production realized by private production plants for 2020 is 2,979,252 MWh or about 42% of the total domestic production.

For 2020, the number of private generating plants that have produced electricity is 216, where 8 of them are independent producers which are owned by 3 licensed entities, while the rest of 208 plants are priority producers of electricity who are owned by 155 entities in the electricity generation activity. In total, the installed capacity of private generation plants is 1,058 MW, where the installed

capacity of independent producers is 436 MW, while 622 MW belongs to the plants of priority producers of electricity.

Data on producer groupings are summarized below.

Data on Producers 2020		Network	Number of Entities	Number of the Plants	Installed capacity (MW)	Production 2020 (MWh)
Public producers	Prodhues Publik (Ngarkuar me detyrimin e shërbimit Publik)	Connected to the TSO	1	4	1 448	3 090 199
Independent Prod	Prodhues të Pavarur (Prodhues në treg të Hapur)	Connected to the TSO	3	8	436	855 441
icity Priority Prod	Priority producers (Supporting from the Supporting Schemes) + Ashta	Connected to the TSO	29	44	306	766 434
	Priority producers (Benefiting from the Supporting Schemes)	Connected to the DSO	115	153	285	568 825
	Fotovoltaic Priority Producers (Benefitting from the Supporting Schemes)	Connected to the DSO	11	11	21	32 265
			159	**220**	**2 496**	**5 313 164**

Data on Independent and Priority Producers during 2020 period		Network	Number of Entities	Number of the Plants	Installed Capacity (MW)	Production 2020 (MWh)
Independent Prod	Independent Producers (Producers in Open Market)	Connected to the TSO	3	8	436	855 441
PPE	Priority Producers (Benefit from the Supporting Schemes)+Ashta	Connected to the TSO	29	44	306	766 434
	Priority producers (benefit from Supporting Schemes)	Connected to the DSO	115	153	285	568 825
	Priority photovoltaic producers (Benefit from the Supporting Schemes)	Connected to the DSO	11	11	21	32 265
			158	**216**	**1 048**	**2 222 965**

Figure 20 Data from priority and independent producers for 2020.

Data on Independent producers 2020					
	HPP-s	**MW**	**Entity**	Conn	**Prod.2020**
Indep	"Ulez" HPP	25,200	"Kurum International" company	110 kV	303 063
Indep	"Shkopet" HPP	24,000		110 kV	
Indep	"Bistrica 1" HPP	22,500		110 kV	
Indep	"Bistrica 2" HPP	5,000		110 kV	
Indep	"Peshqesh" HPP	27,940	"Ayen As Energji"company	220 kV	78 962
Indep	"Fangu" HPP	74,600		220 kV	177 918
Indep	"Banje" HPP	73,000	"Devoll Hydropower" company	110 kV	135 775
Indep	"Moglice" HPP	184,000		111 kV	159 722
		436,240			855 441

Figure 21 Data from independent producers for 2020.

Data on priority producers for 2020		Network	No of the subjects	No of the plants	Installed capacity (MW)	Production 2020 (MWh)
PPE	Priority producers (benefiting from the Supporting Schemes) + Ashta	Connected to the TSO	29	44	306	766 434
	Priority producers (Benefitting from the Supporting Schemes)	Connected to the DSO	115	153	285	568 825
	Photovoltaic priority producers (Benefiting from the Supporting Schemes)	Connected to the DSO	11	11	21	32 265
			155	**208**	**612**	**1 367 524**

Figure 22 Data from priority producers for 2020.

	Production during 2020 from the photovoltaic plants connected in the Distribution network (MWh)																
	Photovoltaic plant	MW	Entity	onnection	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Progr.2020
PPE	UKKO (not set in the system)	1	"UKKO"sha (Ujsjell.Kanal.Korce)														
PPE	Seman – 2	2	"SEMAN2SUN" company	35 kV	212	274	334	387	415	483	510	469	358	289	246	142	4 119
PPE	Topojë	2	"SONNE" company	35 kV	214	273	332	388	413	477	504	464	356	287	245	142	4 095
PPE	Topojë 2	2	"AED SOLAR" company	35 kV	217	273	330	387	413	475	503	463	354	287	244	141	4 088
PPE	Topojë (Sheq Marinas)	2	"AGE SUNPOWER" company	35 kV	221	274	331	388	414	475	506	464	353	287	244	140	4 100
PPE	Topojë (Sheq Marinas) 2	2	"SEMAN SUNPOWER" company	35 kV	218	278	334	391	418	481	494	469	357	290	251	144	4 124
PPE	Seman1solar	2	" SEMAN1SOLAR " company	35 kV	250	283	323	381	396	455	479	452	354	294	260	151	4 079
PPE	ES 2019 company	2	ES 2019 company	36 kV	-	-	-	-	-	-	-	-	-	-	78	165	244
PPE	SMART WATT company	2	SMART WATT company	37 kV	-	-	-	-	-	-	-	-	-	-	78	165	243
PPE	Tren Bilisht	2	" RTS " company	35 kV	-	-	317	297	393	363	416	408	350	309	252	122	3 228
PPE	Plug, Lushnje	2	"AEE" company	10 kv	177	224	289	361	390	458	520	470	368	288	212	190	3 946
	Monthly Total				1 510	1 881	2 591	2 980	3 252	3 668	3 931	3 658	2 850	2 331	2 110	1 503	32 265
	Installed capacity for the producers	21	MW														

Figure 23 Photovoltaic plants for 2020.

1.2.6 Production from power plants introduced into production during 2020.

The annual net production of electricity from plants that are introduced in production during 2020 is presented in the following Figure. As it can be seen during 2020, a total of 20 plants with an installed capacity of 227.8 MW are introduced into production, which during 2020 produced the amount of 182,816 MWh. The production of electricity realized by the plants that have entered production during 2020 occupies about 3.44% of the total domestic production of electricity for this year.

Producers introduced into production during 2020 period (MWh)

HPP-s connected to the Transmission network

	Plant	MW	Entity	Conn	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Prod.2020
Ind Pr	"Moglice" HPP	184		111 kV	-	-	295	15 367	22 287	14 766	10 913	14 379	35 245	21 654	6 719	18 097	159 722
PPE	Egnatia HPP	5	REMI company	110 kV	70	731	1 706	1 242	1 241	472	309	202	119	429	369	329	7 218
PPE	Seka & Zais HPP	15	Seka Hydropower compa	110 kV	-	-	-	-	-	-	-	-	-	-	-	30	30
		204															166 970

HPP-s connected in the Distribution network

	Plant	MW	Entity	Conn	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Prod.2020
PPE	OSOJE HPP	1,9	OSOJA HPP company	35	126	762	1 426	1 421	545	326	307	327	69	182	203	545	6 239
PPE	Voskopoje HPP	1,9	FAVINA 1 company	35	-	312	1 078	730	329	191	230	98	62	134	93	398	3 656
PPE	Nderfushas HPP	1,34	SGD Energji company	35	-	68	346	201	93	27	3	-	-	98	25	228	1 090
PPE	Rreshen HPP	0,38	Nikolli Energy company	10	112	45	69	48	39	19	13	-	54	76	54	91	619
PPE	Gurra HPP	0,5	Uleza Ndertim company	6	-	-	-	-	-	162	68	53	37	77	85	85	567
PPE	Vile HPP	1,994	Hydro Power Panariti compan	35	-	-	-	-	59	106	57	48	33	97	45	280	724
PPE	Dukona HPP	0,800	Dukona company	20	-	-	-	-	17	7	4	1	-	10	4	26	68
PPE	Prevalli HPP	1,750	Gega-G company	35	-	-	-	-	-	-	-	2	16	385	123	476	1 003
PPE	Camerice HPP	0,800	Rei Energy company	35	-	-	-	-	-	-	-	-	-	43	14	329	385
PPE	Stror HPP	2,000	Era Hydro company	35	-	-	-	-	-	-	-	-	-	350	116	263	729
PPE	Mivas HPP	1,940	Elva 2001 company	35	-	-	-	-	-	-	-	-	-	-	1	97	98
PPE	Spathare HPP	1,038	Lucente concensionare compa	10	-	-	-	-	-	-	-	-	-	0	11	25	36
PPE	Miraka HPP	0,600	Kuarci Blace company	10	-	-	-	-	-	-	-	-	-	-	-	17	17
PPE	Shegjun HPP	2,000	Irarba Energji company	10	-	-	-	-	-	-	-	-	-	-	-	101	101
PPE	Dobrunje HPP	0,840	W.T.S. Energji company	10	-	-	-	-	-	-	-	-	-	-	-	27	27
		19,8															15 359

Photovoltaics connected on the distribution network

	Plant	MW	Entity	Conn	Jan	Febr	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Prod 2020
PPE	ES 2019 company	2	ES 2019 company	36 kV	-	-	-	-	-	-	-	-	-	-	78	165	244
PPE	SMART WATT compar	2	SMART WATT company	37 kV	-	-	-	-	-	-	-	-	-	-	78	165	243
		4															487

Figure 24 Production from the plants introduced into production during 2020.

1.2.7 Electricity production according to the network where the production plants are connected.

The installed capacity of the power plants connected to the transmission system for 2020 is 2,200 MW. The total production of electricity from these plants is 4,712,074 MWh. The detailed production for each of the power plants connected to the transmission network during 2020 is presented in the following table:

	Production during 2020 from the plants connected to the Transmission Network (MWh)				
	HPP-s and Capacity	MW	Entity	Conn	Prod.2020
Pub Prod	"Fierze" HPP	500,000	"KESH" company	220 kV	3 090 199
Pub. Prod	"Koman" HPP	600,000		220 kV	
Pub. Prod	"V. Dejes" HPP	250,000		220 kV	
Pub. Prod	Vlora TPP	98,000	"KESH" company	220 kV	
Ind. Prod	"Ulez" HPP	25,200	"Kurum International" company	110 kV	303 063
Ind. Prod	"Shkopet" HPP	24,000		110 kV	
Ind. Prod	"Bistrica 1" HPP	22,500		110 kV	
Ind. Prod	"Bistrica 2" HPP	5,000		110 kV	
Ind. Prod	"Peshqesh" HPP	27,940	"Ayen As Energji" company	220 kV	78 962
Ind.Prod	"Fangu" HPP	74,600		220 kV	177 918
Ind. Prod	"Banje" HPP	73,000	"Devoll Hydropower" company	110 kV	135 775
Ind. Prod	"Moglice" HPP	184,000		111 kV	159 722
PPE	"Ashta" HPP	48,200	"Energji Ashta" company	110 kV	187 223
PPE	"Bishnica 2" HPP	2,500	"Bishnica 1,2 HPP"company	110 kV	7 751
PPE	"Dardhe" HPP	5,800	"Wenerg " company	110 kV	10 277
PPE	"Truen" HPP	2,500	"TRUEN" company	110 kV	
PPE	"Ternove" HPP	0,921	"TEODORI 2003" company	110 kV	8 160
PPE	"Gjorice" HPP	29,610	"DITEKO" company	110 kV	93 483
PPE	"Sllabinje" HPP	13,800	"Power Elektrik Slabinje" company	110 kV	43 889
PPE	"Bele 1" HPP	5,000	"Euron Energy" company	110 kV	110 190
PPE	"Topojan 2" HPP	5,800			
PPE	"Bele 2" HPP	11,000	"Alb-Energy" company		
PPE	"Topojan 1" HPP	2,900			
PPE	"Orgjost I Ri" HPP	4,800	"Energal" company		
PPE	"Cerunje-1" HPP	2,300	"Energy partners Al" company	110 kV	11 301
PPE	"Cerunje-2" HPP	2,800			
PPE	"Rrupe" HPP	3,600			
PPE	"Rapuni 1,2" HPP	8,100	"C & S Construction Energy"	110 kV	26 887
PPE	"Rapuni 3,4" HPP	8,850	"C & S Energy" company	110 kV	24 091
PPE	"Llapaj" HPP	13,620	"Gjo.Spa.POWER"company	110 kV	42 562
PPE	"Lengarice" HPP	8,940	"Lengarica & Energy" company	110 kV	15 408
PPE	"Lura 1" HPP	6,540	"Erdat Lura" company	110 kV	28 275
PPE	"Lura 2" HPP	4,020		110 kV	
PPE	"Lura 3" HPP	5,660		110 kV	
PPE	"Malla" HPP	5,455	"Gjure Rec" company	110 kV	10 002
PPE	Prella HPP	14,970	"Prelle Energji"	110 kV	22 280
PPE	Cemerica 1 HPP	0,880	"REJ ENERGY"company	110 kV	8 215
PPE	Cemerica 2 HPP	1,080		110 kV	
PPE	Cemerica 3 HPP	2,100		110 kV	
PPE	TUÇ HPP	4,470	MC Inerte Lumzi	110 kV	21 729
PPE	Lumzi HPP	11,000		110 kV	
PPE	Denas HPP	14,500	"Denas Power" company	110 kV	20 891
PPE	Lënga 1	1,730	"HEC LLËNGË" company	110 kV	5 540
PPE	Lënga 2	0,300		110 kV	
PPE	Lënga 3	1,500		110 kV	
PPE	Shpella Poshte 2 HPP	2,300	Liria Energji company	110 kV	7 302
PPE	Germani 1 HPP	4,800	SA'GA-MAT company	110 kV	5 965
PPE	Germani 2 HPP	1,500		110 kV	
PPE	Lashkiza 1 HPP	4,076	Lashkiza HPP company	110 kV	2 920
PPE	Lashkiza 2 HPP	0,882		110 kV	
PPE	Seta 1+2 HPP	7,454	"Hydro Seta"company	110 kV	25 636
PPE	Seta 3 HPP	2,722		110 kV	
PPE	Seta 4 HPP	4,724		110 kV	
PPE	Darsi 1,2,3 HPP	2,240	Henz Energy company	110 kV	19 211
PPE	Egnatia HPP	5,100	REMI company	110 kV	7 218
PPE	Seka & Zais HPP	14,960	Seka Hydropower company	110 kV	30
		2 190			4 712 075

Figure 25 Production from the plants connected to the transmission network during 2020.

The installed capacity of the power plants connected to the distribution network is 306 MW. This installed capacity of power plants in the distribution network consists of 285 MW of the installed capacity at Hydro resources and 21 MW is the installed capacity in photovoltaic plants. The production realized by the hydropower plants connected to the distribution network during 2020 is in the amount of 568,693 MWh, while the production realized by the photovoltaic plants is in the amount of 32,265 MWh. Their production is presented in detail in the following table:

				Production during 2020 from the plant connected in the distribution network (MWh)													
	HPP-s and Capacity	MW	Entity	Conn	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nentor	Dhjetor	Progr 2020
PPE	"Lanabregas" HPP with 5 M W capacity	5,000	"Lanabregas" HPP	35	2 720	2 570	3 116	2 819	2 676	2 312	2 299	1 890	1 527	2 368	2 158	2 188	28 643
PPE	"Lenie" HPP 400 kW capacity	0,400	"IM IKEL 2003" company	10kV	264	260	260	265	263	231	181	119	89	247	148	168	2 494
PPE	"Corovode" HPP with 200 kW capacity	0,200		10kV	54	64	104	92	67	3	-	-	-	-	-	-	384
PPE	"Smokthine" HPP with 9,2 M W capacity	9,200	"Albania Green Energy" company	35 kV	3 913	2 793	3 612	3 057	2 467	1 869	1 205	1 156	785	1 830	1 316	2 313	26 316
PPE	"Bukjue" HPP with 0,6 M W capacity (Diber)	0,600		10kV	91	104	154	144	132	88	78	59	50	98	61	60	1 118
PPE	"Homesh" HPP with 0,395 M W capacity (Diber)	0,395		10kV	28	22	57	50	44	23	-	-	7	16	13	12	272
PPE	"Zerqan" HPP with 0,625 MW capacity (Diber)	0,625		6kV	54	53	79	104	107	85	80	61	55	73	66	65	881
PPE	"Arras" HPP with 4,8 M W capacity (Diber)	4,800		20kV	1 813	1 897	2 508	2 039	1 444	270	30	43	402	1 476	758	1 351	14 031
PPE	"Qyqost" HPP with 1,2 M W capacity (Kukes)	1,200		10kV	287	581	649	673	606	636	389	193	63	312	179	165	4 734
PPE	"Lekbibaj" HPP with 1,4 MW capacity (Tropoje)	1,400		10kV	544	569	862	621	871	731	227	142	137	468	579	315	6 068
PPE	"Dukagjin" HPP with 0,64 M W capacity (Shkoder)	0,640		10kV	144	132	147	159	175	203	240	220	194	226	218	164	2 223
PPE	"Marjan" HPP with 0,2 M W capacity (Korce)	0,200		10kV	-	-	-	-	0	0	0	0	0	0	0	0	0
PPE	"Lozhan" HPP with 0,1 M W capacity (Korce)	0,100		10kV	-	73	79	70	54	21	3	-	-	-	-	19	318
PPE	"Barmash" HPP with 0,83 MW capacity (Kolonje)	0,830		10kV	161	107	210	105	24	0	-	-	-	-	-	53	660
PPE	"Treske 2" HPP with 0,25 M W capacity (Korce)	0,250	"Balkan Green Energy" company	10kV	89	72	121	100	62	31	-	-	-	-	-	18	493
PPE	"Nikolice" HPP with 0,7 M W (Korce)	0,700		10kV	161	132	187	176	183	101	63	12	-	4	0	16	1 033
PPE	"Funarez" HPP with 1,92 MW capacity (Librazhd)	1,920		10kV	802	718	746	754	638	430	42	-	25	455	480	361	5 452
PPE	"Lanik" HPP with 0,2 M W capacity (Librazhd)	0,200		10kV	125	129	138	124	111	56	1	-	1	64	46	25	819
PPE	"Kerpice" HPP with 0,42 MW capacity (Gramsh)	0,420		6kV	88	75	97	84	87	73	65	61	49	62	57	48	848
PPE	"Ujanik" HPP with 0,63 M W capacity (Skrapar)	0,630		10kV	150	96	228	164	133	66	19	1	20	39	40	42	997
PPE	"Borsh" HPP with 0,25 M W capacity (Sarande)	0,250		6kV	140	105	109	82	85	65	47	42	35	38	39	46	833
PPE	"Leshnice" HPP with 0,38 MW capacity (Sarande)	0,380		10/6kv	102	58	79	52	35	20	8	-	-	9	3	49	413
PPE	"Vekan" HPP with 1,2 M W capacity (Korce)	1,200		10kV	261	288	543	550	143	135	93	72	31	238	105	178	2 636
PPE	"Mahuz" HPP with 0,25 M W capacity (Diber)	0,250		6kV	93	98	123	101	67	3	-	-	11	53	50	74	673
PPE	"Rajan" HPP with 1,02 M W capacity (Kolonje)	1,020		10kV	293	188	392	285	134	51	-	-	-	-	29	129	1 500
PPE	"Lure" HPP with 0,75 M W capacity (Diber)	0,750		10kV	146	-	-	-	-	-	-	-	-	-	1	-	147
PPE	"Gjanc " HPP with 2,96 MW capacity	2,960	"Spahiu Gjanc" company	35 kV	-	-	-	-	253	900	1 397	1 004	302	-	96	-	3 952
PPE	"Bogove" HPP with 2,5 MW capacity	2,500	"Wonder power" company	35 kV	400	515	1 218	754	570	87	-	-	-	266	-	224	4 034
PPE	"Xhyre" HPP with 570 kW capacity	0,570	"Amal" company	10kV	191	188	248	210	211	150	88	52	42	57	80	63	1 580
PPE	"Stranik" HPP with 4,6 M W capacity	4,600	"Hidroinvest 11" company	35kV	1 021	1 428	2 148	1 620	1 056	408	286	-	86	580	105	175	8 912
PPE	"Zall Tore" HPP with 3 M W capacity	3,000		35kV	914	1 194	1 760	1 379	924	514	405	105	87	571	195	314	8 362
PPE	"Klos" HPP with 1,95 MW capacity	1,950	"Maliqi-Energji" company	6kV	208	262	484	250	264	72	-	-	16	361	170	196	2 284
PPE	"Borje" HPP with 1.5 MW capacity	1,500	"HIDROALBANIA Energji" company	35kV	1 157	1 742	2 980	3 275	3 470	1 607	832	564	400	824	562	633	18 048
PPE	"Cernaleve" HPP with 2.95 MW capacity	2,950	"HIDROALBANIA Energji" company	35kV	361	713	1 205	1 286	1 304	561	275	149	122	271	158	182	6 586
PPE	"Cernaleve 1" HPP with 3.27 MW capacity	3,270	"HIDROALBANIA Energji" company	35kV	438	801	1 414	1 517	1 626	632	324	208	164	301	194	224	7 844
PPE	"Murdhar 1" with 2.68 M W capacity	2,680	"HydroEnergy " company	10kV	1 178	1 464	1 900	947	591	156	82	-	1	863	95	778	8 054
PPE	"Murdhar 2" HPP with 1 MW capacity	1,000		10kV	684	840	1 079	538	327	81	42	-	-	501	56	447	4 594
PPE	"Dishnice" HPP with 0,2 MW capacity	0,200	"Dishnica Energy" capacity	10kV	24	39	84	100	57	25	-	22	-	-	17	14	382
PPE	"Lubonje" HPP with 0.3 Mw capacity	0,300	"Elektro Lubonje"company	10kV	22	27	112	59	20	-	-	-	-	1	-	18	259
PPE	"Peshke" HPP with 3.43 MW capacity	3,430	"Koka & Ergi Energy Peshk" company	35kV	764	1 295	1 873	1 396	769	340	-	-	-	874	294	947	8 551
PPE	"Labinot Mal" HPP with 0.25 MW capacity	0,250	"Ansara Koncension" company	6kV	27	38	44	41	28	17	3	-	-	8	2	1	209
PPE	"Pobreg" HPP with 12,3 MW capacity	12,300	"Energy Plus" company	35kV	2 586	4 831	6 732	6 604	6 664	3 100	712	368	483	2 216	1 326	1 453	37 285
PPE	"Vlashe" HPP with 14,2 M W capacity	14,200	"Hec Vlashe" company	35kV	1 798	3 204	6 478	3 850	2 070	866	454	139	249	1 388	514	2 484	23 293
PPE	"Belesova 1" with 0.150 MW capacity	0,150	"Korkris 2009" company	6kV	10	23	42	14	-	12	-	-	-	15	-	-	116
PPE	"Faqekoq 1,2" with (3 M W ; 3,4 MW) capacity	6,400	"HP OSTROVICA " company	35kV	748	1 028	2 325	2 055	1 359	435	267	31	51	714	175	1 030	10 217
PPE	"Shemri" HPP with 1 MW capacity	1,000	"Irald Energjitik" company	10	95	285	466	352	300	67	-	-	55	268	3	139	2 030
PPE	"Mgulle" HPP with 0.28 MW capacity	0,280		10kV	83	204	249	266	204	48	-	-	42	179	10	115	1 398
PPE	"Kryezi 1" with 0.6 M W capacity	0,600	"Bekim Energjitik" company	10kV	157	447	472	229	248	-	-	-	127	364	-	414	2 457
PPE	"Selishte" HPP with 2 M W capacity	2,000	"Selishte" company	35kV	334	596	973	775	433	197	34	-	-	441	116	362	4 264
PPE	"Curshove" HPP with 1.5 MW capacity	1,500	"ERMA M.P" company	10kV	283	188	401	227	101	35	7	5	33	101	0	244	1 626
PPE	"Ura e Dashit" HPP with 1,2 M W capacity	1,200		10kV	666	629	1 525	1 101	439	78	82	34	52	149	16	832	5 600
PPE	"Giravesh" HPP with 0.5 MW capacity	0,500	"Doska Energy" company	10kV	209	256	293	262	275	227	59	-	34	245	239	223	2 322
PPE	"Koka 1" HPP with 3,2 M W capacity	3,200	"Snow Energy" company	35kV	235	438	880	968	326	42	151	125	5	190	88	243	3 689
PPE	"Stravaj" HPP with 3,6 MW capacity	3,600	"Stravaj Energji" company	35kV	937	1 163	1 792	1 310	954	341	253	35	94	648	282	388	8 198
PPE	"Picar 1" HPP with 0,2 M W capacity	0,200	"Peshku Picar 1" company	6kV	122	66	69	55	44	25	6	-	-	-	-	-	386
PPE	"Vertop" HPP with 1,52 MW capacity	1,520	"Hydro Salillari Energy "company	35 kV	226	283	637	374	203	184	-	-	-	-	116	101	2 124
PPE	"Martanesh" HPP with 10,5 MW capacity	10,500	"Albanian Power" company	35kV	1 001	1 853	2 511	2 377	1 060	397	42	12	-	1 040	340	1 302	11 935
PPE	"Verba 1,2" HPP with (2 MW , 3 MW) capacity	5,000	"Hydro power Plant Of Korca" company	35kV	529	348	879	1 390	1 768	546	226	133	146	649	200	225	7 041
PPE	"Fterra" HPP with 1,08 MW capacity	1,080	"Hidro Borshi" company	35kV	862	810	1 095	797	675	612	479	390	308	359	228	637	7 252
PPE	"Ostren i Vogel" HPP with 0,32 M W capacity	0,320	"Ia & Co Eco Energy" company	10kV	52	56	93	87	88	73	56	46	33	32	22	16	653
PPE	"Kozel" HPP with 0,5 M W capacity	0,500		10kV	90	77	137	139	117	16	-	-	-	-	-	48	624
PPE	"Helmes 1" HPP with 0,8 MW capacity	0,800	"E.T.H. " company	10kV	189	191	398	376	165	38	-	-	11	51	36	71	1 526
PPE	"Helmes 2" HPP with 0,5 , M W capacity	0,500		10kV	92	85	203	167	81	19	-	-	5	-	-	36	688
PPE	"Qafezeze" HPP with 0,4 MW capacity	0,400	"Caushi Energji" company	10kV	335	342	478	470	232	65	61	32	32	44	23	159	2 273
PPE	"Trebisht" HPP with 1,775 MW capacity	1,775	"SA.GLE.Kompani " company	10kV	179	484	865	623	398	-	-	-	-	-	0	50	2 607
PPE	"Mollaj" HPP with 0,6 MW capacity	0,600	"Energji Xhaci" company	10kV	40	66	57	64	-	-	-	43	-	-	-	-	270

PPE	"Tuçep" HPP with 0,4 MW capacity	0,400	"Tuçep" company	10kV	228	-	286	267	280	261	232	220	179	198	188	157	2 471
PPE	"Treska 4" HPP with 3,6 MW capacity	3,600		35kV	861	715	1 442	958	637	403	273	217	161	238	147	398	6 450
PPE	"Treska 3" with 0,3 MW capacity	0,300	"Hec-Treske" company	35kV	101	106	189	136	79	45	32	16	14	31	17	36	823
PPE	"Treska 21" HPP with 0,62 M W capacity	0,620		35kV	218	170	355	236	165	91	53	37	26	54	33	99	1 536
PPE	"Sotirel & 2" HPP with 2,2 M W capacity	2,200	"Hidro Energy Sotir "company	35kV	526	445	795	535	605	271	38	4	1	193	7	22	3 443
PPE	"Shutine" HPP with 2,4 MW capacity	2,400	"Shutina energji" company	10kV	176	408	438	218	229	24	-	-	91	522	92	401	2 600
PPE	"Cekrez 1,2" HPP with (0,23 M W ; 0,43 MW) capacity	0,660	"Zall Herr Energji 2011" company	6kV	374	376	387	366	369	357	353	331	328	363	361	342	4 306
PPE	"Qarr" HPP with 1 M W capacity	1,000	"Hec Qarr & Kaltan)" company	35kV	316	298	630	377	236	108	191	125	91	128	68	221	2 789
PPE	"Bsak" HPP with 1,3 MW capacity	1,300	"Bardhyjana" company	6kV	473	222	658	253	135	69	-	-	-	536	309	103	2 759
PPE	"Shales" HPP with 1,038 MW capacity	1,080	"Gjeka Konstruksion Energji"	35kV	9	-	-	-	-	-	-	-	-	-	-	-	9
PPE	"Strelce" HPP with 1,174 MW capacity	1,174	company	35kV	354	516	945	739	589	115	10	3	9	101	17	151	3 548
PPE	"Shpelle" HPP with 400 kW capacity	0,400	"Saroli" company	10kV	87	110	222	214	163	62	70	28	19	73	18	21	1 087
PPE	"Treska 1" HPP with 130 kW capacity	0,130	Star NRG company	10kV	-	-	-	-	-	-	-	-	-	-	-	-	-
PPE	"Hicaj" HPP with 3,1 M W capacity	3,100	"EN-KU" company	10kV	-	-	-	-	-	-	-	-	-	-	-	-	-
PPE	"Leskovik 1" HPP with 1072 kW capacity	1,072	"Maksi Hektrik" company	10kV	48	45	49	47	30	14	-	-	15	34	3	24	309
PPE	"Leskovik 2" HPP with 1100 kW capacity	1,100		10kV	62	58	64	60	44	27	-	-	9	44	5	7	381
PPE	"Orenje" HPP with 875 kW capacity	0,875	"Juana" company	10kV	205	157	227	148	98	46	13	-	-	5	18	33	950
PPE	"Tamarit" HPP with 750 kW capacity	0,750	"W IS Energji" company	10kV	-	-	-	-	-	-	-	-	-	-	-	-	-
PPE	"Bend" HPP with 1000 kW capacity	1,000	"Marjakaj" company	6kV	149	188	188	145	167	-	-	-	-	199	90	139	1 286
PPE	"Vithkuq" 1,2 HPP with 2,715 MW capacity	2,715	"Favina 1" company	35/10kV	915	844	1 656	1 377	754	280	157	86	99	211	69	691	7 138
PPE	"Selce" HPP with 1600 kW capacity	1,600	"Selca Energji" company	10kV	280	406	505	594	429	348	105	44	81	554	110	394	3 848
PPE	"Kumbull- Merkurth" HPP with 0,83 Mw capacity	0,830	"DN & NA T Energy" company	6kV	79	117	189	203	190	29	-	-	31	228	31	117	1 214
PPE	"Sasaj" HPP with 8,6 MW capacity	8,600	"Inergo - Sas" company	35kV	2 969	2 440	3 294	2 708	2 014	1 117	326	638	787	1 614	1 479	2 485	21 870
PPE	"Lervo" HPP with 10,6 M W capacity	10,600	"Hec i Lervolit" company	35kV	1 995	3 212	4 507	3 517	2 380	1 264	1 200	271	599	2 539	649	972	23 106
PPE	"Radovec" HPP with 2,5 MW capacity	2,500	"MTC Energy" company	10kV	815	558	960	618	365	227	140	153	195	413	150	628	5 220
PPE	"Gurshpat 1" HPP with 0,84 MW capacity;	0,840	"Gurshpat Energy" company	10kV	443	353	617	419	266	161	33	10	21	96	112	110	2 643
PPE	"Gurshpat 2" HPP with 0,83 MW capacity	0,830		10kV	494	463	520	481	279	169	35	13	37	212	155	161	3 019
PPE	"Bistrica 3" HPP with 1,57 MW capacity;	1,570	"Bistrica 3 Energy" company	6kv	624	780	794	731	653	607	580	502	479	607	542	383	7 282
PPE	"Hudhas 1" HPP with 1,71 M W capacity;	1,710	"Komp Energji" company	6kV	359	865	1 181	592	296	108	-	-	120	1 274	457	764	6 016
PPE	"Perrollaj" HPP with 0,5 M W capacity	0,500	"Fatlum" company	10kV	-	43	110	3	-	20	-	-	6	46	-	46	273
PPE	"Kosheraj" HPP with 0,62 M W capacity	0,620	"Kosherri Energji" company	10kv	114	178	211	149	101	75	36	27	31	126	67	101	1 217
PPE	"Kacni" HPP with 3,87 MW capacity	3,870	"Kasi-Bio-Energji" company	20kV	196	378	844	805	497	242	-	-	46	372	-	443	3 824
PPE	"Lena 1" HPP with 1,95 M W capacity;	1,950		35kv													
PPE	"Lena 2" HPP with 2,3 MW capacity	2,300	"Gama Energy" company	35kv	257	714	1 394	1 046	271	21	-	-	16	376	18	928	5 041
PPE	"Lena 2A" HPP with 0,25 M W capacity	0,250		35kv													
PPE	"Doza" HPP with 3,408 M W capacity	3,408	"Mesopotam Energy" company	35kv	361	236	454	245	172	116	72	22	-	66	32	170	1 945
PPE	Strelca 1,2,3 HPP with (1.504 MW , 0.325 M W , 3,52 MW) capacity	5,349	"Strelca Energy" company	35kv	734	814	1 752	2 042	1 991	623	440	257	274	1 085	345	481	10 839
PPE	"Ujanik 2" HPP with 2,5 M W capacity	2,500	"HP Ujanika Energy" company	35kv	495	573	1 025	605	427	94	-	0	8	274	0	248	3 748
PPE	"Nishove" HPP with 1,36 MW capacity	1,360	"Nishova Energy" company	35kv	119	95	342	169	91	55	-	-	-	11	24	27	932
PPE	"Shtika" HPP with 1,3 M W capacity	1,300	"Peparimi SK" company	10kv	24	80	478	270	47	-	-	-	-	4	-	63	966
PPE	"Ballenje" HPP with 1,9 MW capacity	1,900	"Ballenja Power Martanesh" company	35kv	149	293	678	395	187	62	6	-	-	168	53	390	2 381
PPE	Gavran 1 HPP	0,998	"Gavran Energy" company	35kv	213	247	450	336	224	61	42	-	-	151	20	57	1 800
PPE	Gavran 2 HPP	1,215	"Gavran Energy" company	35kV	150	156	362	284	215	88	81	-	-	116	-	-	1 452
PPE	Kasollet e Sekes 1 HPP	4,000	"Xhango Energji" company	35kV	573	859	1 432	1 145	1 145	573	286	-	286	286	286	286	7 159
PPE	Holta Kabash HPP	2,200	HEC Kabash Poncan company	35kV	657	1 399	1 950	1 800	1 103	563	494	-	196	972	279	447	9 860
PPE	Holta Porocan HPP	3,300		35kV													
PPE	Tusen 1 HPP	0,315	"Burobimes " company	35kV	41	52	107	52	31	12	10	6	-	32	20	34	397
PPE	Ura e Fanit HPP	1,000	"Ayen As Energji" company	35kV	509	469	506	467	502	467	492	436	324	442	400	329	5 341
PPE	Gjoloz HPP	1,747	"THI BLUE STAR" company	35kV	214	330	737	740	388	41	-	-	-	132	-	271	2 852
PPE	Kabash 1&2 HPP	5,800	"Univen Energji" company	35kV	210	630	630	105	420	-	-	-	105	630	-	630	3 360
PPE	"Tuçep 2" HPP	1,7	"DUKA T2" company	35kV	143	223	-	160	400	309	256	227	210	226	181	172	2 506
PPE	Dobrenje Tomorrice HPP	2,4	DAAB Energy Group company	35kV	287	305	560	396	315	242	150	123	161	242	203	242	3 224
PPE	Radoll HPP	0,765	Hidro Vinon company (not licensed	35kV	80	90	235	295	173	42	42	81	27	116	24	117	1 322
PPE	Dragostunje HPP	3,1	"HEC-i Dragostunje" company	35kV	771	1 338	2 653	1 847	1 197	-	-	-	53	413	192	375	8 838
PPE	Stebleve HPP	3,4	"PURE ENERGY STEBLEVA" company	35kV	158	309	517	392	320	4	-	-	8	157	22	31	1 918
PPE	Zerec 1 HPP	0,33	"InRel Hydro" company	35kV	288	543	885	836	402	143	80	45	49	164	63	324	3 821
PPE	Zerec 2 HPP	1,313															
PPE	Shengjon 1 HPP	0,651	"HDIANI" company	35kV	150	178	309	187	195	50	-	11	-	295	128	131	1 636
PPE	Shengjon 2 HPP	0,376															
PPE	Blaç HPP	1,3	"BLAC ENERGY" company	35kV	36	33	65	213	266	46	16	-	35	181	29	37	956
PPE	Qurrishtë HPP	0,3	"BDL2005" company	35kV	98	136	197	178	207	81	-	-	-	135	25	79	1 085
PPE	Vendisht HPP	0,436	"HP VENDRESH ENERGY" company	35kV	4	31	109	25	-	-	-	-	-	-	-	19	188
PPE	"Antena" HPP	1,185	"DERBI-2" company	35kV	166	260	407	172	68	6	-	-	10	317	2	217	1 625
PPE	"Kamenicë" HPP	0,973	HP Kamenica company	10	174	230	428	495	216	72	63	49	27	54	26	107	1 941
PPE	"Qyteze" HPP	0,9	Muso hec Qyteze	10	121	148	283	329	202	85	47	35	26	35	20	48	1 379
PPE	Marjan Gura e Vesheve HPP	0,63	Martunda company	10	144	59	155	141	181	78	24	14	7	19	23	25	869
PPE	Skatinë HPP	2,677	Skatina Hec company	10	164	408	686	232	254	26	22	14	46	342	78	332	2 604
PPE	Kapaqel HPP	0,2	AHV Konstruksion company	10	60	52	79	66	54	43	25	28	27	29	23	41	526

	Plant	MW	Entity	Connection	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Progr.2020
PPE	Letaj HPP	0,54	Asi-Tre company	10	70	95	154	86	60	41	14	12	21	69	38	61	720
PPE	Nice HPP	2,133	MP-HEC company	35	72	152	385	330	263	41	9	-	8	51	32	52	1 395
PPE	Meshudhe HPP	1,8	SIMA-Com company	10	299	639	779	354	431	71	-	-	228	863	207	479	4 347
PPE	Thanez HPP	1,95	AFRIMIK company	35	298	877	961	676	656	212	-	5	208	919	105	655	5 570
PPE	OSOJE HPP	1,9	OSOJA HPP company	35	126	762	1 426	1 421	545	326	307	327	69	182	203	545	6 239
PPE	Voskopoje HPP	1,9	FAVINA 1 company	35	-	312	1 078	730	329	191	230	98	62	134	93	398	3 656
PPE	Nderfushas HPP	1,34	SGD Energji company	35	-	68	346	201	93	27	3	-	-	98	25	228	1 090
PPE	Rreshen HPP	0,38	Nikolli Energy company	10	112	45	69	48	39	19	13	-	54	76	54	91	619
PPE	Gurra HPP	0,5	Ulza Ndertim company	6	-	-	-	-	-	167	68	53	37	77	85	85	567
PPE	Vile HPP	1,994	Hydro Power Panariti company	35	-	-	-	-	59	106	57	48	33	97	45	280	724
PPE	Dukona HPP	0,800	Dukona company	20	-	-	-	-	17	7	4	1	-	10	4	26	68
PPE	Prevalli HPP	1,750	Gega-G company	35	-	-	-	-	-	-	-	2	16	385	123	476	1 003
PPE	Camerice HPP	0,800	Rei Energy company	35	-	-	-	-	-	-	-	-	-	43	14	329	385
PPE	Stror HPP	2,000	Era Hydrocompany	35	-	-	-	-	-	-	-	-	-	350	116	263	729
PPE	Mivas HPP	1,940	Elva 2001 company	35	-	-	-	-	-	-	-	-	-	-	1	97	98
PPE	Spathare HPP	1,038	Lucente concensionare company	10	-	-	-	-	-	-	-	-	-	0	11	25	36
PPE	Miraka HPP	0,600	Kuarci Blace company	10	-	-	-	-	-	-	-	-	-	-	-	17	17
PPE	Shegjun HPP	2,000	Irarba Energji company	10	-	-	-	-	-	-	-	-	-	-	-	101	101
PPE	Dobrunje HPP	0,840	W.T.S. Energji company	10	-	-	-	-	-	-	-	-	-	-	-	27	27
		285			53 763	68 375	105 522	87 380	66 488	32 428	18 922	12 182	12 565	44 479	20 745	42 977	568 825
					2 720	2 570	3 116	2 819	2 676	2 312	2 299	1 890	1 527	2 368	2 158	2 188	28 643
					51 043	65 805	105 406	84 561	63 812	30 116	16 623	10 292	11 038	42 111	18 587	40 789	540 182

Production during 2020 from the photovoltaic plants connected in the Distribution network (MWh)

	Photovoltaic plant	MW	Entity	Connection	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Progr.2020
PPE	UKKO (not set in the system)	1	"UKKO"sha (Ujsjell.Kanal.Korce)														
PPE	Seman – 2	2	"SEMAN2SUN" company	35 kV	212	274	334	387	415	483	510	469	358	289	246	142	4 119
PPE	Topojë	2	"SONNE" company	35 kV	214	273	332	388	413	477	504	464	356	287	245	142	4 095
PPE	Topojë 2	2	"AED SOLAR" company	35 kV	217	273	330	387	413	475	503	463	354	287	244	141	4 088
PPE	Topojë (Sheq Marinas)	2	"AGE SUNPOWER" company	35 kV	221	274	331	388	414	475	506	464	353	287	244	140	4 100
PPE	Topojë (Sheq Marinas) 2	2	"SEMAN SUNPOWER" company	35 kV	218	278	334	391	418	481	494	469	357	290	251	144	4 124
PPE	Seman Isolar	2	" SEMANISOLAR " company	35 kV	250	283	323	381	396	455	479	452	354	294	260	151	4 079
PPE	ES 2019 company	2	ES 2019 company	36 kV	-	-	-	-	-	-	-	-	-	-	78	165	244
PPE	SMART WATT company	2	SMART WATT company	37 kV	-	-	-	-	-	-	-	-	-	-	78	165	243
PPE	Tren Bilisht	2	" RTS " company	35 kV	-	-	317	297	393	363	416	408	350	309	252	122	3 228
PPE	Plug. Lushnje	2	"AEE" company	10 kv	177	224	289	361	390	458	520	470	368	288	212	190	3 946
	Monthly Total				1 510	1 881	2 591	2 980	3 252	3 668	3 931	3 658	2 850	2 331	2 110	1 503	32 265
	Installed capacity for the producers	21	MW														

Legend	
Pub. Pr	Public Producer (Charged with Public service obligation)
Ind.Pr	Independent producer (Producers in the open market)
PPE	Priority producers (benefiting from the Supporting Schemes)

Figure 26 Production from the plants connected in the distribution network during 2020

1.3 ELECTRICITY TRANSMISSION

Electricity transmission in Albania is performed through the high voltage network 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 Electricity balance

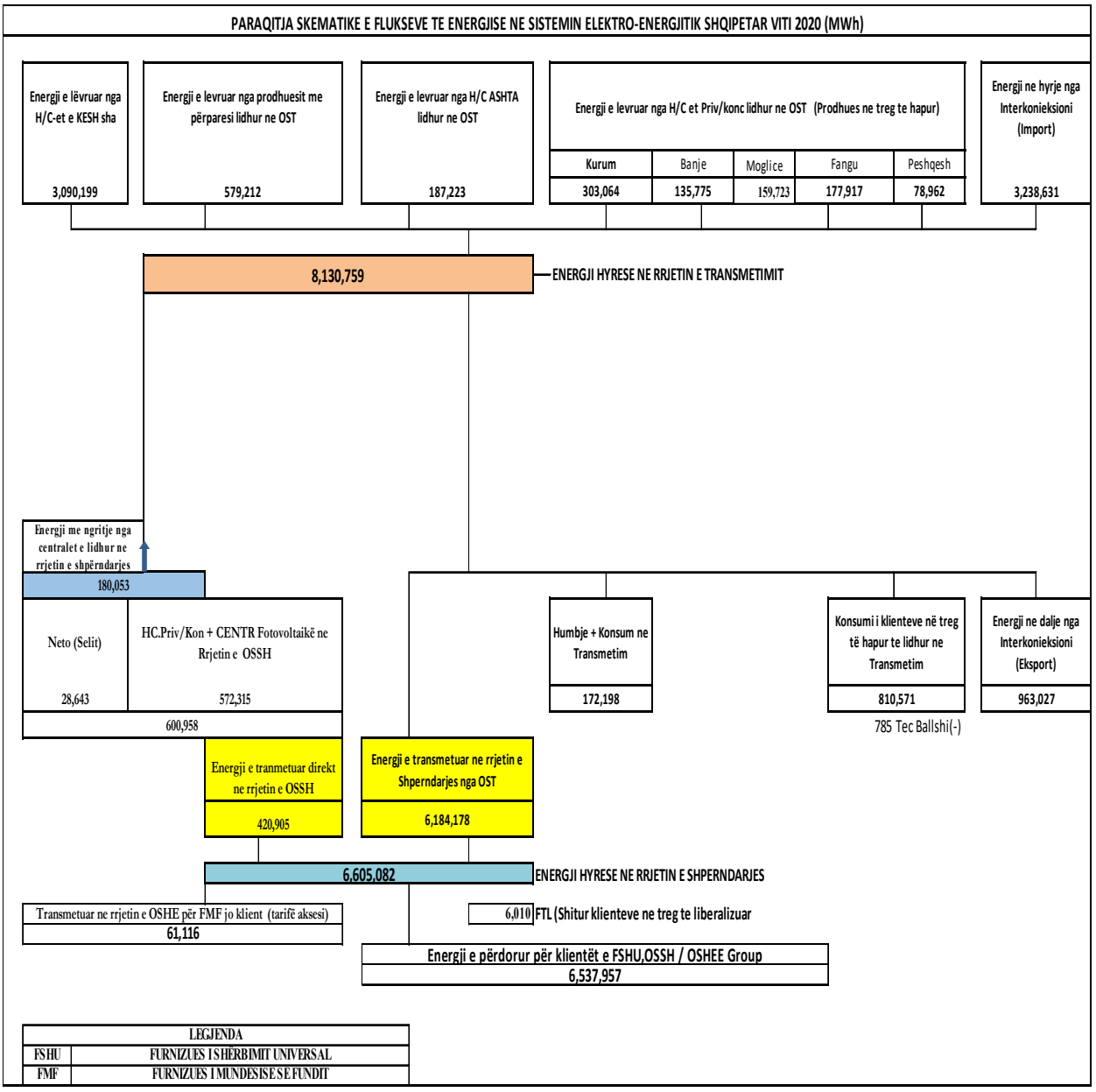
The following table presents the electricity balance of TSO company for 2020 as well as the comparison with 2015 – 2019 period.

No.	Power Balance of TSO company (GWh)	2015	2016	2017	2018	2019	2020
I	**TOTAL ENERGY IN THE TRANSMISSION SYSTEM**	7,830	8,462	7,577	9,848	7,943	81,130
1.	**- Domestic production**	5,475	6,636	4,174	8,076	4,766	4,712
2.	**- Obtained energy**	2,355	1,827	3,403	1,772	3,177	3,238
	Increased energy in the transmission network from the producers connected in distribution	98,049	162,833	122,687	269,530	229,380	180,053
II	**TOTAL TRANSMITTED ENERGY**	7,672	8,272	7,419	9,606	7,775	7,958
1.	**- Given energy**	956	1,869	488	2,685	770	963,027
2.	**- Energy transmitted for OSHEE company**	6,106	5,901	6,148	5,963	6,137	6,184

3.	**- Energy transmitted for customers connected in the transmission network**	610	503	781	957	867	810,571
III	**LOSSES IN THE TRANSMISSION NETWORK +Personal Needs**	159	190	158	242	169	172,198
	LOSSES IN THE TRANSMISSION SYSTEM + Personal Needs (%)	2.03	2.25	2.08	2.46	2.12	2.12

Figure 27 Power balance of the TSO for 2020 compared to 2015-2019 period (MWh).

The level of Losses in the transmission system for 2020 is 172,198 MWh or 2.12% of the transmitted electricity. The level of losses in the Transmission System is related to the amount of electricity transmitted as well as the level of production of HPPs connected to the Transmission System.



Burimi: OST sha; KESH sha; OSSH sha; FSHU sha; FTL sha; (OSHEE Group sha)

Figure 28 Submission of the schematic electricity flows in the Albanian power system for 2020.

The schematic representation of electricity flows in the Albanian power system is given in detali in the figure above. The total amount of electricity injected in the transmission system for 2020 is 8,131GWh. The total amount of electricity injected into the distribution system is 6,605 GWh. Electricity in the distribution system is injected by the transmission system and by the generation plants connected to the distribution network. The transmission system injects in the distribution network the amount of 6,184 GWh, while the generation plants connected to the distribution network inject in this network the net amount of electricity of about 421 GWh. A part of the amount of electricity generated in the plants connected to the distribution network is injected into the network through the transmission system. This phenomenon occurs due to the network configuration and the inability of the those customers in the areas where the plants are connected to consume the generated electricity. Another element that affects this phenomenon is the fact that the hydro generating units connected to the distribution network are without water collection bases and in periods of high rainfall they generate with maximum capacity.

1.3.2 TSO activity

The Transmission System Operator is a legal entity licensed to perform the activity of electricity transmission, which owns the transmission system and respects the principle of independence, defined in 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 carries out its activity separate from other activities in the Power sector, such as generation, distribution, trade and supply of electricity, in accordance with the principles and requirements set out in law.

TSO company currently performs the functions of Transmission Network Operator, Market Operator and Dispatch System Operator.

TSO company guarantees the necessary transmitting capacities for:

- Uninterrupted electricity supply of electricity distribution system substations, as well as electricity customers connected directly in the transmission network,
- Electricity transmission produced from domestic resources,
- Necessary transit and exchange with the countries of the region.

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 sources 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, taking into account the implementation of all ancillary services related to the stability of the system and exchanges with other neighboring systems.

1.3.2.1 Assets and the Development of the Transmission System

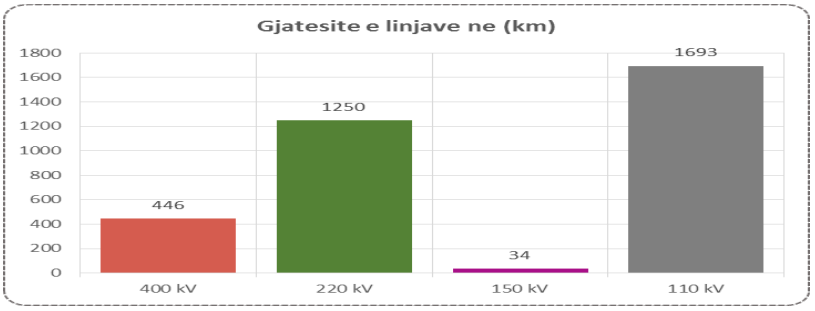
The Electricity Transmission System in Albania includes 400 kV, 220 kV, 150 kV, and 110 kV voltage lines and the connecting substations between them that serve for electricity transmision and interconnection.

Lengths of the transmission system lines (including the investments made by private investors), according to the voltage level are:

- Transmission lines 400 kV 445.7 km
- Transmission lines 220 kV 1,250 km
- Transmission lines 150 kV 34.4 km
- Transmission lines 110 kV 1,693 km

The above lines are part of the Transmission system and interconnection lines with neighboring countries such as:

- Interconnection line 400 kV Zemblak (Albania) – Kardia (Greece)
- Interconnection line 400 kV Tirana (Albania) – Podgoricë (Montenegro)
- Interconnection line 400 kV Tirana (Albania) – Prishtinë (Kosovo)
- Interconnection line 220 kV Fierzë (Albania) – Prizren (Kosovo)
- Interconnection line 220 kV Koplik (Albania) – Podgoricë (Montenegro)
- Interconnection line 150 kV Bistricë (Albania) – Myrtos (Greece).



Length of the lines

The 400 kV interconnection line Tirana (Albania) - Prishtina (Kosovo) was put into operation on December 14, 2020.

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

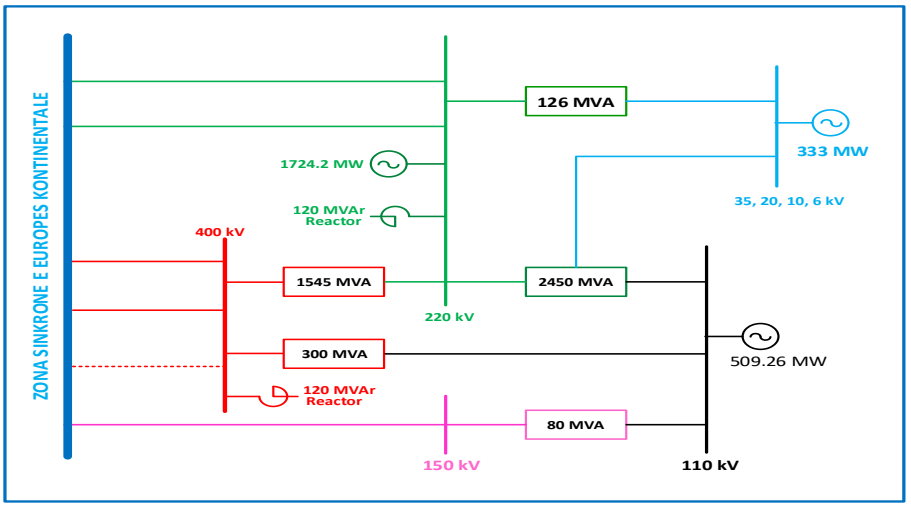


Figure 29 Structure of the Transmission System in Albania.

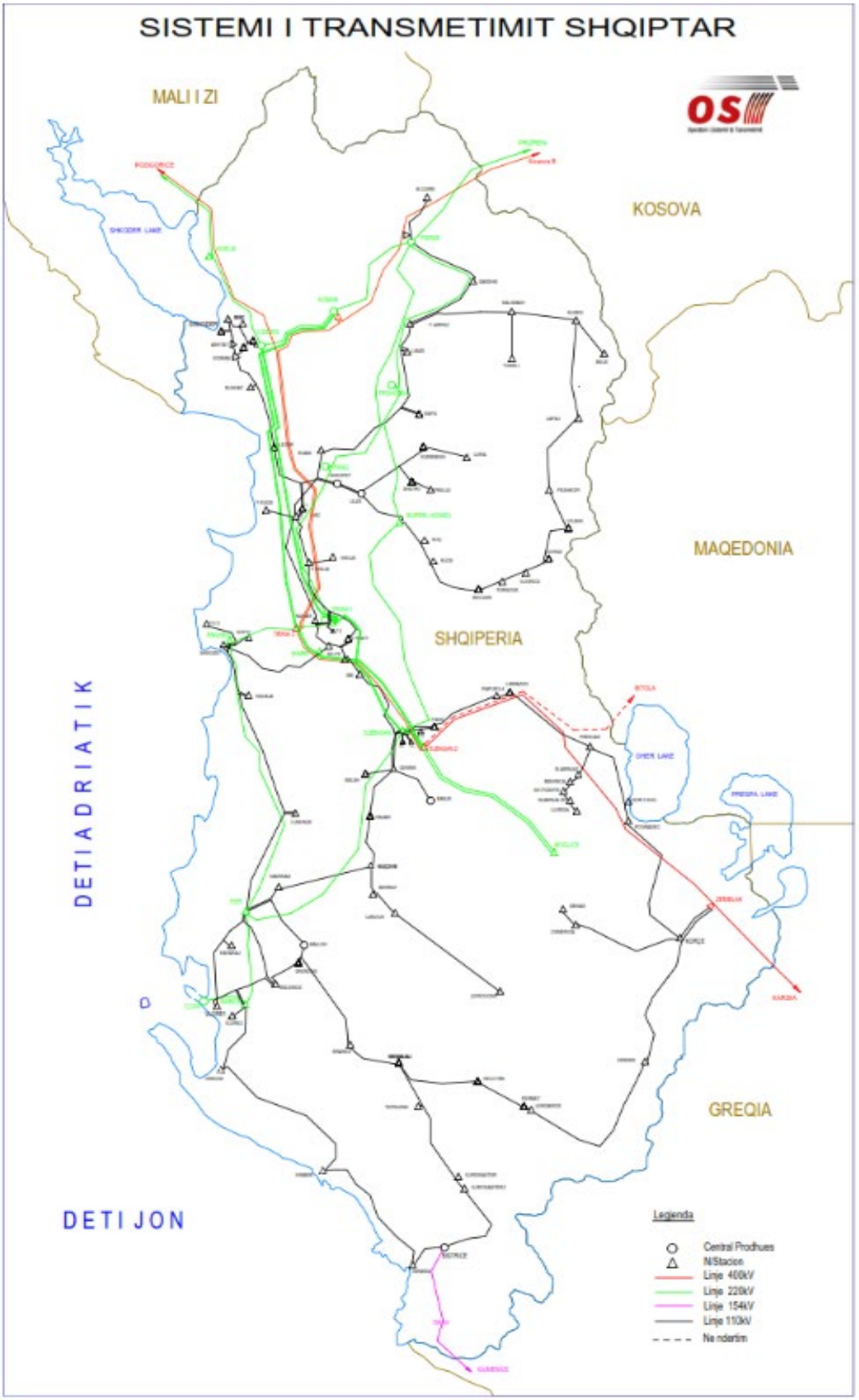


Figure 30 Scheme of the Transmission System in Albania

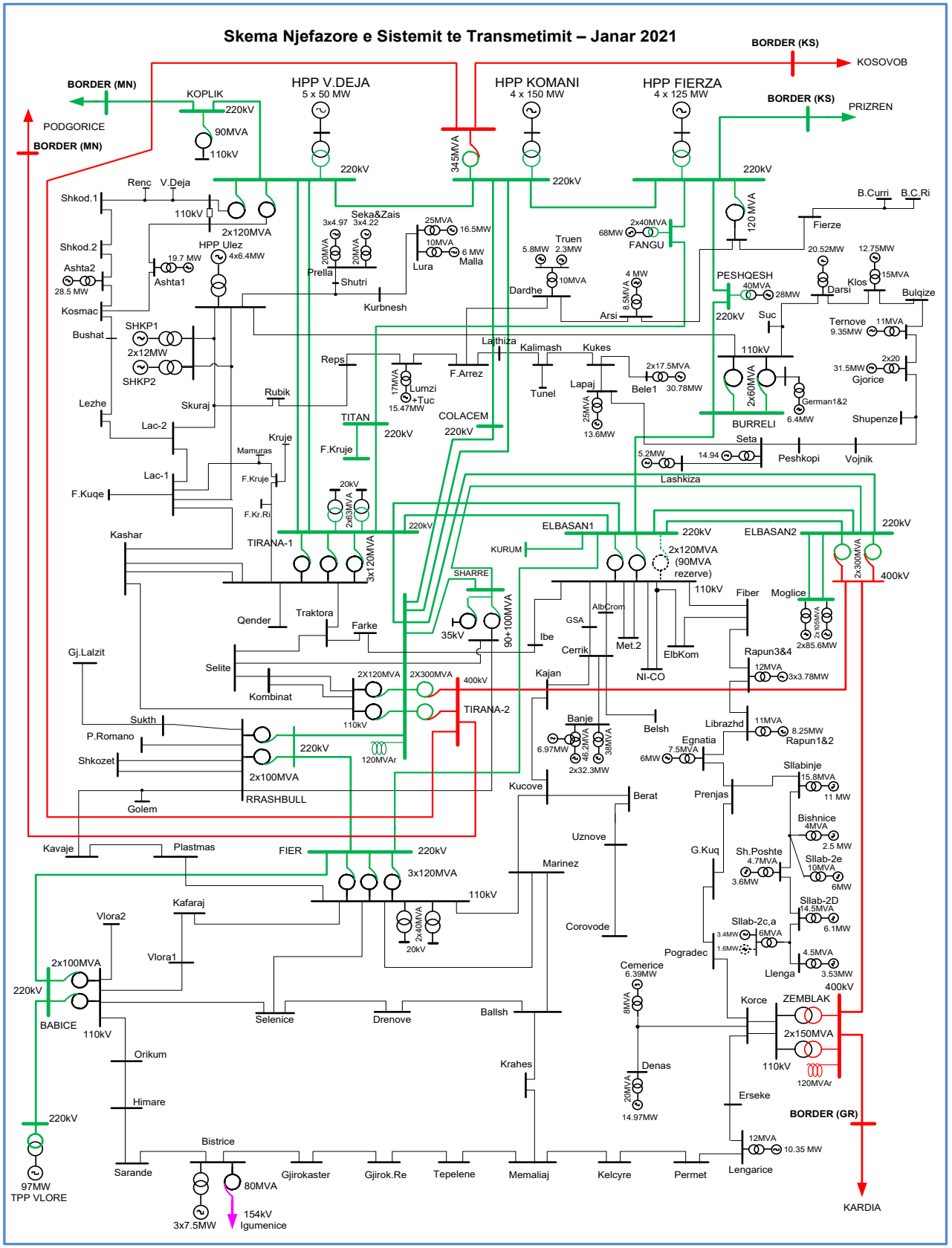


Figure 31 Unipolar Scheme of the Albanian Power System in 400 kV, 220kV, 150 kV and 110 kV level .

The table below presents the list of Transmission System Substations:

No.	Type of the Substation		Installed Capacity	Operational Unit
1		Substation 400/220 kV,Koman	345 MVA	Shkoder
2		Substation 400/220/110 kV, Tirana 2	840 MVA	Tirane
3	**400 kV**	Substation 400/220 kV, Elbasan 2	600 MVA	Elbasan
4		Substation 400/110 kV, Zemblak	300 MVA	Korce
5		Substation 220/110 kV, V. Dejes	240 MVA	Shkoder
6		Substation 220/110 kV, Fierze	120 MVA	Shkoder
7		Substation 220/110 kV, Koplik	90 MVA	Shkoder
8		Substation 220/110 kV, Burrel	120 MVA	Shkoder
9	**220 kV**	Substation 220/110/20 kV, Tirana 1	486 MVA	Tirane
10		Substation 220/110 kV, Sharre	190 MVA	Tirane
11		Substation 220/110 kV, Rrashbull	200 MVA	Tirane
12		Substation 220/110 kV, Elbasan 1	330 MVA	Elbasan
13		Substation 220/110 kV, Fier	360 MVA	Fier
14		Substation 220/110 kV, Babice	200 MVA	Fier
15	**110 kV**	Substation 110/150 kV, Bistrica 1	80 MVA	Fier

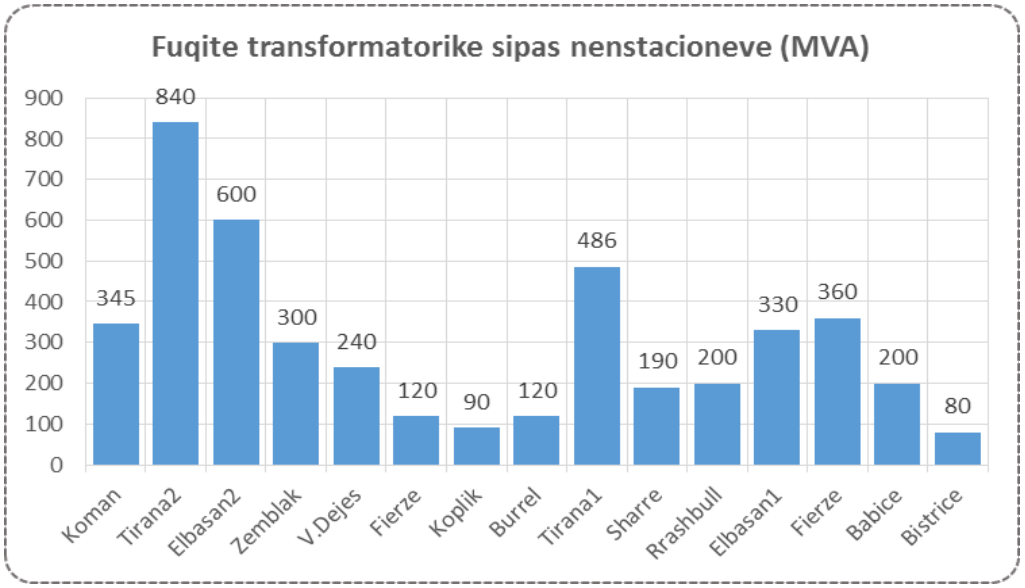


Figure 32 Main assets of the Transmission System

1.3.2.2 Investments in the Transmission System by TSO during 2020.

The investment plan for 2020 and the updating of the 10 (ten) year network development plan of TSO company, it still results in the review process in ERE due to continuous correspondence with the company and the need to complete the documentation and information from the company. However, according to operational reports from TSO company the investments made for 2020 are presented in the following tables.

Realizimi i Investiomeve me fondet e OST sh.a., per periudhen Janar -Dhjetor 2020

Viti	Nr.	Pershkrimi	Vlera Kontrates	Vlera realizuar deri 2019	Realizimi 2020		Vlera e Mbetur e Kontrates
					Vlera Realizuar	Realizimi Kontr. %	
2020	1	Blerje materialesh dhe vegla pune te sigurimit teknik si dhe pajisjet (laborator) per testimin e mjeteve te sigurimit teknik	28,990,460		28,990,460	100%	0
	2	Instalimi i trosit OPGW në linjën 154 Kv Bistricë-Kufi	30,735,775		30,735,775	100%	0
	3	Nderhyrje per rastet emergjente	36,950,000		36,950,000	100%	0
	4	Blerje e moduleve shtese per softin ODMS dhe sherbim mirembajtje per nje periudhe 3 vjecare	30,593,800		30,593,800	100%	0
	5	Blerje materiale per Nenstacionet	97,393,771		97,393,771	100%	0
	6	Ndërtimi I linjës me dy qarqe 110 kV Fibër-Librazhd dhe traktet e linjave përkatëse në N/st Fibër e Librazhd	386,942,700		77,388,540	20%	309,554,160
	7	Punime civile per rikonstruksionin e traktit , Nenstacioni 110 kV Kuçove	5,938,478		5,938,478	100%	0
	8	Zgjerimi I sistemit te lokalizi mitt e defekteve ne linjat e Tensionit te Larte	99,730,002		98,650,001	99%	1,080,001
	9	Përmirësimi I rrugëve të komunikimit sistem lokal-rele(mbrojtje,kontrolli)	4,720,000		4,720,000	100%	0
	10	Zgjerimi I monitorimit në Qendrën e Emergjente me N/st 110 Kv të rehabilituara dhe komandimi I tyre nga NDC	23,942,300		23,942,300	100%	0
	11	Perditesimi I moduleve, topologjise dhe analizave per aplikacionet e rrjetit EMS	17,800,000		17,800,000	100%	0
	12	Ndërtimi I linjës së re me dy qarqe 110 kV Burrel - Bulqizë dhe rehabilitimi i n/st 110 kV Burrel e Bulqizë	655,700,000		131,140,000	20%	524,560,000
	13	Blerje e licensave per software-in e menaxhimit te llogjikes se PLC ne RTU e implementuara ne HTC-ve dhe analizatorit te protokollit	4,788,100		4,788,100	100%	0
	14	Punimet civile për riparime dhe rikonstruksionin e nënstacioneve Rrashbull dhe Zemblak	10,420,500		10,420,500	100%	0
	15	Mbikqyrje e punimeve me object: Punime civile per riparime dhe rikonstruksion te objekteve te nenstacioneve Rrashbull dhe Zemblak	91,204		91,204	100%	0
	16	Mbikqyrja e punimeve me object : Punime civile per rikonstruksionin e traktit 110 Kv te linjes Fier Kuçove	54,621		54,621	100%	0
	17	Ndërtimi I linjës së re 110 kV me një qark Cerrik-Kajan_Kuçovë-Jagodinë	570,250,000		114,050,000	20%	456,200,000
	18	Blerje pajisje elektrike për riparimin e defektit për të normalizuar funk. sistemit mbrojtës kundër zjarrit te Tr2.. & monitorimit online BMT TR1	2,390,000		2,390,000	100%	0
	19	Punime per perfundimin e linjes kabllore 110 kV Tirana-Selite dhe lidhja me nenstacionin 110/20 kV Kombinat	36,779,640		23,613,213	64%	13,166,427
	20	Permiresimi i infrastruktures se rrjetit dhe rritja e sigurise brenda infrastruktures TI	20,785,500		20,485,500	99%	300,000
	21	Rikonstruksioni i linjave 110 kV Laç2-Ura e Matit dhe Skuraj Ura e Matit	2,100,000		1,092,000	52%	1,008,000
	22	Blerje e një licence USB për programin kompjuterik PSSE për analizën e rrjetit	4,147,500		4,147,500	100%	0
	23	Mbikqyrja e punimeve per kontraten : Rehabilitimi I anës 110 kV te nenstacionit Prrenjas	1,250,000		1,250,000	100%	0
	24	Mbikqyrja e punimeve per kontraten : Rehabilitimi I anës 110 kV Fushe Arrez-Puke	1,620,000		1,620,000	100%	0
	25	Spostim I linjes ajrore 220 kV dopjo qark Tirana 2 - Elbasan 2	27,830,459		5,566,092	20%	22,264,367
	26	Instalimi I trosit OPGW ne linjen 154 kV Bistrice1-Kufi	270,088		270,088	100%	0
	27	Implementimi I nje sistemi Backup dhe Disaster Recovery	9,370,000		9,370,000	100%	0
	28	Ndertimi I linjes 220 Kv ME DY QARQE Komsi-Shumat	6,303,477		2,750,000	44%	3,553,477
	29	Mbikqyrje punimesh :Ndertimi I linjes Sallmone-Gjiri Lalzit&trakti I linjave 110 kV Sallmone	2,000,000		2,000,000	100%	0
	30	Furnizimi, instalimi dhe konfiguyrimi I 2 sistemeve online te izolatoreve dhe shkarkimeve pjesore TR e fuqise AT1 dhe AT2 ne n/st 220/110/10 kV Burrel	34,160,000		32,360,000	95%	1,800,000
	31	Mbikqyrje per objektin e kontrates: Nderhyrje per raste emergjente	323,398		323,398	100%	0
	TOT Kontrata te investimeve të vitit 2020		**2,154,371,773**	**0**	**820,885,341**	**38%**	**1,333,486,432**

Realizimi i Investimeve me fondet e huaja, per periudhen Janar -Dhjetor 2020

Nr.	Pershkrimi	Vlera Kontrates		Vlera realizuar deri 2019		Realizimi 2020			Vlera Mbetur Kontrates	
		EUR	ALL	EUR	ALL	EUR	ALL	Realizimi Kontr. %	EUR	ALL
1	***Projekti "Eficenca Energjitike"***	***40,141,726***	***4,888,058,019***	***1,286,051***	***164,706,381***	***2,268,463***	***280,766,858***	***9%***	***36,765,886***	***4,464,665,119***
	Kontraktor	37,683,111	4,588,672,470	0	0	1,729,000	214,027,155	5%	35,954,111	4,374,645,315
	Konsulence	2,458,615	299,385,549	1,286,051	164,706,381	360,789	44,659,364	67%	811,775	90,019,803
	Interesa&Komisione angazhimi dhe Kosto Lokale					178,673	22,080,338			
2	***Projekti "Linja 400kV Shqiperi-Maqedoni"***	***1,857,350***	***226,169,510***	***576,907***	***71,222,841***	***125,000***	***15,449,375***	***38%***	***1,280,444***	***154,946,669***
	Kontraktor								0	0
	Konsulence	1,857,350	226,169,510	576,907	71,222,841			31%	1,280,444	154,946,669
	Interesa&Komisione angazhimi dhe Kosto Lokale		0			125,000	15,449,375			
3	***Instalim Matjes/Qendra e te dhenave***	***13,543,045***	***1,649,136,554***	***10,065,222***	***1,256,928,954***	***2,184,234***	***304,315,580***	***90%***	***1,293,588***	***121,955,115***
	Kontraktor	13,543,045	1,649,136,554	10,065,222	1,256,928,954	2,184,234	270,252,485	90%	1,293,588	121,955,115
	Konsulence		0						0	0
	Interesa&Komisione angazhimi dhe Kosto Lokale						34,063,095		0	
TOT		**55,542,121**	**6,763,364,082**	**11,928,179**	**1,492,858,175**	**4,577,697**	**600,531,813**	**30%**	**39,339,918**	**4,741,566,902**

Figure 33 Situation of the investments in the tramsmission system from TSO during 2020.

1.3.3 General Condition of the Power System referring to the reporting of TSO company pursuant to article 25, point 2 of Law no. 43/2015 "On Power Sector", as amended.

In accordance with the legal and regulatory framework in force TSO company has the responsibility to operate, maintain and develop the transmission system network based on the requirements and principles of operational safety by guaranteeing the operation of the Transmission System at a high level of coordination, reliability, quality and stability.

a) Operational network security

Network operational security is the ability of the transmission system to remain in a normal state and / or the ability to return to a normal state as soon as possible.

According to the Transmission Code, TSO company determines safe operating limits for each element of the transmission network, both in terms of generation and demand, as well as for each interconnector in coordination with the respective TSO, for the determination of safe operating limits, including:

- current limits in accordance with thermal limit
- permissible transient overload and voltage ranges.
- safe operation and development of the Transmission System network, in accordance with the developments in the Albanian and Regional Energy Market
- bilateral agreements,
- the synchronous area operational agreement and Albania 's commitments in the region.

TSO company is also responsible for every process of network planning, operational planning and scheduling, real-time operation, allocation and planning of reserves and ancillary services as well as for the measures taken for the protection and restoration of the system. These principles of operational security are essential to manage the responsibilities of TSO company for the proper functioning of the Interconnection System, with a high level of coordination, reliability, quality and consistency.

Also, according to the statements of TSO company , the investments made in the transmission network have given results in increasing the security of the system

The transmission system operator in order to fulfill the obligations, regarding the operational security of the network, has supported this activity in the provisions of the Transmission Code, which is in accordance with the ENTSO Code and the legislation in force for this purpose.

Among the key components that assist the operational security of the network,it is the provision of an overview and the ability to operate in real time regarding the situation of the power system.

In order to efficiently manage the Power System and prepare remedial actions, in order to keep the system in normal condition or return to normal as soon as possible in case of breakdowns or incidents, TSO company implemented and has in operation the SCADA / EMS platform, which has integrated a series of applications that are in constant use by the Transmission System Operator, to guarantee the most efficient operation of the power system in accordance with the provisions of the Transmission Code and ENTSO-E standards.

Another element, which serves the operational security of the network as well as SCADA systems and power metering system as well as monitoring the main technical parameters at a distance, is the interconnection and telecommunication network dedicated to the exclusive use of the transmission network operation, this main telecommunication network used in the activity of TSO company is based on the Fiber Optic infrastructure with OPGW installed in high voltage lines at voltage levels: 400kV; 220kV; 110kV.

TSO company also guarantees the maintenance of proper parameters of voltage, load frequency of the system and reactive power by keeping the system within the parameters of operational safety.

In order to protect the assets of the transmission system from damage, TSO company has installed the necessary protection equipment and backup protection equipment, coordinating with the protection of equipment of important network users. Every five years, TSO company reviews and analyzes defense concepts and strategy. TSO operates its transmission system protection with set-point tariffs that ensure reliability, speed and selectivity of breakdown cleaning, including backup protection for cleaning of the breakdown in case of malfunction of the main protection system. The functionality and status of the system is monitored, communicated and coordinated between neighboring TSOs and other parties affected by the protection system.

During 2020, no events or violations of operational safety limits were recorded in the electricity transmission system, the transmission system operated stably in normal operating conditions.

b) 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 (Electricity Private Producers) and the non technical losses reduction in the distribution network, it is accepted that the expected increase of the electricity volume transmitted by the TSO, shall be at 1% level and over that basis, using the loading profile on hourly basis 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 2020-2025 is made, as provided in the following tables:

Nr	Emertimi	Njesia e matjes	1	2	3	4	5	6	7	8	9	10	11	12	Viti 2021
I.	**Energjia Totale qe hyn ne sistemin e OST**	**GWh**	930	820	803	686	736	709	705	754	697	732	764	908	9,245
a)	Prodhim vendas	"	592	520	573	466	476	459	385	394	422	422	414	528	5,652
b)	Energji ne marrje	"	338	300	230	220	260	250	320	360	275	310	350	380	3,593
II.	**Energjia totale e transmetuar**	**GWh**	911	803	786	672	722	695	691	740	684	718	748	890	9,061
a)	Energji elektrike e dhene	"	190	198	193	184	223	178	97	137	131	124	134	156	1,945
b)	Energji elektrike per OSHEE sh.a.	"	661	550	533	433	439	449	519	528	465	489	499	614	6,180
c)	Energji elektrike per konsumatoret e kualifikuar	"	60	55	60	55	60	68	75	75	88	105	115	120	936
III.	**Humbjet ne rrjetin e transmetimit**	**GWh**													
a)	Humbjet ne GWh	"	19	17	17	14	14	14	14	14	13	14	16	18	184
b)	Humbjet ne %	%	2.04%	2.07%	2.12%	2.04%	1.90%	1.97%	1.99%	1.86%	1.86%	1.91%	2.09%	1.98%	1.99%

Nr	Emertimi	Njesia e matjes	1	2	3	4	5	6	7	8	9	10	11	12	Viti 2022
I.	**Energjia Totale qe hyn ne sistemin e OST**	**GWh**	868	760	838	780	790	700	680	690	605	760	865	1015	9,351
a)	Prodhim vendas	"	530	460	620	560	530	450	360	340	330	470	515	635	5,800
b)	Energji ne marrje	"	338	300	218	220	260	250	320	350	275	290	350	380	3,551
II.	**Energjia totale e transmetuar**	**GWh**	850	745	823	764	773	684	663	672	591	745	849	997	9,156
a)	Energji elektrike e dhene	"	122	134	224	271	272	165	64	62	32	145	228	255	1,976
b)	Energji elektrike per OSHEE sh.a.	"	667	555	539	437	440	450	524	534	470	494	504	620	6,235
c)	Energji elektrike per konsumatoret e kualifikuar	"	61	56	61	56	61	69	76	76	89	106	116	121	945
III.	**Humbjet ne rrjetin e transmetimit**	**GWh**													
a)	Humbjet ne GWh	"	18	15	15	16	17	16	17	18	14	15	16	18	195
b)	Humbjet ne %	%	2.07%	1.97%	1.79%	2.05%	2.15%	2.29%	2.50%	2.61%	2.31%	1.97%	1.85%	1.77%	2.09%

Nr	Emertimi	Njesia e matjes	1	2	3	4	5	6	7	8	9	10	11	12	Viti 2023
I.	**Energjia Totale qe hyn ne sistemin e OST**	**GWh**	868	775	838	775	795	690	650	655	595	765	875	1025	9,306
a)	Prodhim vendas	"	550	480	630	565	540	460	360	340	330	480	525	645	5,905
b)	Energji ne marrje	"	318	295	208	210	255	230	290	315	265	285	350	380	3,401
II.	**Energjia totale e transmetuar**	**GWh**	849	760	822	759	778	673	632	637	580	750	859	1,007	9,106
a)	Energji elektrike e dhene	"	79	165	196	239	238	138	42	17	45	189	263	245	1,856
b)	Energji elektrike per OSHEE sh.a.	"	670	520	536	435	450	455	520	550	455	471	481	642	6,185
c)	Energji elektrike per konsumatoret e kualifikuar	"	100	75	90	85	90	80	70	70	80	90	115	120	1,065
III.	**Humbjet ne rrjetin e transmetimit**	**GWh**													
a)	Humbjet ne GWh	"	19	15	16	16	17	17	18	18	15	15	16	18	200
b)	Humbjet ne %	%	2.19%	1.94%	1.91%	2.06%	2.14%	2.46%	2.77%	2.75%	2.52%	1.96%	1.83%	1.76%	2.15%

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**	893	770	860	775	770	675	645	655	615	775	865	1035	9,333
a)	Prodhim vendas	"	570	500	660	580	560	480	370	340	350	490	545	655	6,100
b)	Energji ne marrje	"	323	270	200	195	210	195	275	315	265	285	320	380	3,233
II.	**Energjia totale e transmetuar**	**GWh**	873	754	843	759	753	658	627	637	601	759	848	1,016	9,128
a)	Energji elektrike e dhene	"	103	164	218	229	218	123	12	2	61	204	238	236	1,808
b)	Energji elektrike per OSHEE sh.a.	"	655	500	510	420	425	430	520	540	435	440	470	635	5,980
c)	Energji elektrike per konsumatoret e kualifikuar	"	115	90	115	110	110	105	95	95	105	115	140	145	1,340
III.	**Humbjet ne rrjetin e transmetimit**	**GWh**													
a)	Humbjet ne GWh	"	20	16	17	16	17	17	18	18	14	16	17	19	205
b)	Humbjet ne %	%	2.24%	2.08%	1.98%	2.06%	2.21%	2.52%	2.79%	2.75%	2.28%	2.06%	1.97%	1.84%	2.20%

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**	904	795	848	805	772	720	753	740	650	730	820	900	9,437
a)	Prodhim vendas	"	560	520	570	600	580	500	420	410	390	450	530	590	6,120
b)	Energji ne marrje	"	344	275	278	205	192	220	333	330	260	280	290	310	3,317
II.	**Energjia totale e transmetuar**	**GWh**	883	779	831	789	755	703	735	721	635	714	802	880	9,227
a)	Energji elektrike e dhene	"	108	174	221	239	210	133	60	31	105	184	252	105	1,822
b)	Energji elektrike per OSHEE sh.a.	"	640	480	480	410	400	420	520	530	410	415	430	625	5,760
c)	Energji elektrike per konsumatoret e kualifikuar	"	135	125	130	140	145	150	155	160	120	115	120	150	1,645
III.	**Humbjet ne rrjetin e transmetimit**	**GWh**													
a)	Humbjet ne GWh	"	21	16	17	16	17	17	18	19	15	16	18	20	210
b)	Humbjet ne %	%	2.32%	2.01%	2.00%	1.99%	2.20%	2.36%	2.39%	2.57%	2.31%	2.19%	2.20%	2.22%	2.23%

c) Expected level of demand and security perspective of supply for a five to fifteen years period from the report date.

Based on the historical data of load development for a period of 20 years, using the loading profile on hourly basis for each month average day according to the measurements in the transmission, the estimation of electricity demand is conducted according to three possible scenarios, optimistic, realistic and pessimistic, as provided in the table below:

The realistic scenario of electricity demand takes into account an increase in electricity demand in the country of about 2% per year. The optimistic scenario of electricity demand takes into account the increasing demand for electricity in the country about 3% per year. The pessimistic scenario of electricity demand takes into account the increasing demand for electricity in the country around 1.3% per year. The basic scenario for assessing the performance of electricity demand in the country for the following period is the realistic scenario of increasing electricity demand in our country about 2% per year.

Parashikimi i Kerkeses sipas Skenareve			
Vitet	Sk. Optimist (GWh)	Sk. Realist (GWh)	Sk. Pesimist (GWh)
2020	7,174	7,174	7,174
2021	7,425	7,317	7,246
2022	7,685	7,486	7,318
2023	7,954	7,658	7,391
2024	8,232	7,826	7,465
2025	8,520	7,998	7,540
2026	8,750	8,174	7,645
2027	8,987	8,354	7,752
2028	9,229	8,538	7,861
2029	9,478	8,726	7,971
2030	9,734	8,918	8,083
2031	9,978	9,105	8,196
2032	10,227	9,296	8,327
2033	10,483	9,492	8,460
2034	10,734	9,691	8,595
2035	10,992	9,894	8,733
2036	11,256	10,102	8,873
2037	11,526	10,314	9,015
2038	11,803	10,531	9,159
2039	12,086	10,752	9,305
2040	12,376	10,978	9,454

Figure 34 Longterm provision of electricity request for 2020-2040 period

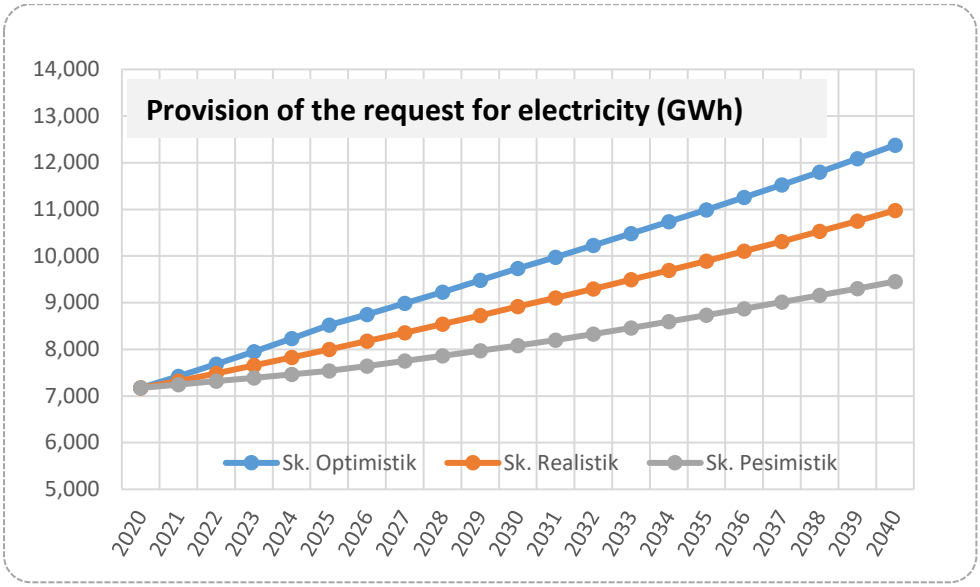


Figure 35 Provision of electricity demand

- *As it can be noticed in the table above, the provision of electricity demand for 2020, in all three scenarios considered by TSO company is about 5% lower than the one from 2020 of about 7,588 GWh.*

d) Additional production capacity proposed, planned or in construction phase.

The data submitted below by TSO company represent power plants which are connected to the transmission network in 2020, are under construction, or have received prior approval for connection to the transmission network, which are:

– Hydropower plants that have entered into connection agreements in 2020 and are expected to be energized during 2021-2022:

1. Gjadër HPP (24.938 MW) – S.P.E.Gjadër company
2. Arsti HPP (4 MW) – HEC ARSTI company (energized in december 2020)
3. Dragobia & Ceremi HPPs (22 MW) – Dragobia Energy company
4. Stavec HPP (14.77 MW) – KOKA&ERGI company
5. Kalivarë HPP (5.597 MW) – BE-IS ENERGY company
6. Gostimë HPP (48.864 MW) – Egnatia Hydropower company
7. Bushtrica HPP (10.03 MW) – ELENERGJI company +BUSHTRICA 2017 company
8. Veleshica HPP (13.9 MW) – KALISI HYDROPOWER company

– Plants that have signed connection agreement regarding the transmission system during 2020:

1. Gostimë HPP (48.864 MW) – Egnatia Hydropower company
2. Arsti HPP (4 MW) –ARSTI HPP company

– Plants that have taken the prior approval for connection in the transmission system during 2020:

1. Eolik Park Pilur (3 MW) - DAAM company
2. Eolik Park Pilur (3 MW) – ECO WIND company
3. Eolik Park Pilur (3 MW) - NET-GROUP company
4. Eolik Park Pilur (3 MW) – SPARK WIND company

– Plants that have taken the prior opinion for connection in the transmission system during 2020:

1. Photovoltaic Park Povelçë (30 MW) - CONSTAL company
2. Photovoltaic Park Blue1&2 (100 MW) – BLESSED INVESTMENT company
3. Photovoltaic Park ERSEKA SOLAR (62.328 MW) - FAVINA company
4. Photovoltaic Park Sheq Marinës (70 MW) - VERBUND Green Power Gmbh
5. Photovoltaic Park EURON (50 MW) - EURON company
6. Photovoltaic Park ALB-Solar1 (50 MW) - INFO-Telecom company
7. Photovoltaic Floating Park (12.972MW)- KESH company
8. Photovoltaic Park Qyrsaq (5.14 MW) - KESH company
9. Eolic Park Gjadër (15 MW) – CONSTAL company
10. Photovoltaic Park Karaburun (3 MW) - NIKOLICA SKI RESORT company
11. Photovoltaic Park Karaburun (3 MW) - RENEW POWER ALBANIA company
12. Photovoltaic Park Karaburun (3 MW) - SunPro company
13. Photovoltaic Park Karaburun (3 MW) – Suntech Power company
14. Photovoltaic Park Karaburun (3 MW) - A.Great Company company

According to the reports of TSO company for the period January-December 2020, three generating sources (Hydro Power Plants) have been set into operation, connected to the 110 kV transmission network. The following is a list of plants that have been set into operation:

- Egnatia HPP, connected in the interconnection line 110 kV Librazhd - Prrenjas,
- Seka and Zais HPPs, connected in the substation 110/20 kV Prellë.
- Arsti HPP, connected in the interconnection line 110kV Fierzë- Dardhë

e) Investment expectations, for not less than 5 (five) years, that TSO company or any other party plans to realize in relation to the increase of cross-border interconnection capacity.

1. The principles to manage the restricted capacities on the existing and planned lines of the transmission system.

With the investments performed during the last years in the transmission system, it has become possible to meet the safety criterion N-1 in the internal network of the System, for all operating modes and no problems of limitation of transmission capacities have been encountered. Regarding the management of cross-border capacities, in compliance with the rules of ENTSO-E, TSO company has implemented the following procedures.

The determination of cross-border transmission capacity, NTC, is currently done under bilateral agreements between neighboring TSOs, and is based on the SAFA agreement and its annexes. It is important to note the clear distinction between commercial and physical values, as it is known that there are two sets of definitions, one related to program values (scheduling) and the other to the physical flow of electricity, which in most cases do not match when considering an interconnector separate from the rest of the network. The complexity of the physical side of the energy flow is handled by the TSOs, who are accountable to the relevant Authorities for performing this task in a non-discriminatory manner. Market participants should not be involved in this process.

The use of these transmission capacities is part of the energy market, if market participants are motivated to use both directions of cross-border flow, then this would facilitate cross-border flow by contributing to increasing the level of operational security of Power System operation.

The calculation of NTC is realized based in the rules and methodologies in force, NTC for our system according to the borders during 2020 results as follows:

Border	NTC (MW/h)
AL > GR	400
AL > KS	400
AL > ME	300 – 400
Total	1100 – 1200

2. Expected models of production, supply, cross-border exchanges and consumption, enabling the adoption of the measures for demand management.

For the next five years 2021-2025, it is provided the calculation of electricity demand, its coverage through domestic production and imports. All these data are presented in the following table:

Year	**2021**	**2022**	**2023**	**2024**	**2025**
Domestic production [GWh]	5652	5800	5905	6100	6120
Exchange (import) [GWh]	-1648	-1575	-1545	-1425	-1495
Consumption [GWh]	7300	7375	7450	7525	7615

3. The objectives for a sustainable development 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).

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) improvment 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 are related to the service of the transmission system, which can be fully completed only through the realization of the necessary investments for its strengthening and modernization.

4. Detailed information of TSO company regarding the expected investments of the interconnection lines and for the construction of the internal network lines, which directly affect the cross-border interconnection lines.

From a strategic point of view, the projects that strenghthen the interconnection lines with the region, establishing better conditions for commercial and transitional exchanges without electricity limitation in the SouthEast European region are:

- The construction of the new line 400 kV, Elbasan2 (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, creating 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 and as part of the infrastructure of the Eighth European Corridor, establishing good opportunities for connections via underwater cable with Italy.

This project includes:

- Construction of a new 400 kV transmission line with one circuit, to implement a bilateral connection between Albania and Northern Macedonia and to strengthen the existing 220 kV overloaded and old transmission connection between Elbasan and Fier. The route of the Elbasan-Bitola Line shall have a length of approximately 56 km while the Elbasan-Fier line shall be approximately 74 km.
- Construction of the new substation Elbasan 3 and strengthening and expansion of the existing substation of Fier. The new Elbasan 3 substation shall expand the existing 400/220 kV substation Elbasan 2, with a 400 kV level Plant to connect the lines Tirana 2, Zëmblak, Fier and Northern Macedonia as well as the installation of a reactor shunt. Also, Fier substation shall be expanded and equipped with 400/220 kV transformers and a plant at the level of 400 kV to enable the connection of 400 kV to Elbasan 3.

Reconstruction of 229 kV interconnection line Vau i Dejës (Albania) – Podgoricë (Montenegro)

The planned construction of the HVDC cable between Italy and Montenegro shall enable the evacuation of future generation surpluses in the Balkan area and at the same time it shall further strengthen the transmission network in the region.

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

The current interconnection airline Vau i Dejës (Albania) - Podgorica (Montenegro) was built in 1972 and has a transmitting power capacity of about 278 MVA.

This project includes:

Reconstruction of the 220 kV airline Vau i Dejes - Koplik (AL) - Podgorica with a new dual circuit airline, approximately 45 km long with 490/65 mm2 aluminum-steel conductors.

The advantages obtained from making this investment are:

- Increasing the security and reliability of the Albanian and Montenegrian network
- Increasing cross-border exchange between the two countries
- Increase of net transfer capacities between Albania and Montenegro, in light of electricity exchanges between Albania, Montenegro and Italy under security exchanges
- Reduction of network congestion
- Improving the quality of electricity supply
- Reduction of technical losses
- Reduction of CO2 levels

f) Quality and level of network maintenance

During January-December 2020, 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 preventive measures, avoiding possible breakdowns. When the latter became present, the intervention was made possible in order to eliminate them and return the scheme back to normal condition.

The unusual situation created during this year due to the COVID-19 pandemic as well as the measures taken to control the spread of this infection, created an unexpected situation and brought its own difficulties in terms of carrying out overhauls, planned operations and elimination of breakdowns.

Despite the difficulties and despite the constraints created, it became generally possible to carry out all planned overhauls and a timely intervention was made in order to eliminate all breakdowns that occurred during this period.

The operation for the maintenance of the transmission network, performed by the specialists of TSO company is classified in three categories:

- planned operation in accordance with the schedule for the overhauls

- operating at any time (not planned)

- on the elimination of breakdowns displayed in the system.

These operations are carried out by the specialists of TSO company operating units, coordinated and supported by specialists of the respective sectors near the head offices of TSO company.

In the following table it is presented the result of the operations carried out for network maintenance of TSO company. The reflected indicators are positive compared to previous years.

Name	Outages in total	Transitory	sustainable	Atm cond	Conn diff	Prim equip	Second equip			Others	Dur
400 kV conn	23	14	9	18	1	3	1	0	0	0	11 h
220 kV conn	61	25	36	28	13	9	2	0	5	4	100 h
110 kV conn	326	175	151	184	32	11	65	1	16	17	307 h 10 min
Conn total	410	214	196	230	46	23	68	1	21	21	

Regarding the operation quality of the transmission system, it is informed that during 2020 the quality of the frequency was within the range +/- 200mHz.

Voltage quality has been within the standards set out in Article 38 of the Transmission Code,for 2020 it results that there are no complaints regarding voltage quality.

TSO company answered within the deadlines (maximum 45 days) to all the requests / complaints received during 2020.

g) Measures applied by TSO company for peak demand management and interruptions in electricity supply as well as measures taken to increase security of supply in case of need.

Measures for peak demand and supply disruption management, as well as other measures in case of need, to maintain the safety of the System are summarized in the so-called remedial actions, which represent the measures implemented by TSO, in order to maintain operational security. In particular, remedial actions serve to meet criterion (N-1) and maintain operational safety limits. They are categorized as pre-breakdown (i.e. preventive) or post-breakthrough (i.e. corrective or curative) remedial actions within the TSO control area or between related TSOs.

Preventive remedial actions are normally implemented in the operation planning phase, to maintain the normal state of the System in the future operational situation and to prevent the spread of breakdowns outside TSO's area of responsibility.

Preventive remedial actions may include, but are not limited to:

- Actions of re-dispatch (aggregates) or permitting trading in the opposite direction (when possible);
- Changes in network topology;
- Manual switching of reactive power devices (reactors, static capacitor blocks), or changing the "set-point" level of their controllers;
- Request for additional support of reactive energy from power plants;

Remedial-corrective actions are actions that are implemented immediately or relatively quickly after the occurrence of an emergency, which leads to a state different from the normal situation. After corrective actions the system returns to normal.

Remedial actions may include, but are not limited to:

- Reverse dispatch or trading operations in the opposite direction, including activation of TSO reserves;
- Control of reactive power equipment (reactors, capacitor blocks, etc.);
- Voltage management by generating / absorbing reactive energy from power plants,
- Protection system scheme actions, e.g. change of network topology, production or load restriction, depending on protection specifications.

h) TSO defence plan in case of an emergency situation:

Operational safety means the ability of TSO to ensure the normal operation of the System, to limit the duration and number of disturbances, to prevent major disturbances and to limit the consequences of a major disturbance (if any) and also to facilitate the reset of the System to normal operating parameters, after a major blackout.

The System Protection Plan is related to the existence of an emergency, the relevant information retrieval process, remedial action and it consists of a series of coordinated measures, which aim to maintain the integrity of the System, in conditions of extreme turmoil. TSO company considers as state of emergency the presence of at least one deviation from the Operational Safety Limits and the terms defined in Article 109 (1) of the Transmission Code and when operators can not take remedial measures to restore the system back to normal operation.

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, an incident that may cause avoidance, expansion of the breakdown or even the collapse of the System;

The System Protection Plan drafted by TSO company includes the following:

- automatic over / under frequency control scheme
- automatic control scheme from voltage collapse
- the procedures followed during the activation of the protection plan as well as the conditions for the activation of remedial actions

i) System Protection Plan measures

System Protection Plan measures are presented as emergency remedial actions. The following are examples of the applicable System Protection Plan measures in cases of restrictions on load, frequency, power and voltage fluxes.

Load / frequency restrictions

- Release or closure of power generation units;
- Increasing or decreasing (automatically or on demand) the production level of generating units;
- Adaptation of active LFC control mode;
- Manual or automatic use of reductions, load unloading;
- Changes in the operating points of transformer voltage regulators in the distribution level.

Restrictions on electricity flows

- Canceling repairs of network elements and putting them into work as soon as possible;
- Automatic disconnection of the unit (generator) that is activated by disconnecting an relevant transmission line;
- Trading in the opposite direction with neighboring areas of responsibility;
- Freezing of planned exchanges;
- Reduction of the exchange program;

- Reduction of interconnection capacities;
- Manual unloading of objects with interruption agreements;
- Automatic unloading of objects with interruption agreements, caused by disconnection of a transmission line;
- Further load unloading depending on the situation.

Voltage restrictions

- Demand for maximum or minimum values of active and reactive power generation;
- Reduction of active power in favor of additional reactive power production;
- Prevention of units by supplying, injecting additional reactive energy;
- Discontinuance of maintenance and closing elements that were previously under repair;
- Blocking the position of voltage regulators in transformers with underload regulation.

1.4 ELECTRICITY DISTRIBUTION

1.4.1 Activity of Electricity Distribution Operator (OSHEE)

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

The Distribution System Operator (OSHEE) is responsible for ensuring the safe and sustainable development of the distribution system, meeting the requirements for electricity distribution; maintenance and safe operation of the electricity distribution system throughout the territory for which it is licensed. In accordance with the law "On Power Sector", OSHEE procures electricity in the open market and from renewable sources, to cover losses in the distribution network, in accordance with the regulation approved by ERE and through the electronic platform for electricity purchase procedures.

Pursuant to Law no. 43/2015 “On Power Sector” and Council of Ministers Decision no. 244, dated 30.3.2016, as amended, OSHEE until 31.12.2020 has continued to perform the function of the Universal Service Supplier to supply end use customers who benefit from this service.

The Distribution System Operator (OSHEE Company) is organized in 11 Distribution Zones and 42 Agencies.

According to the data from OSHEE, the total energy introduced in the distribution network for 2020 is 6,605,083 MWh, of which 5,080,314 MWh is the energy delivered to the distribution network and 1,457,740 MWh are the losses in the distribution network.

The table below presents the data on the main indicators of the Distribution Operator OSHEE during 2020.

TABELA ME TE DHENA PERIODIKE MUJORE TE FTL,FSHU DHE OSSH Sh.a Viti 2020															
			Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor	2020
1	ENERGJI TOTALE E HYRE NE RRJETIN E OSSH sha (pa energjine	1=2+3	708,611	607,803	589,581	489,236	464,183	463,789	527,801	533,336	482,358	506,280	562,127	669,977	6,425,030
2	Energji e transmetuar nepermjet OST ne rrjetin e OSSH-se	2	653,339	537,547	478,468	398,877	394,443	427,693	504,948	517,495	466,943	459,469	539,272	625,630	6,004,125
3	Energji e prodhuar dhe injektuar direkt ne rrjetin e OSSH-se	3=4-5	40,951	47,848	62,368	54,044	46,149	30,576	20,919	15,433	14,150	34,845	21,107	32,515	420,905
4	Energji e prodhuar dhe e levruar ne rrjetin e shperndarjes	4	55,273	70,256	111,113	90,360	69,740	36,096	22,853	15,840	15,415	46,811	22,854	44,347	600,958
5	Energjia e ngitur ne rrjetin e transmetimit nga centralet e lidhura n	5	14,322	22,408	48,745	36,316	23,591	5,520	1,934	407	1,265	11,965	1,748	11,832	180,052
6	Energji e shitur nga KESH sha per FSHU sha	6	298,517	222,669	179,765	139,303	151,107	293,359	390,954	346,754	199,664	321,239	234,186	196,944	2,974,461
7	Energji vetem per tu transmetuar tek klientet ne treg te liberalizuar	7	3,955	4,002	4,673	4,440	5,052	5,428	6,296	6,304	5,127	4,901	5,487	5,452	61,116
8	ENERGJI TOTALE QE KA KALUAR NE RRJETIN E OSSH-se	1+5	722,933	630,211	638,325	525,553	487,774	469,309	529,735	533,743	483,623	518,245	563,874	681,809	6,605,082
9	HUMBJE TOTALE NE RRJETIN E OSSH (MWh)	9=10+11+12	203,997	136,188	181,037	91,410	93,153	87,527	104,326	100,710	81,261	109,926	128,481	139,723	1,457,740
10	Humbje Teknike njesite e TL (MWh)	10	10,341	9,871	8,313	7,626	7,321	8,174	9,218	8,259	6,723	8,753	8,847	10,282	103,728
11	Humbje Teknike ne Zona (MWh)	11	123,691	79,330	94,944	52,054	53,333	48,807	60,791	55,515	45,178	68,173	70,609	76,481	828,906
12	Humbje JoTeknike ne Zona (MWh)	12	69,965	46,987	77,781	31,730	32,499	30,546	34,317	36,936	29,360	33,000	49,025	52,960	525,106
13	HUMBJE TOTALE NE RRJETIN E OSSH (%)	13=9/8	28.22%	21.61%	28.36%	17.39%	19.10%	18.65%	19.69%	18.87%	16.80%	21.21%	22.79%	20.49%	21.48%
14	Humbje Teknike njesite e TL (%)	14	1.43%	1.57%	1.30%	1.45%	1.50%	1.74%	1.74%	1.55%	1.39%	1.69%	1.57%	1.51%	1.53%
15	Humbje Teknike ne Zona (%)	15	17.37%	12.80%	15.08%	10.06%	11.11%	10.59%	11.68%	10.57%	9.48%	13.39%	12.73%	11.40%	12.41%
16	Humbje JoTeknike ne Zona (%)	16	9.68%	7.46%	12.19%	6.04%	6.66%	6.51%	6.48%	6.92%	6.07%	6.37%	8.69%	7.77%	7.74%
17	ENERGJI NE HYRJE NGA FTL (OSHEE sha)	17=18+19+20	406,140	381,133	405,142	345,494	308,025	165,003	130,552	180,278	277,567	180,140	322,453	467,581	3,569,505
18	Blere nga Prodhimi i PPE në rrjetin e OSSH	18	55,273	70,256	111,113	90,360	69,740	36,096	22,853	15,840	15,415	46,811	22,854	44,347	600,958
19	Blere nga Prodhimi i PPE në rrjetin e OST	19	71,387	89,969	129,540	94,582	83,882	43,227	32,555	26,053	26,652	78,824	31,659	58,105	766,434
20	Blere ne Treg të Liberalizuar nga FTL sha	20	279,480	220,908	164,489	160,552	154,402	85,680	75,144	138,384	235,500	54,505	267,940	365,129	2,202,113
21	ENERGJI NE DALJE E SHITUR NGA FTL (OSHEE sha)	21=22+23+24+25	406,140	381,133	405,142	345,494	308,025	165,003	130,552	180,278	277,567	180,140	322,453	467,581	3,569,505
22	Energji nga FTL per FSHU	22	202,142	244,945	223,896	253,634	214,501	77,095	25,549	78,828	195,523	69,393	193,199	327,051	2,105,756
23	Energji nga FTL për humbjet OSSH	23	203,997	136,188	181,037	91,410	93,153	87,527	104,326	100,710	81,261	109,926	128,481	139,723	1,457,740
24	Energji e furnizuar nga FTL për Kliente ne tre	24	0	0	209	449	371	381	677	740	782	821	773	808	6,010
25	Energji e shitur nga FTL ne treg te liberalizua	25	0	0	0	0	0	0	0	0	0	0	0	0	0
26	ENERGJI NE HYRJE PER FSHU (OSHEE sha)	26=27+28	500,659	467,614	403,661	392,937	365,608	370,453	416,503	425,582	395,187	390,632	427,385	523,995	5,080,218
27	Energji Faktike nga KESH sha per FSHU sha	27	298,517	222,669	179,765	139,303	151,107	293,359	390,954	346,754	199,664	321,239	234,186	196,944	2,974,461
28	Energji nga FTL per FSHU	28	202,142	244,945	223,896	253,634	214,501	77,095	25,549	78,828	195,523	69,393	193,199	327,051	2,105,756
29	ENERGJI NE DALJE PER FSHU (OSHEE sha)	29=30+35	500,660	467,614	403,661	392,937	365,608	369,792	415,058	421,368	393,977	387,857	425,175	505,235	5,080,216
30	Shitur Klienteve te Sherbimit Universal	30=31+32+33+34	497,480	464,527	401,013	391,364	363,546	368,211	413,111	419,342	392,153	385,585	423,389	503,159	5,022,881
31	Shitur klienteve Familiare	31	313,571	280,249	260,080	265,501	223,020	203,415	219,144	219,301	205,918	210,125	248,328	308,048	2,956,702
32	Shitur klienteve Private	32	131,047	133,411	95,158	88,395	101,181	122,736	147,869	153,378	140,781	127,289	125,168	138,458	1,504,870
33	Shitur klienteve Buxhetore	33	25,815	24,374	20,098	16,053	14,969	15,339	16,738	17,348	17,872	19,508	21,748	25,205	235,068
34	Shitur klienteve JoBuxhetore	34	27,047	26,494	25,677	21,414	24,375	26,721	29,360	29,315	27,581	28,664	28,145	31,448	326,241
35	Shitur Klienteve të mundesisë së Fundit	35=36+37	3,180	3,086	2,648	1,573	2,062	1,581	1,947	2,025	1,825	2,272	1,787	2,076	26,062
36	Shitur Klienteve FMF Privat (MWh)	36	1,598	1,445	772	38	543	243	240	339	381	274	265	324	6,462
37	Shitur Klienteve FMF JoBuxhetore(MWh)	37	1,582	1,641	1,876	1,535	1,518	1,338	1,707	1,686	1,443	1,998	1,522	1,752	19,600
	Shitur Klienteve si dem ekonomik														31,273
38	Faturuar muaji Parardhes FSHU (000/leke)	38	6,251,767	6,508,770	6,106,516	5,129,481	5,029,219	4,885,187	4,884,726	5,588,061	5,606,760	5,327,559	5,174,314	5,615,129	66,107,490
39	Arketimet e muajit aktual FSHU (000 leke)	39=40+41+42	5,712,421	5,959,484	4,729,831	5,478,206	5,118,635	4,992,372	4,727,688	5,327,794	5,471,536	5,384,384	4,733,894	5,703,406	63,339,651
40	Arketuar per faturat korrente te vitit aktual	40	4,142,703	4,209,902	3,198,616	3,163,075	3,096,733	3,044,357	3,076,629	3,589,573	3,604,439	3,515,535	3,139,481	3,762,360	41,543,404
41	Arketuar per faturat e tjera te vitit aktual	41	16,409	5,865	1,100,725	2,039,191	1,759,725	1,589,254	1,368,065	1,469,319	1,492,162	1,509,846	1,343,649	1,650,485	15,344,694
42	Arketuar per faturat e tjera te viteve te	42	1,553,310	1,743,716	430,490	275,941	262,177	358,761	282,994	268,902	374,935	359,002	250,764	290,561	6,451,553
43	Arketimet e muajit aktual FSHU (%)	43=44+45+46	91.4%	91.6%	77.5%	106.8%	101.8%	102.2%	96.8%	95.3%	97.6%	101.1%	91.5%	101.6%	95.8%
44	Arketuar per faturat korrente te vitit aktual (%	44	66.3%	64.7%	52.4%	61.7%	61.6%	62.3%	63.0%	64.2%	64.3%	66.0%	60.7%	67.0%	62.8%
45	Arketuar per faturat e tjera te vitit aktual (%)	45	0.3%	0.1%	18.0%	39.8%	35.0%	32.5%	28.0%	26.3%	26.6%	28.3%	26.0%	29.4%	23.2%
46	Arketuar per faturat e tjera te viteve te	46	24.8%	26.8%	7.0%	5.4%	5.2%	7.3%	5.8%	4.8%	6.7%	6.7%	4.8%	5.2%	9.8%
47	Faturuar muaji Raportues FSHU (000/leke)	47	6,508,770	6,106,516	5,129,481	5,029,219	4,885,187	4,884,726	5,588,061	5,606,760	5,327,559	5,174,314	5,615,129	6,641,071	66,496,793
48	Nr. Konsumatoreve gjithsej FSHU (Nr.)	48	1,250,420	1,250,686	1,250,414	1,319,867	1,264,519	1,272,735	1,273,062	1,270,496	1,273,000	1,273,410	1,273,217	1,270,591	15,242,417
49	Fatura te emetuara me lexim konsumi (Nr.)	49	976,930	975,096	972,270	984,207	958,463	975,469	998,268	1,009,055	995,088	979,656	983,887	987,797	11,796,186
50	Sasia e energjise se faturuar me lexim konsumi (MWh)	50													-
51	Fatura te emetuara me lexim "0" (Nr.)	51	284,467	285,907	285,854	335,660	284,804	297,266	258,190	246,085	264,627	293,754	280,062	282,794	3,399,470
52	Nr.Faturave te emetuara pa lexim (energji e pa matur) (Nr.)	52													
53	Sasia e energjise se faturuar si energji e pamatur (MWh)	53	-	-	-										
54	Nr.Faturave te emetuara pa lexim (dem ekonomik) (Nr.)	54	-	-	-			208	265	146	95	785	657	2,000	4,156
55	Shuma e faturuar si dem ekonomik (MWh)	55	-	-	-			661	1,444	4,213	1,210	2,775	2,210	18,760	31,272
56	Nr.Faturave per te cilat eshte arketuar kamat vonese (Nr.)	56	395,146	371,921	419,418	565,820	391,679	412,695	430,554	413,572	354,264	374,747	327,524	403,343	4,860,683
57	Vlera e Kamat vonesave te arketuara (000/leke)	57	86,550	74,301	76,764	53,075	64,173	61,873	68,534	67,813	135,733	86,210	60,244	67,464	902,735
			Burimi: OSSH sha; FSHU sha; FTL sha; (OSHEE Group sha)												

Figure 36 Main indicators of the DSO company; FSHU company ; FTL company (AIT Group company) during 2020.

1.4.2 Electricity Consumption

The total annual electricity consumption (including the consumption of customers in the unregulated market) in Albania for the period 2003 to 2020 is presented graphically below:

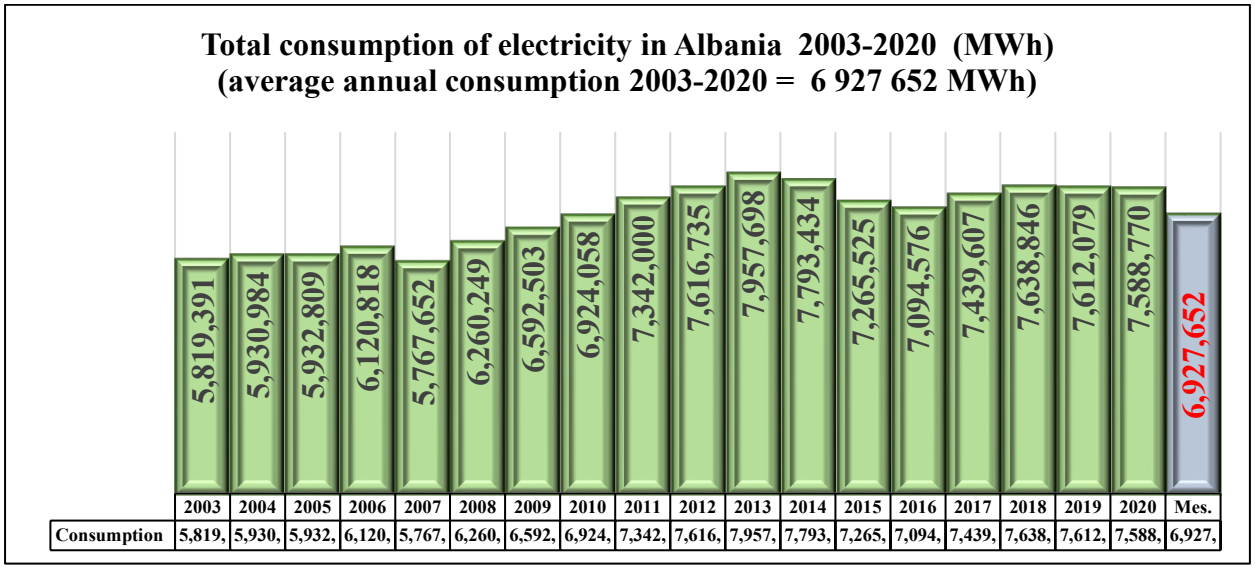


Figure 37 General consumption of electricity throughhout the years.

As it can be seen in the graphic presentation, the lowest electricity consumption recorded in our country is inn 2007 with 5,767,652 MWh and the highest electricity consumption is the one recorded in 2013 with 7,855,698 MWh. For 2020 electricity consumption in our country is 7,588,637 MWh. Compared to 2019 there is a slight decrease in electricity consumption in the country by 23,442 MWh.

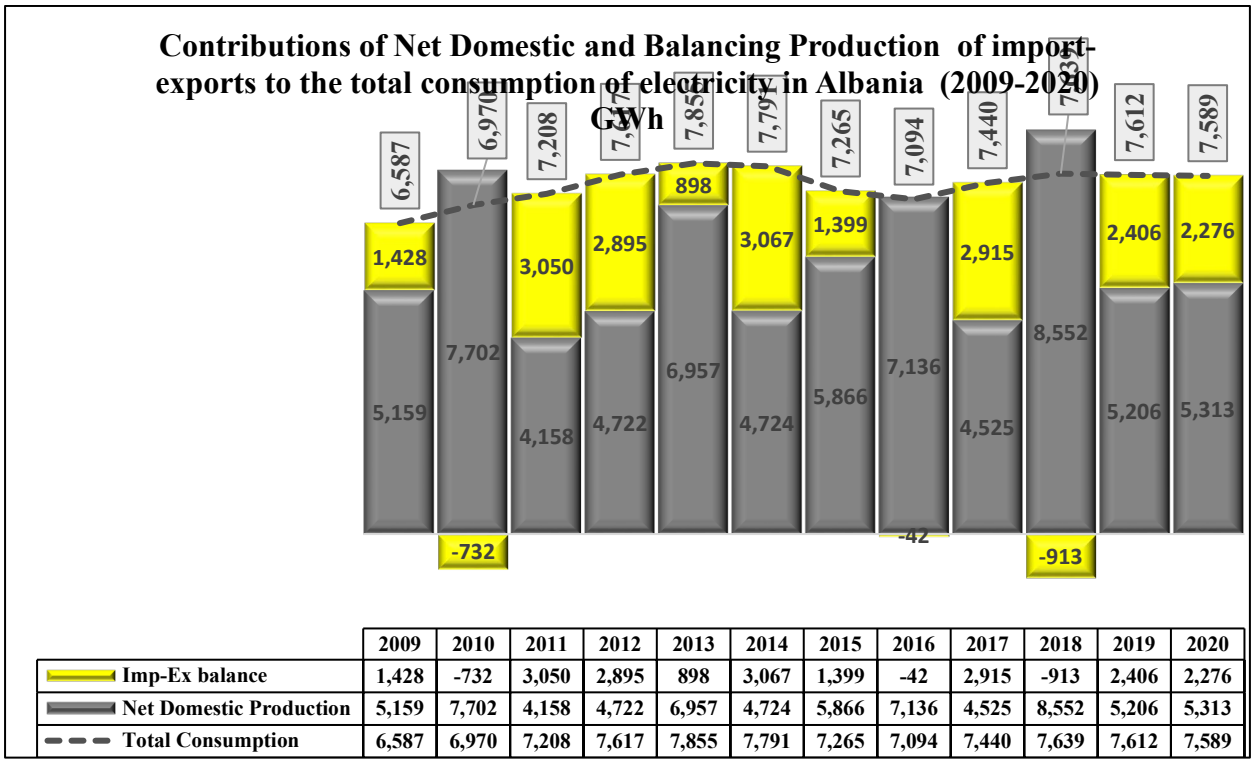


Figure 38 Contributions of net domestic and balancing production to the Import-Export balance in total consumption of electricity in Albania.

Pub Product (KESH)	Priority Producers	Producers in the Open Market	Interconnection balance	
3 090 199	1 367 526	855 441	2 275 604	
		7 588 770	hyrje	

Consumption in the regulated market (sales +losses)	Consumed from the Customers in HV ("qualified")	Consumed from customers connected in 35kv	Konsumuar nga OST (humbje +nevoja vetiake)	Consumed with the suppliers FTL
6 537 820	811 356	61 116	172 198	6 010
		7 588 770		

Consumed to cover 2019 consumption

How it is provided the used energy 2019)

Public Production (KESH)	Priority producers	Producers in the open market	Interconnection balance	
2 979 252	1 485 196	741 595	2 406 036	
		7 612 079	hyrje	

Contributors in electricity consumption provided for 2019

Where is consumed the enegy provided in 2019

Consumption in the regulated market (sales +losses)	Consumed from the Customers in HV ("qualified")	Consumed from customers connected in 35kv	Consumed by the TSO (losses + personal needs)	Consumed with the suppliers FTL
6 535 220	867 029	41 209	168 621	0
		7 612 079		

Contributors to cover the consumption for 2020 (%)

How is ensured the used energy

Public production (KESH)	Priority producers	Producers in the open market	Interconnection balance	
40,72	18,02	11,27	29,99	-

Contributors in energy consumption provided in 2020 (%)

Where it is consumed the provided energy

OSHEE consumtion (sales +losses)	Consumed from customers in HV ("qualified")	Consumed from customers connected in 35kv	Consumed by the TSO (losses + personal needs)	Consumed with suppliers FTL
86,15	10,69	0,81	2,27	0,08

Contributors to cover consumption 2019 (%)

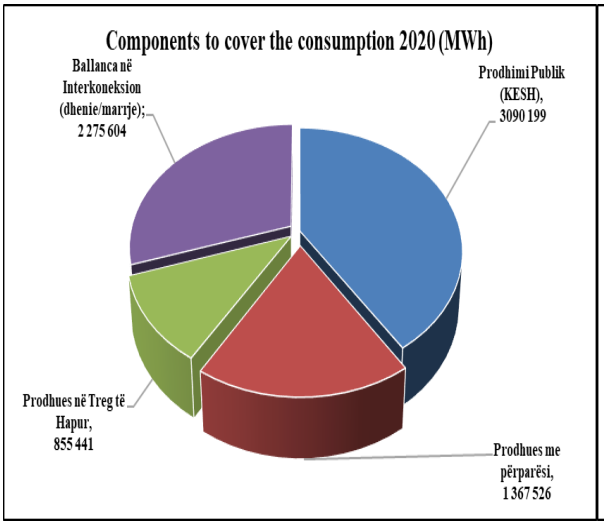
How is provided the used energy used 2019

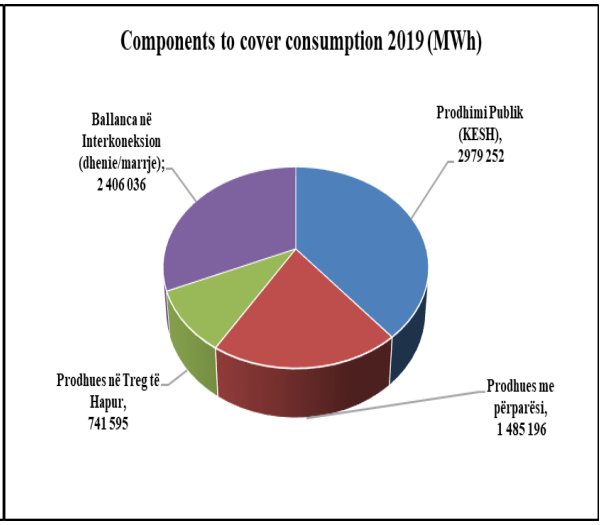
Public production (KESH)	Priority producers	Producers in the Open Market	Balance in interconnection	
39,14	19,51	9,74	31,61	-

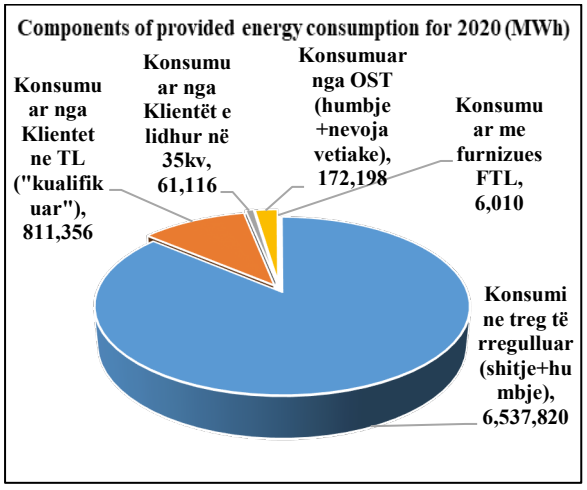
Contributors to the electricity consumption provided for 2019 (%)

Where it is consumed the energy provided for 2019

OSHEE consumption (sales +losses)	Consumed from customers in HV ("qualified")	Consumed from customers connected in 35kv	Consumed from the TSO (losses +personal needs)	Consumed with suppliers FTL
85,85	11,39	0,54	2,22	0,00







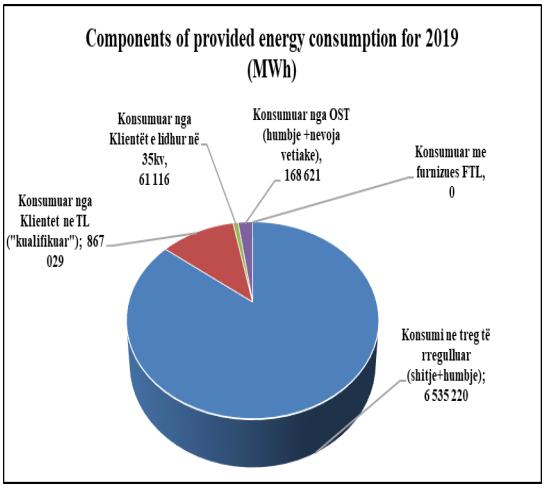


Figure 39 Components to cover consumption and components of electricity consumption provided for 2019 – 2020 period

1.4.3 Structure of Electricity consumtion

Distribution of customers according to the Regions and Categories 2020 (%)						
	Budgetary	Household	on -Budgetar	ersonal consumptior	Private	2020
Berat	0,077	7,107	0,028	0,003	1,115	8,330
Burrel	0,054	4,323	0,025	0,003	0,499	4,904
Durres	0,072	11,977	0,026	0,002	1,508	13,586
Elbasan	0,075	7,568	0,035	0,003	1,036	8,717
Fier	0,055	5,809	0,019	0,002	0,805	6,688
Gjirokaster	0,100	5,533	0,022	0,002	0,789	6,446
Korce	0,076	6,504	0,022	0,002	0,756	7,359
Kukes	0,027	1,472	0,007	0,001	0,180	1,687
Shkoder	0,076	7,863	0,028	0,002	1,116	9,084
Tirane	0,122	22,292	0,035	0,004	4,102	26,556
Vlore	0,045	5,718	0,015	0,001	0,864	6,642
TOTAL	0,779	86,166	0,263	0,024	12,768	100,000

Figure 40 Distribution of DSO customers according to the regions and categories 2020.

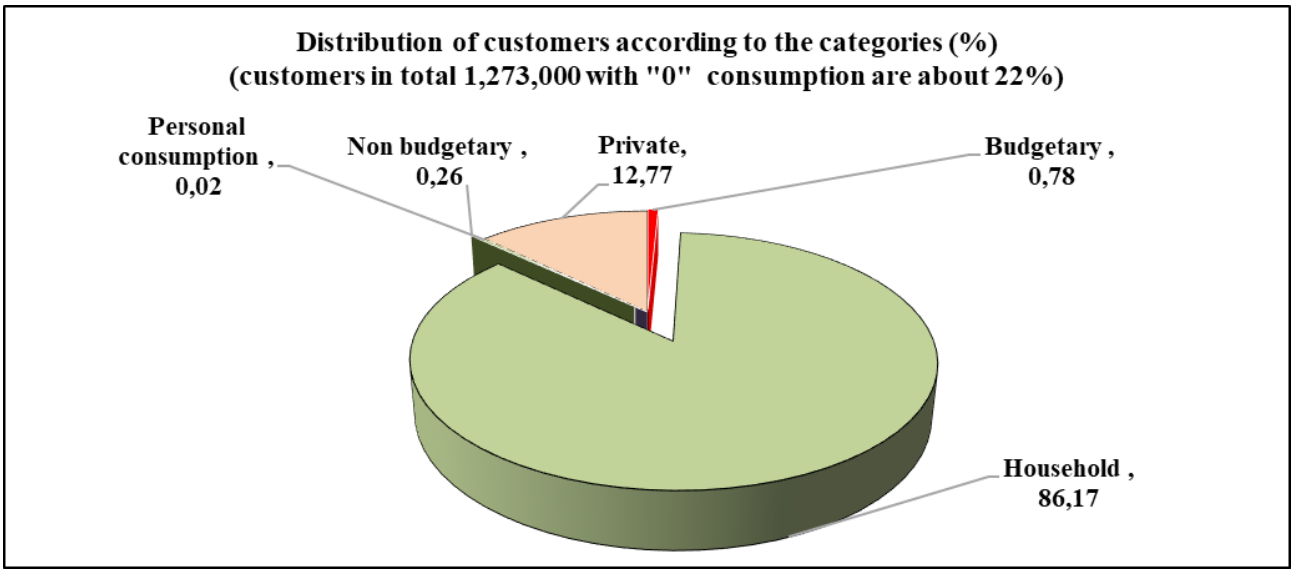


Figure 41 Distribution of the number of customers 2020 according to the categories (%).

The data presented above show that the total number of customers for 2020 is 1 273 000. For 2020 most of the customers of OSHEE are occupied by household customers that go to 86.17% of the total number of customers of OSHEE company. In the demographic distribution of OSHEE customers and for 2020 the major part is in Tirana in about 26.5% of all customers that OSHEE company has.

Structure of OSHEE customers is also reflected in the electricity invoice structure realized by OSHEE for 2020. Household customers that occupy the largest share in OSHEE also occupy the major part of the energy invoiced for 2020, respectively 51.8 % of all invoices realized for 2020.

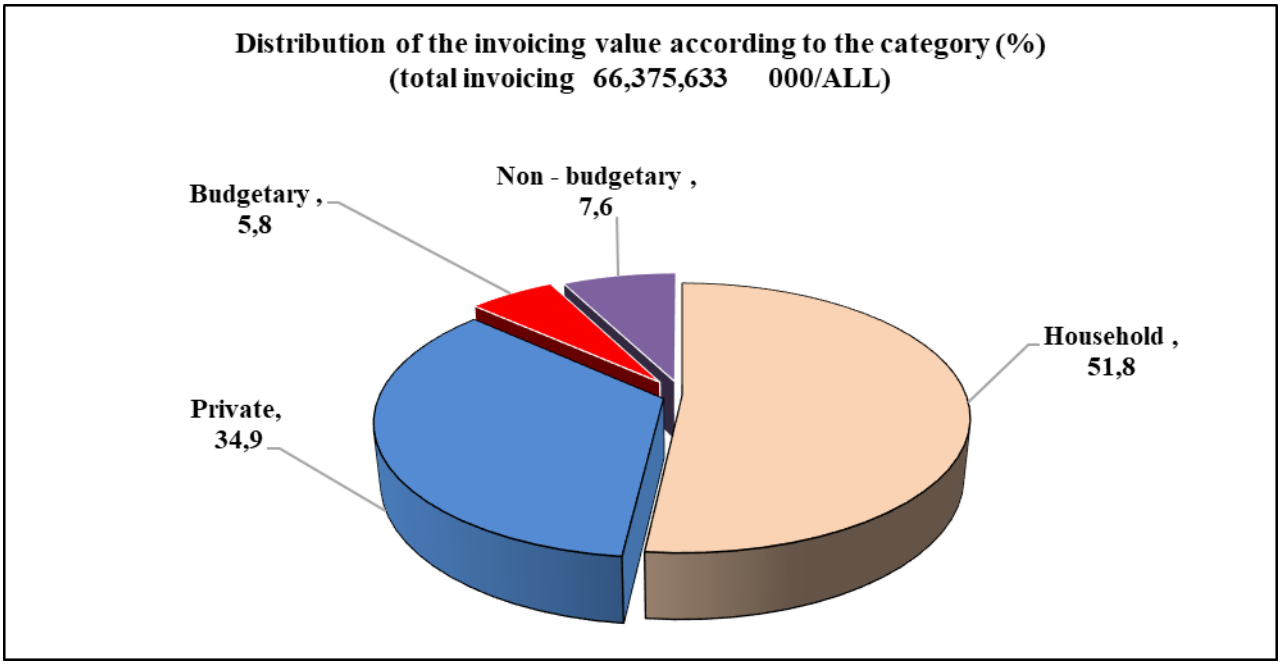


Figure 42 Reports of invoicing according to Customer Categories 2020.

The following figure shows the specific weights in invoices occupied by the categories of tariff customers.

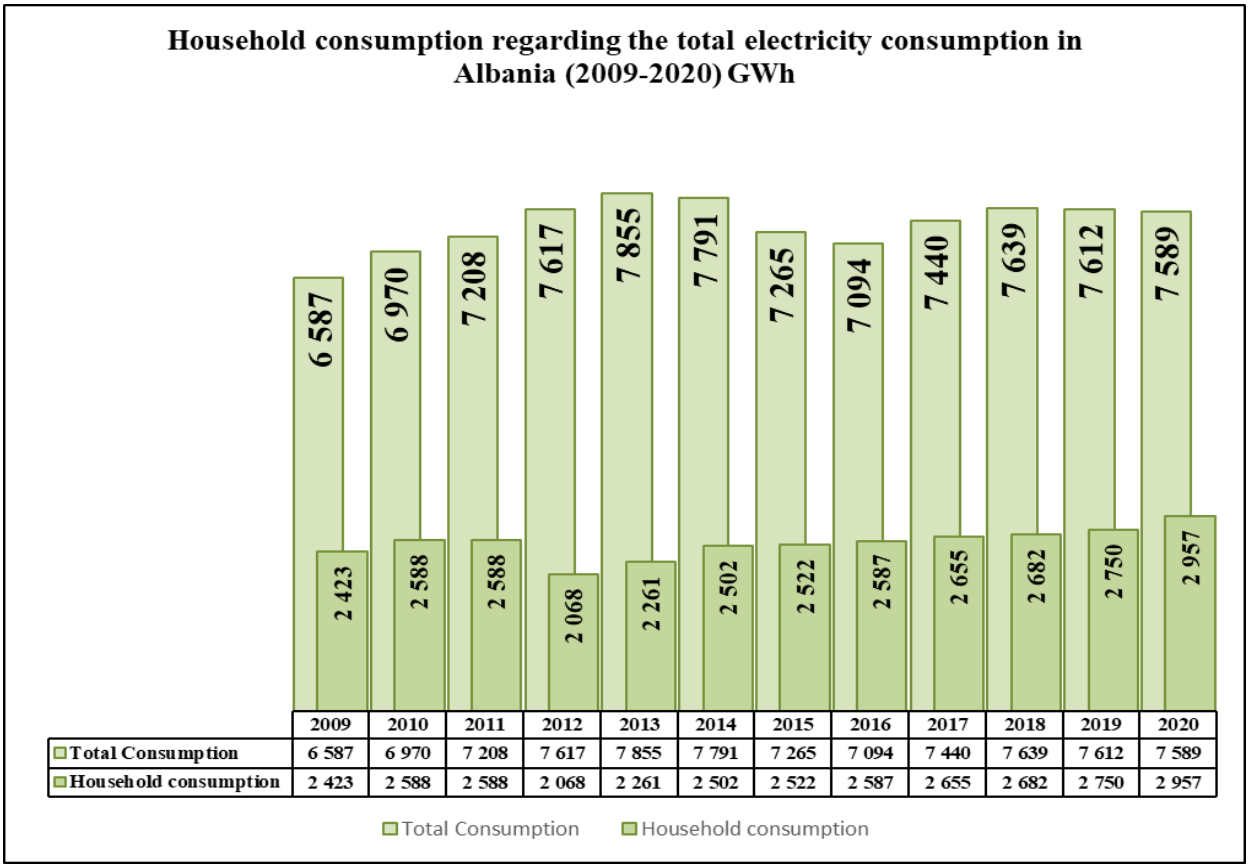


Figure 43 Household customers to total consumption throughhout the years.

Household customers occupy about 38.96 % of total consumption, a slightly higher figure compared to consumption for the same category in 2020, which was 36.1%.

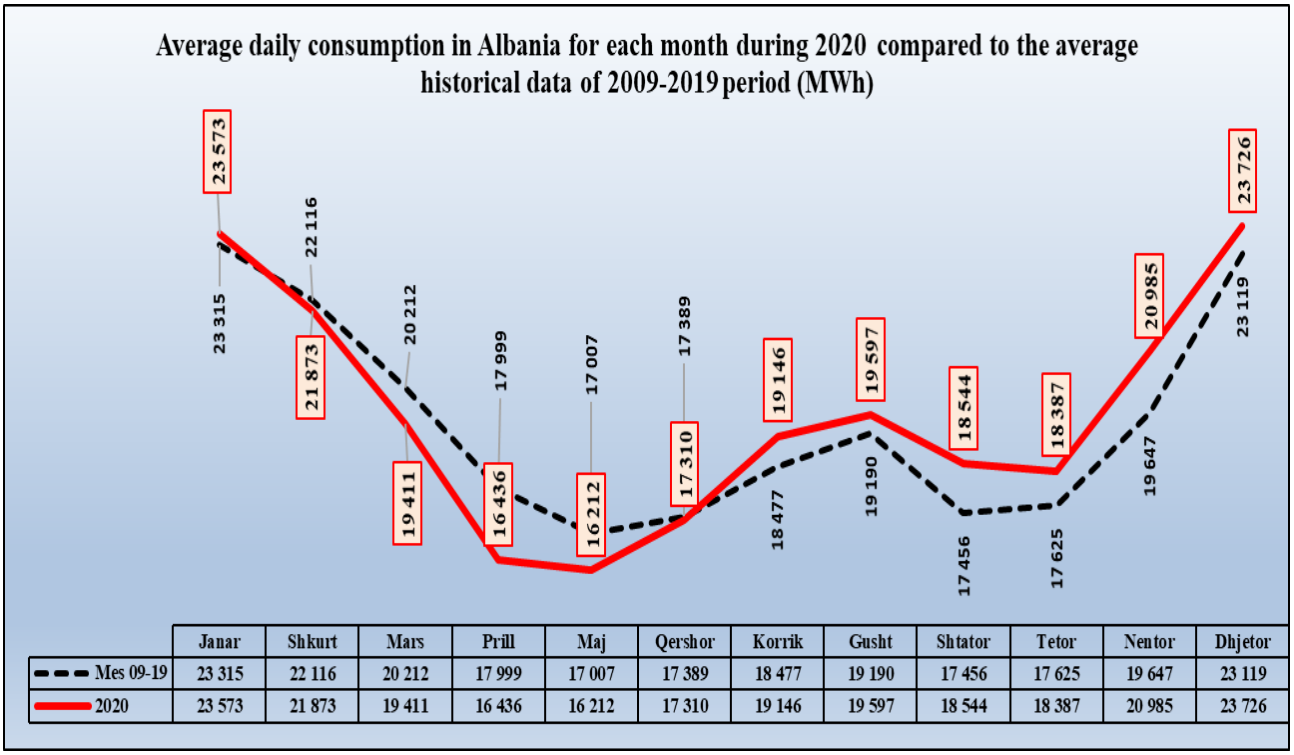
1.4.4 Electricity Consumption Profile

From the study of the annual profile of electricity consumption, the characteristic feature of this profile is the almost complete symmetry of winter-summer consumption

As in the reports of previous years, during this year the same phenomenon is observed, that of using electricity for heating in winter. Any change in ambient temperature is immediately reflected in the daily consumption of electricity, precisely by the effect of using or not using the electric heating of the building.

During the summer season, in July and August the peak tendency is increasing, which from year to year is becoming more evident and is related to climate change, improving living conditions leading to the increasing use of air conditioning equipment during the hot months.

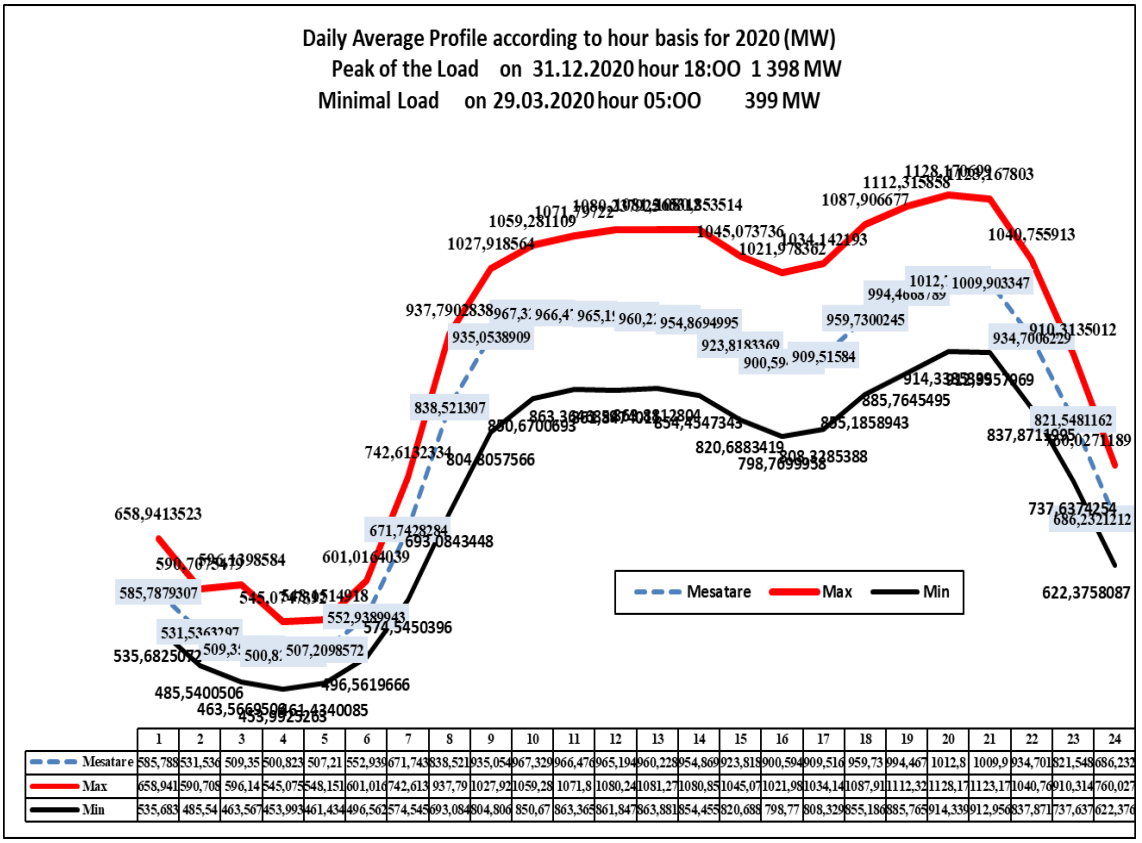
Below are the data of average daily consumption for each month of 2020 compared to the average data of the period 2009-2019.



	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor
Mes 09-19	23 315	22 116	20 212	17 999	17 007	17 389	18 477	19 190	17 456	17 625	19 647	23 119
2020	23 573	21 873	19 411	16 436	16 212	17 310	19 146	19 597	18 544	18 387	20 985	23 726

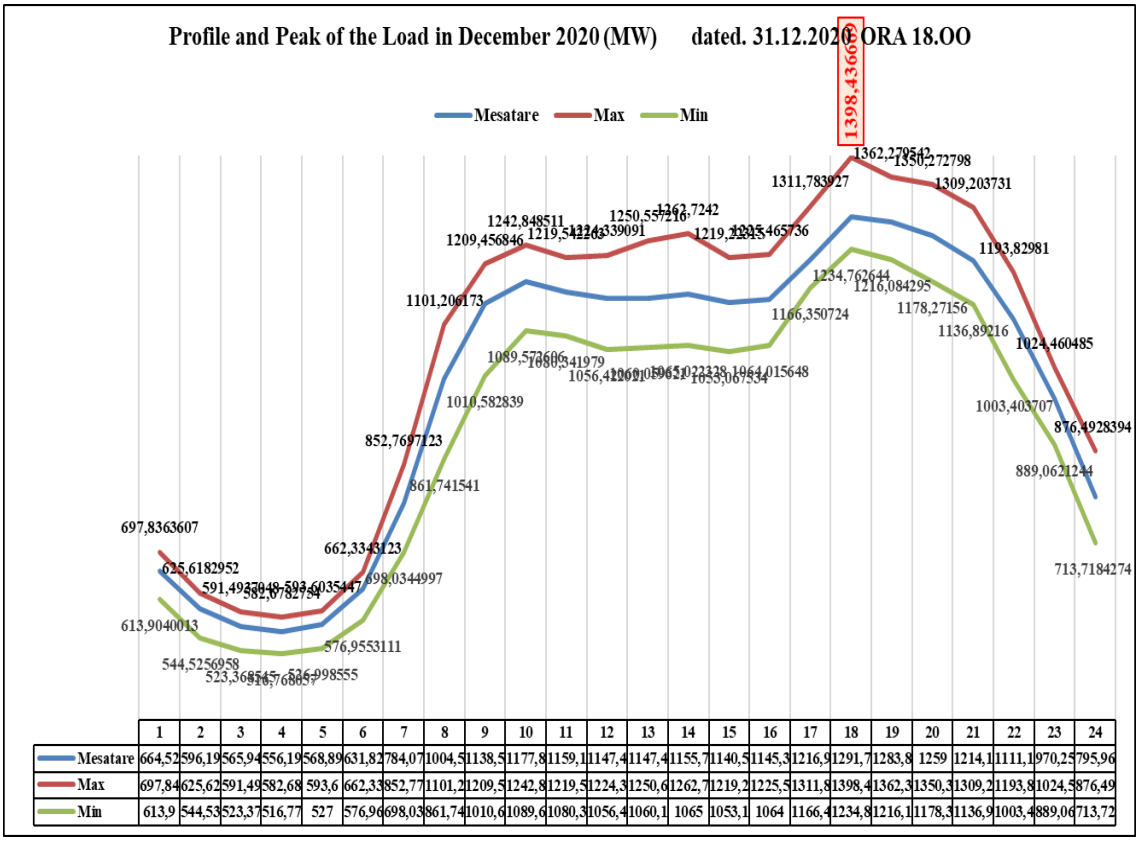
Figure 44 Average daily consumption for each month of 2020.

The graph below presents the average daily profile based on hourly load for 2020.



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Mesatare	585,789	531,536	509,35	500,823	507,21	552,939	671,743	838,521	935,054	967,329	966,476	965,194	960,228	954,869	923,818	900,594	909,516	959,73	994,467	1012,8	1009,9	934,701	821,548	686,232
Max	658,941	590,708	596,14	545,075	548,151	601,016	742,613	937,79	1027,92	1059,28	1071,8	1080,24	1081,27	1080,85	1045,07	1021,98	1034,14	1087,91	1112,32	1128,17	1123,17	1040,76	910,314	760,027
Min	535,683	485,54	463,567	453,993	461,434	496,562	574,545	693,084	804,806	850,67	863,365	861,847	863,881	854,455	820,688	798,77	808,329	855,186	885,765	914,339	912,956	837,871	737,637	622,376

Figure 45 Average daily profile on hourly basis of the load for 2020.



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Mesatare	664,52	596,19	565,94	556,19	568,89	631,82	784,07	1004,5	1138,5	1177,8	1159,1	1147,4	1147,4	1155,7	1140,5	1145,3	1216,9	1291,7	1283,8	1259	1214,1	1111,1	970,25	795,96
Max	697,84	625,62	591,49	582,68	593,6	662,33	852,77	1101,2	1209,5	1242,8	1219,5	1224,3	1250,6	1262,7	1219,2	1225,5	1311,8	1398,4	1362,3	1350,3	1309,2	1193,8	1024,5	876,49
Min	613,9	544,53	523,37	516,77	527	576,96	698,03	861,74	1010,6	1089,6	1080,3	1056,4	1060,1	1065	1053,1	1064	1166,4	1234,8	1216,1	1178,3	1136,9	1003,4	889,06	713,72

Figure 46 Profile and peak load in December 2020 (MW).

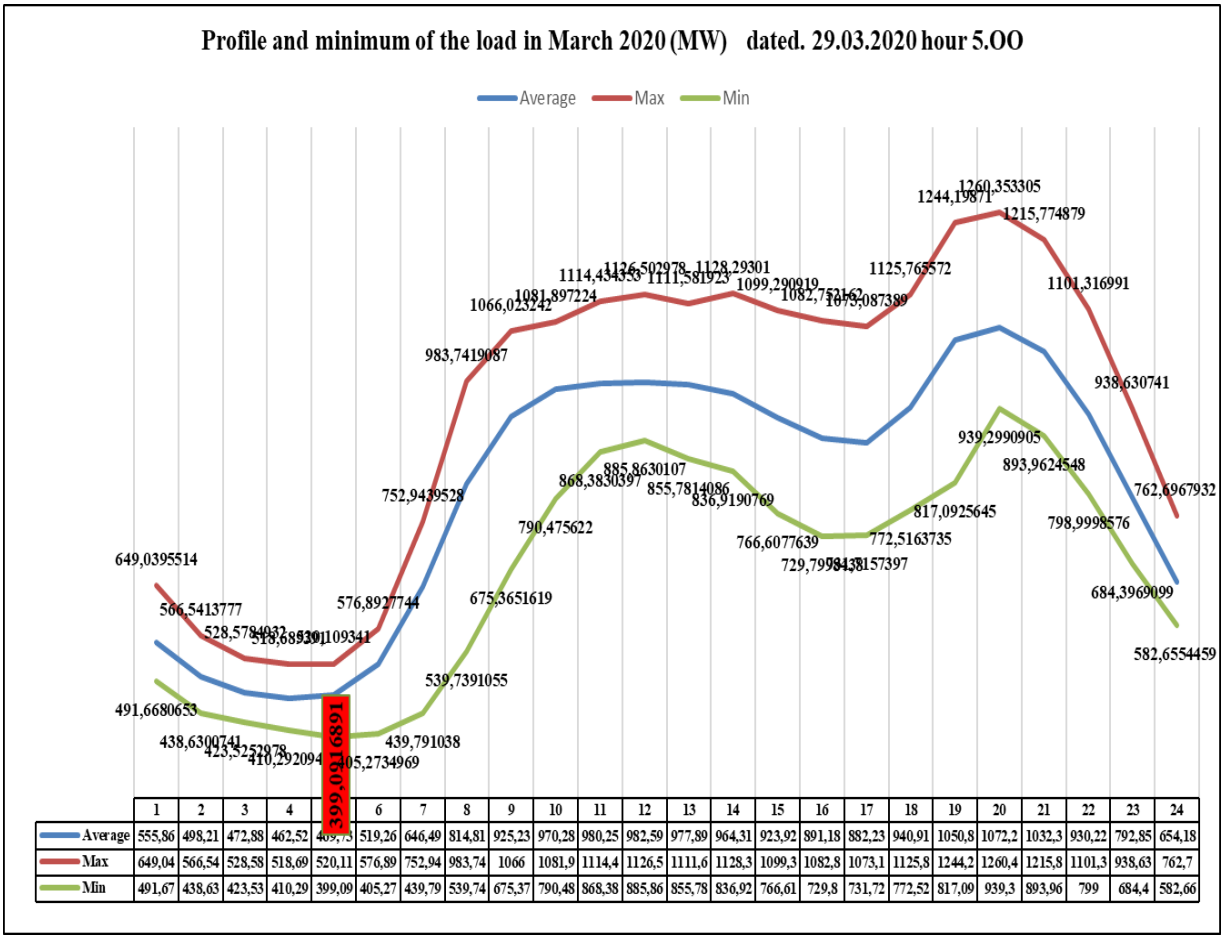


Figure 47 Profile and minimum of the load in March 2020 (MW).

1.4.5 Indicators of electricity supplied, sold and lost for each area and agency of the Distribution Operator OSHEE company during 2020.

Below are the data related to the indicators of Electricity Supplied, sold and lost for each area and agency of OSHEE during 2020 (MWh).

VITI 2020					
Drejtoria Rajonale	Agjensia	Energjia e Hyre MWh	Energjia e Shitur MWh	Humbjet MWh	Humbjet ne %
TIRANË	Tirana1	854,796	744,722	110,074	**8.1**
	Tirana2	799,608	691,423	108,185	**8.0**
	Tirana3	657,029	550,532	106,494	**7.9**
DURRËS	Durres	383,610	320,365	63,245	**4.7**
	Kavaje	151,442	130,259	21,184	**1.6**
	Kruje	139,843	93,014	46,828	**3.5**
	Shijak	182,429	136,854	45,574	**3.4**
FIER	Ballsh	45,521	40,586	4,936	**0.4**
	Fier	331,386	285,826	45,560	**3.4**
	Patos	69,107	55,574	13,533	**1.0**
ELBASAN	Elbasan	305,972	263,361	42,611	**3.1**
	Gramsh	22,213	19,388	2,827	**0.2**
	Librazhd	68,408	55,603	12,805	**0.9**
	Peqin	34,350	26,966	7,385	**0.5**
KORÇË	Bilisht	35,475	29,804	5,670	**0.4**
	Kolonje	17,579	15,084	2,496	**0.2**
	Korce	201,223	165,027	36,195	**2.7**
	Pogradec	71,229	62,074	9,156	**0.7**
GJIROKASTËR	Delvine	17,648	14,603	3,046	**0.2**
	Gjirokaster	102,404	81,382	21,022	**1.6**
	Permet	22,364	19,069	3,294	**0.2**
	Saranda	107,083	90,475	16,609	**1.2**
	Tepelene	33,386	22,044	11,342	**0.8**
SHKODËR	Koplik	71,074	34,217	36,856	**2.7**
	Lezhe	161,872	105,449	56,423	**4.2**
	Puke	25,754	14,209	11,546	**0.9**
	Shkoder	397,009	252,936	144,073	**10.6**
BERAT	Berat	113,802	93,792	20,009	**1.5**
	Kuçove	65,015	55,950	9,064	**0.7**
	Lushnje	192,629	157,251	35,378	**2.6**
	Skrapar	44,464	37,913	6,552	**0.5**
KUKËS	Has	31,728	14,747	16,980	**1.3**
	Kukes	102,780	61,745	41,034	**3.0**
	Tropoje	65,415	26,253	39,162	**2.9**
BURREL	Bulqize	54,840	49,508	5,332	**0.4**
	Diber(Peshkopi)	68,881	44,741	24,141	**1.8**
	Lac	186,160	120,735	65,426	**4.8**
	Mat (Burrel)	57,009	40,030	16,979	**1.3**
	Mirdite	48,581	32,798	15,783	**1.2**
VLORË	Himare	24,107	21,497	2,610	**0.2**
	Selenice	44,060	17,344	26,715	**2.0**
	Vlore	264,074	224,158	39,915	**2.9**
				1,354,049	**100.0**

Figure 48 Data on main indicators for any Agency of the Distribution System Operator DSO company during 2020.

The highest losses belong to the Regional Directories of Tirana and Shkodra, while the lowest level of losses during 2020 were on the Regional Directories of Përmet, Gramsh and Himara.

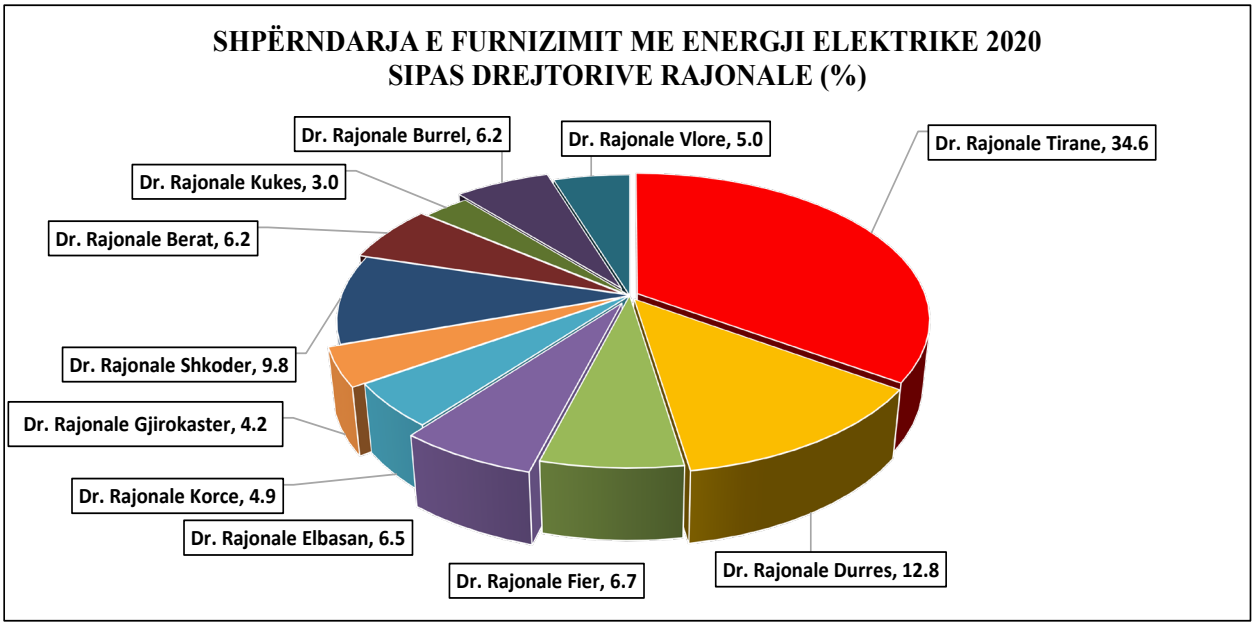


Figure 49 Distribution of Electricity Supply according to the regional Directories (%).

As shown in the figure, the largest part of electricity consumption in the country for 2020 is occupied by the Tirana Regional Directory, meanwhile the smallest part is consumed by Kukës Regional Directory.

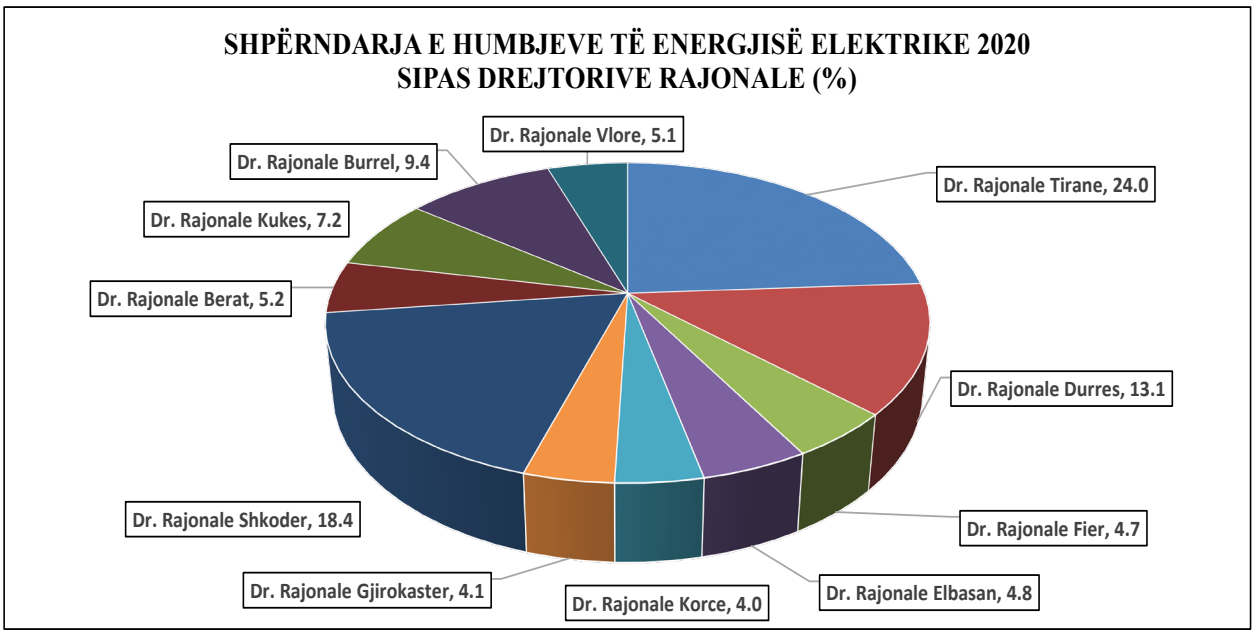
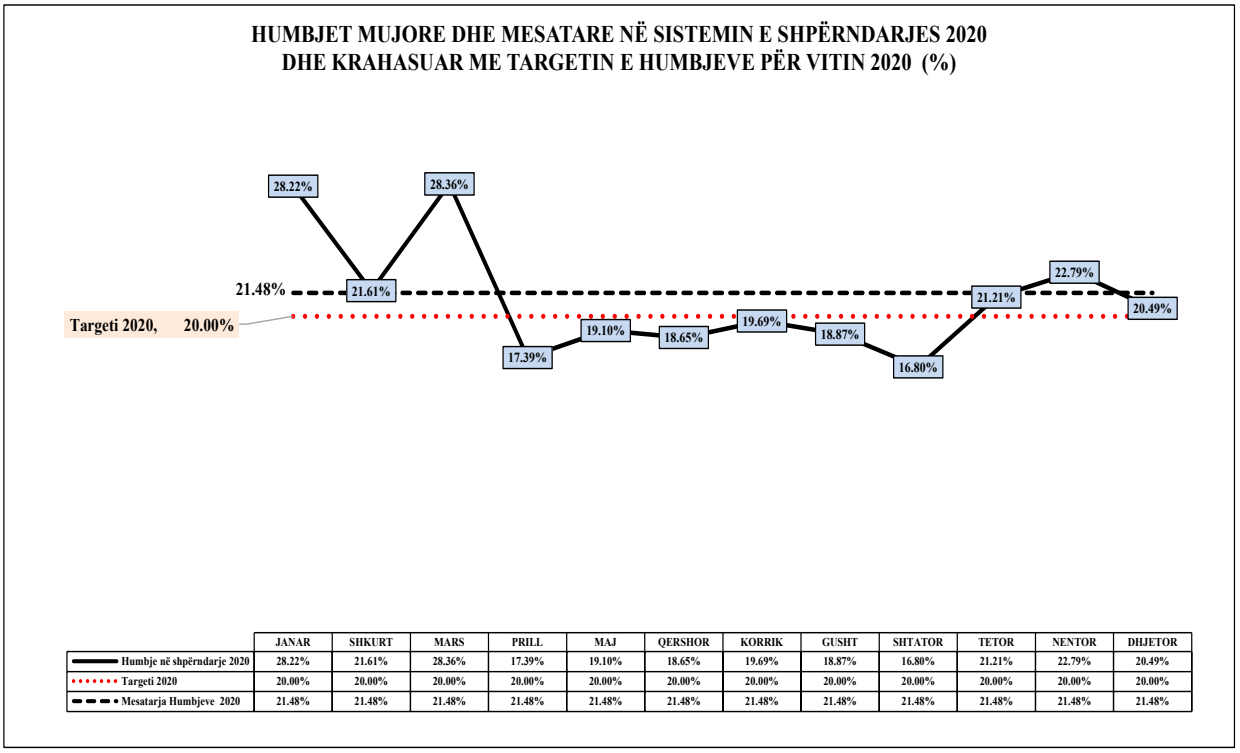


Figure 50 Distribution of Electricity Losses according to the regional directories in (%).

Comparison of losses in the distribution network with the targets set in Council of Ministers Decision no. 253, dated 24.04.2020.



	JANAR	SHKURT	MARS	PRILL	MAJ	QERSHOR	KORRIK	GUSHT	SHTATOR	TETOR	NENTOR	DHJETOR
Humbje në shpërndarje 2020	28.22%	21.61%	28.36%	17.39%	19.10%	18.65%	19.69%	18.87%	16.80%	21.21%	22.79%	20.49%
Targeti 2020	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Mesatarja Humbjeve 2020	21.48%	21.48%	21.48%	21.48%	21.48%	21.48%	21.48%	21.48%	21.48%	21.48%	21.48%	21.48%

Figure 51 Monthly and average losses in the distribution system compared to the target of the electricity losses according to Council of Minister Decision no.253, dated 24.04.2020 (%).

Presentation of contribution to supply and the respective losses according to the agencies.

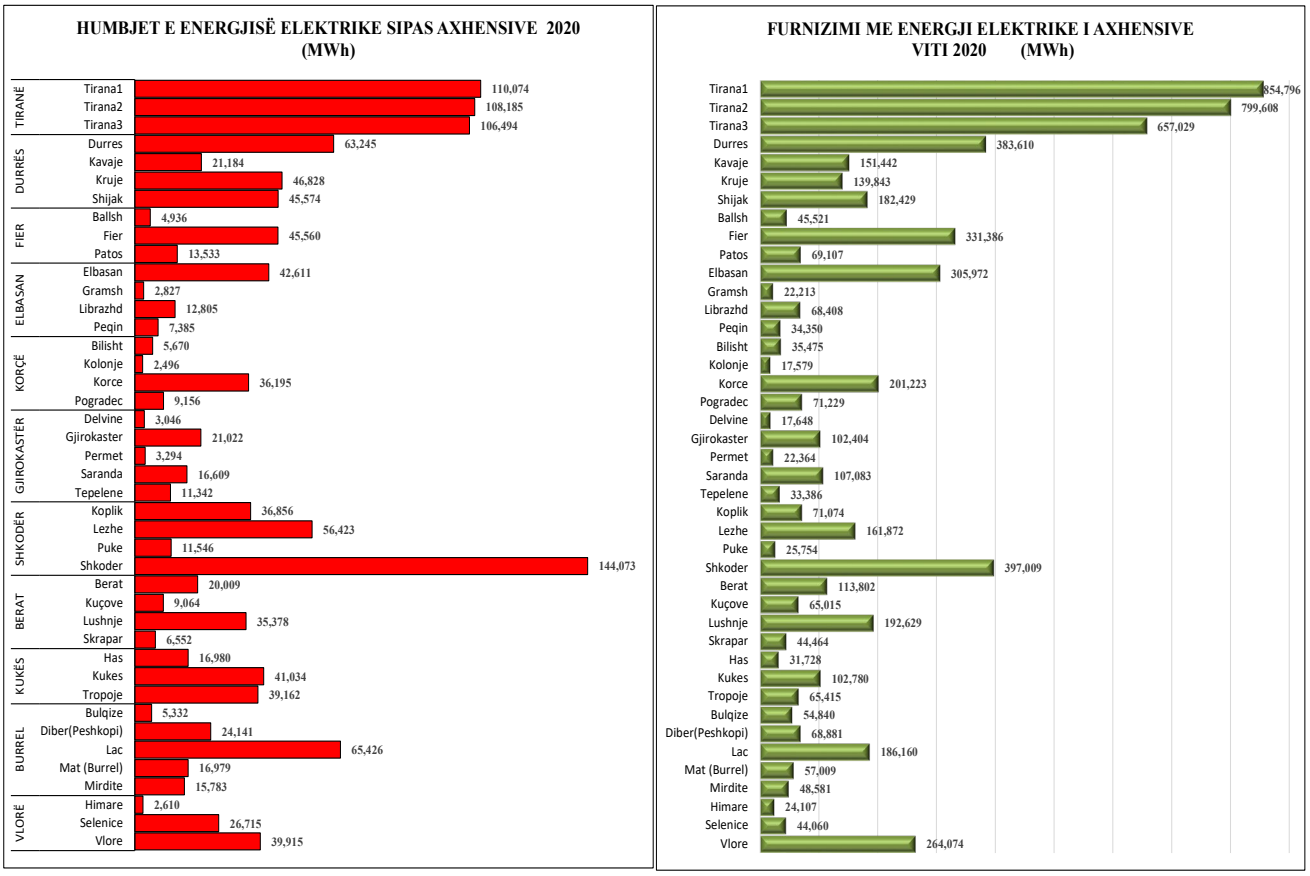


Figure 52 Quantity in supply and electricity losses in the Region and the Agencies of the Distribution Netwkork (Source: DSO company).

Based on the data presented in the tables and periodic or specific information of electricity market operators, the Power Balance for 2020 was built as follows.

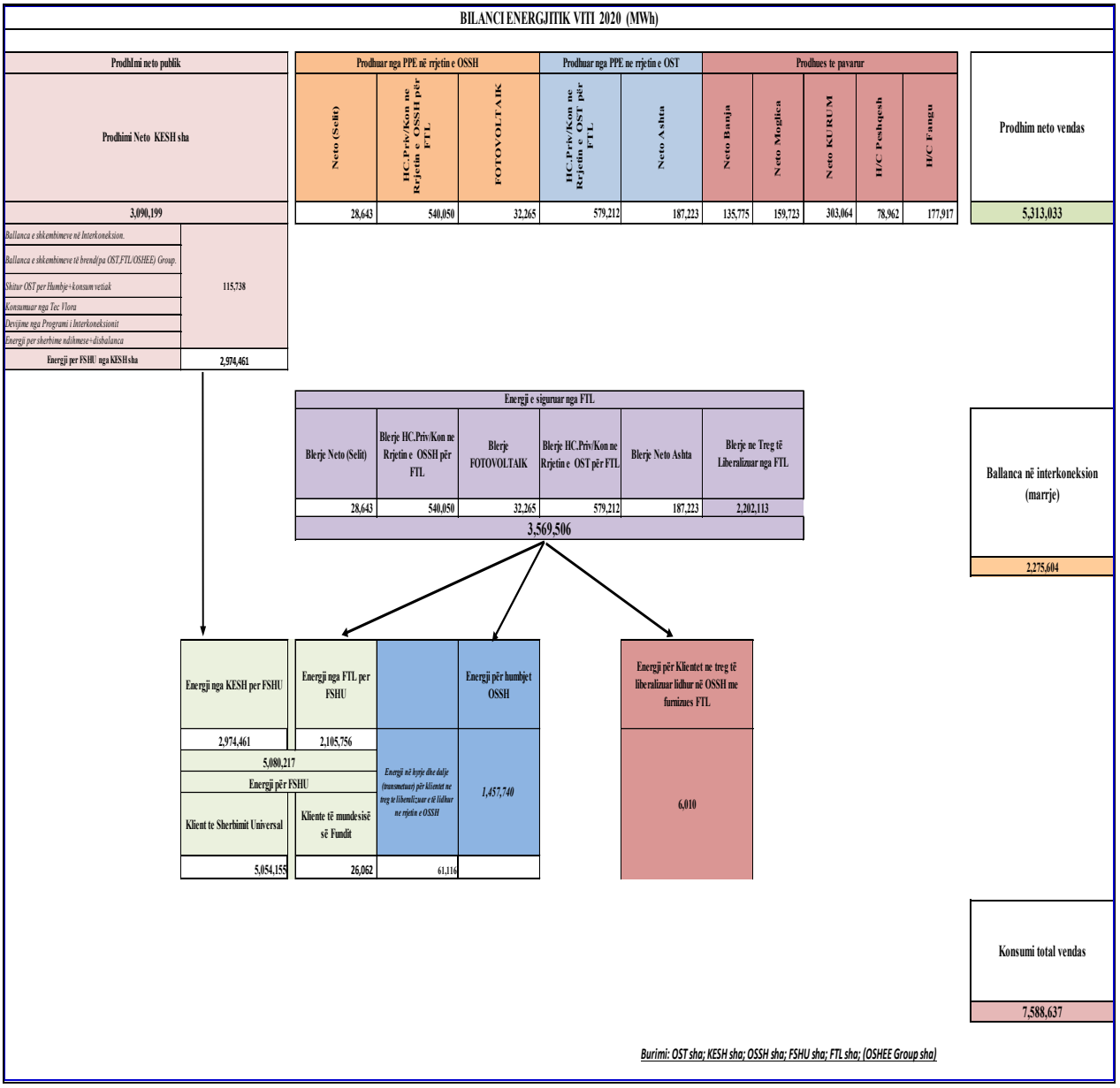


Figure 53 Power Balance 2020.

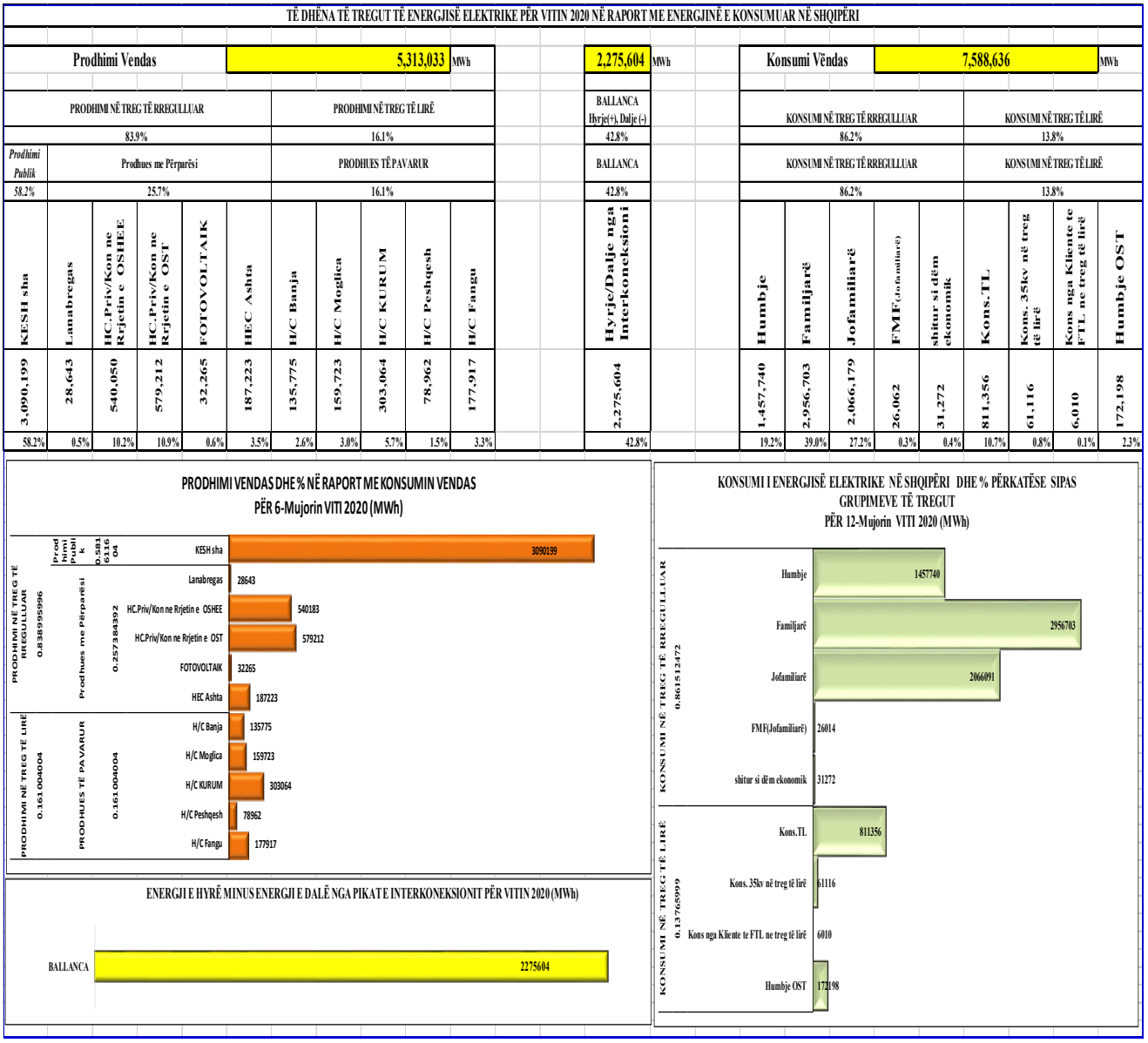


Figure 54 Data of electricity market for 2020 regarding the consumed electricity in Albania.

1.4.6 Effectiveness of electricity sales

During 2020, the effectiveness of electricity sales continues in increased values, always in reference to the determining factors in the level of electricity consumption efficiency, which are:

1. Level of electricity losses in distribution.
2. Level of collections for the invoiced electricity.

The total losses reported by the company for 2020 is **21.48** % marking a decrease in the level of losses compared to 2019.

Total collection level reported by OSHEE is 95.8% to the invoiced elecricity (see the table of Invoices- Collections).

The collection figure also includes arrears.

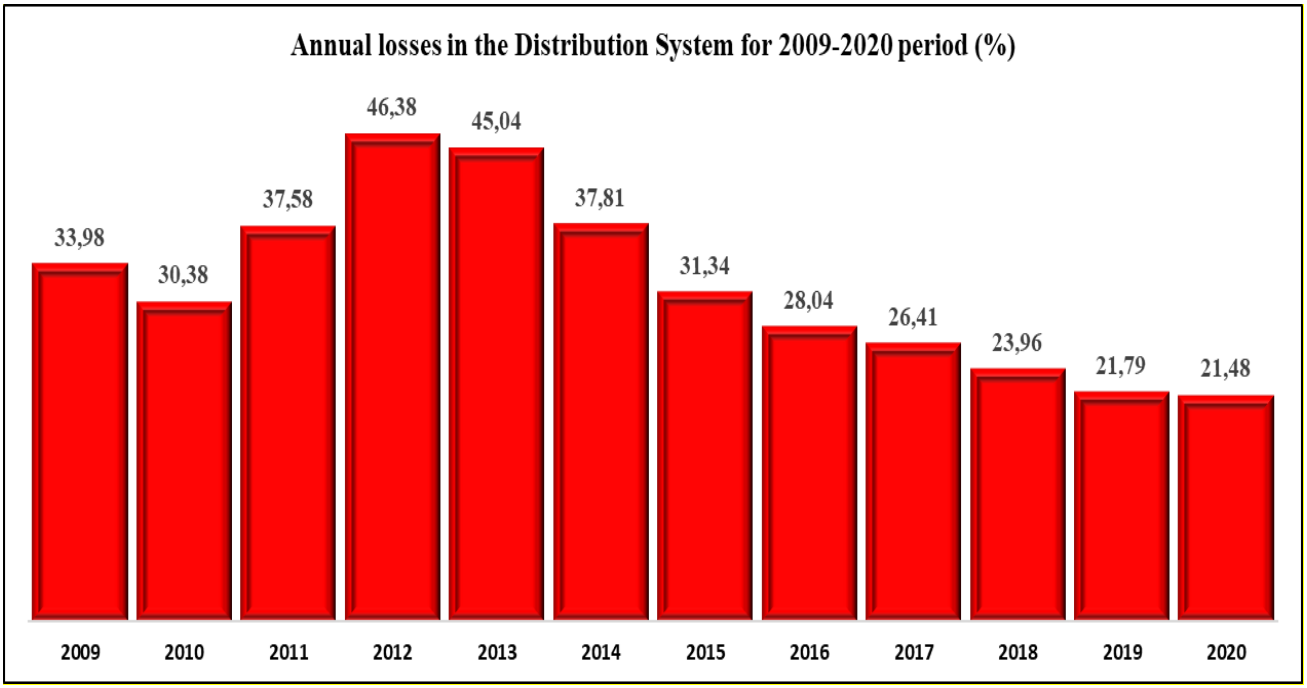
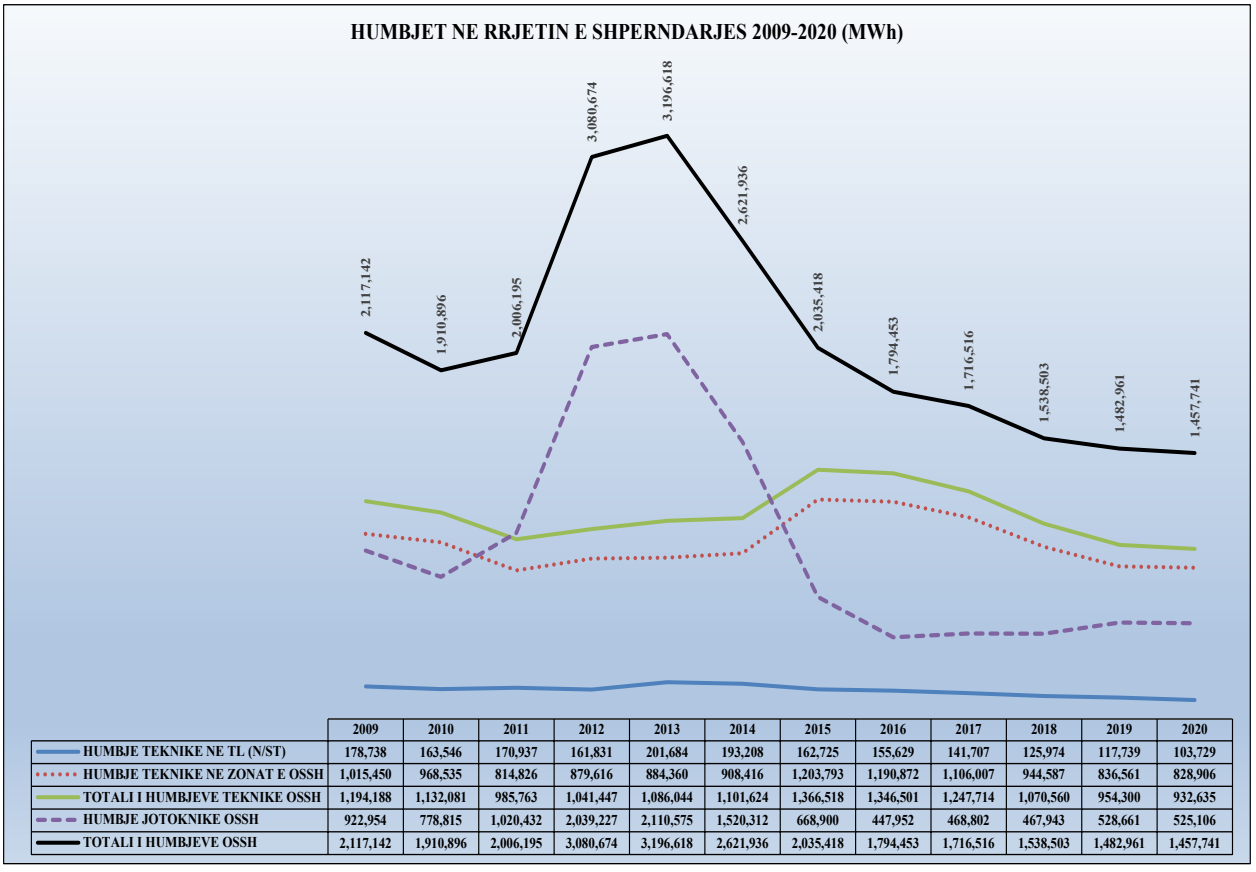


Figure 55 Annual losses in the Distribution System for 2009-2020 period.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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
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
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
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
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

Figure 56 Graph of the Annual Losses in the Distribution System for 2009-2020 period.

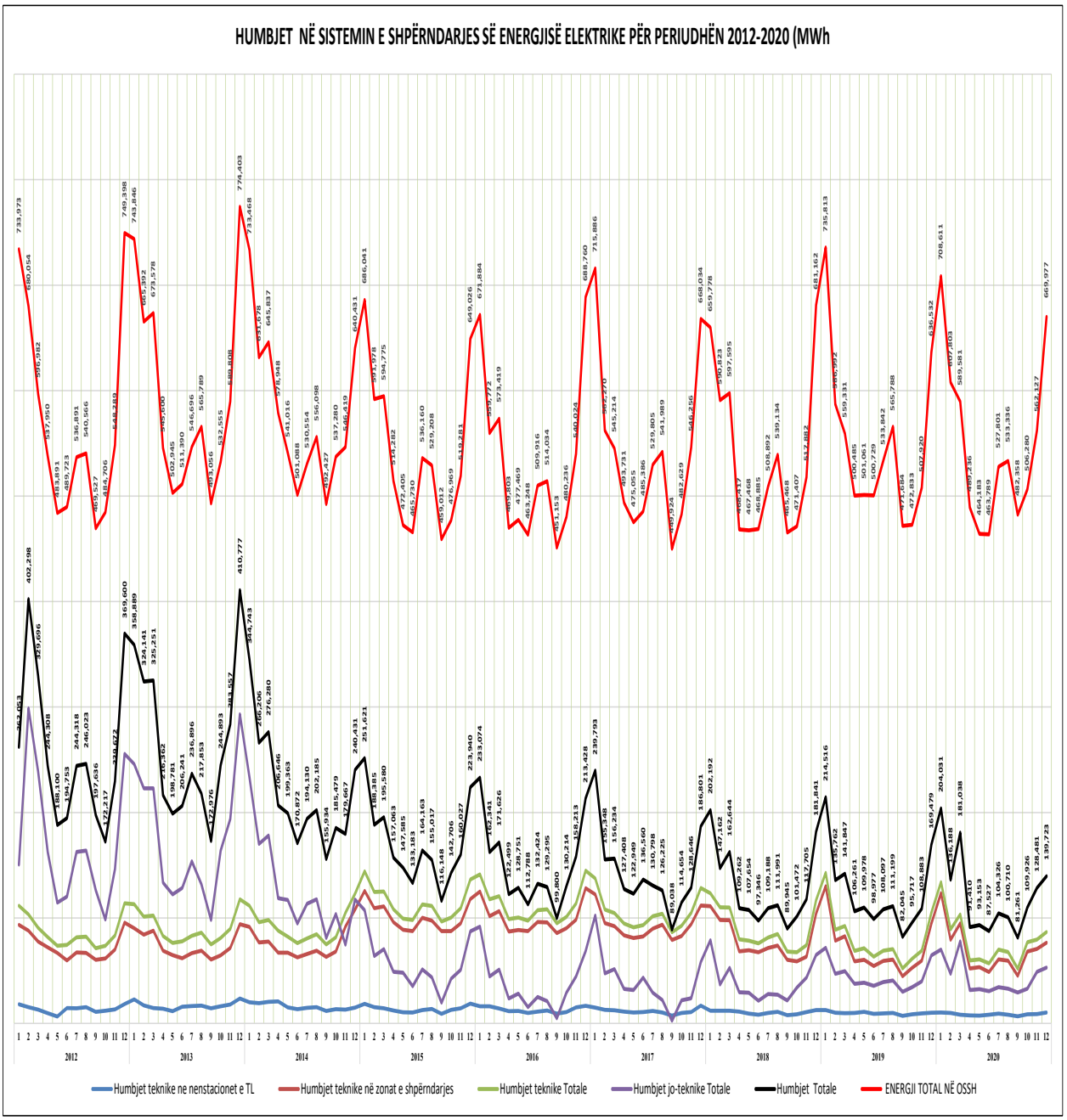
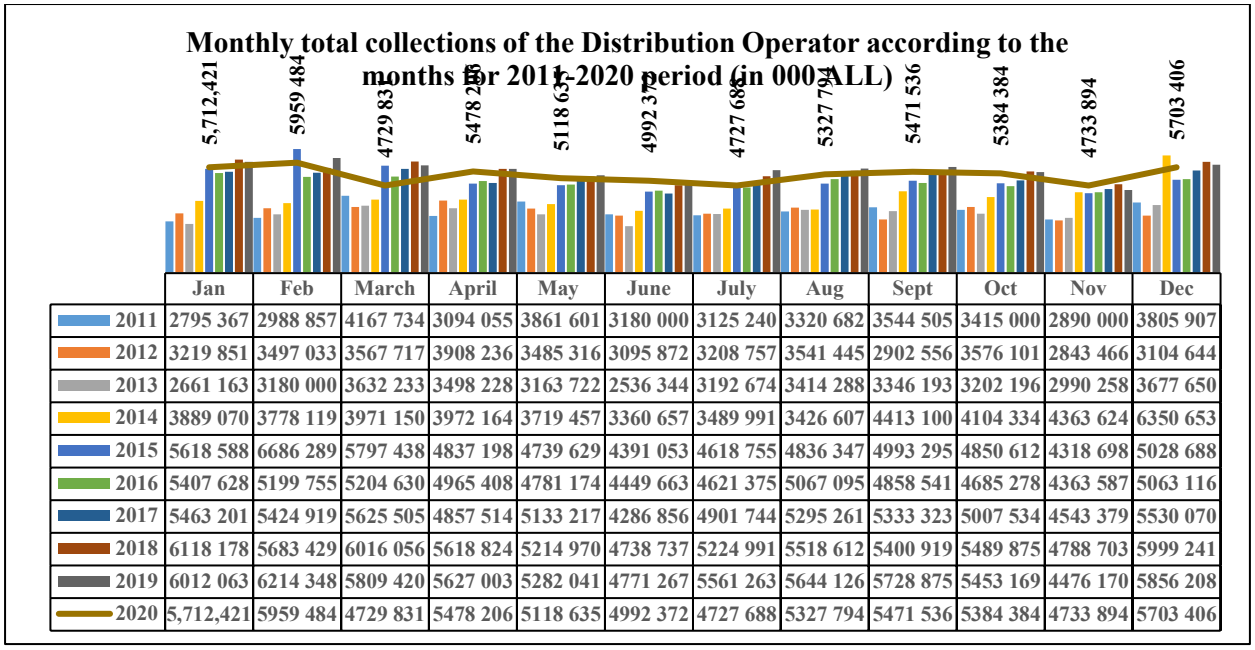


Figure 57 Annual Losses in the Distribution System for 2009-2020 period.



	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2011	2795 367	2988 857	4167 734	3094 055	3861 601	3180 000	3125 240	3320 682	3544 505	3415 000	2890 000	3805 907
2012	3219 851	3497 033	3567 717	3908 236	3485 316	3095 872	3208 757	3541 445	2902 556	3576 101	2843 466	3104 644
2013	2661 163	3180 000	3632 233	3498 228	3163 722	2536 344	3192 674	3414 288	3346 193	3202 196	2990 258	3677 650
2014	3889 070	3778 119	3971 150	3972 164	3719 457	3360 657	3489 991	3426 607	4413 100	4104 334	4363 624	6350 653
2015	5618 588	6686 289	5797 438	4837 198	4739 629	4391 053	4618 755	4836 347	4993 295	4850 612	4318 698	5028 688
2016	5407 628	5199 755	5204 630	4965 408	4781 174	4449 663	4621 375	5067 095	4858 541	4685 278	4363 587	5063 116
2017	5463 201	5424 919	5625 505	4857 514	5133 217	4286 856	4901 744	5295 261	5333 323	5007 534	4543 379	5530 070
2018	6118 178	5683 429	6016 056	5618 824	5214 970	4738 737	5224 991	5518 612	5400 919	5489 875	4788 703	5999 241
2019	6012 063	6214 348	5809 420	5627 003	5282 041	4771 267	5561 263	5644 126	5728 875	5453 169	4476 170	5856 208
2020	5,712,421	5959 484	4729 831	5478 206	5118 635	4992 372	4727 688	5327 794	5471 536	5384 384	4733 894	5703 406

Figure 58 Level of Monthly Collections for 2011-2020 period.

PERFORMANCA E OPERATOTRIT TE SHPERNDARJES 2009-2020 (%)

NIVELI I HUMBJEVE (%) 2009-2020

	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor	
2009	40.75	37.05	38.05	32.93	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	26.41
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	23.9
2019	29.25	23.21	26.5	21.36	22.10	19.92	20.42	19.81	17.54	20.40	21.58	24.76	21.79
2020	28.22	21.61	28.36	17.39	19.10	18.65	19.69	18.87	16.80	21.21	22.79	20.49	21.48

Niveli i Arketimeve (%) 2009-2020

	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	96.6
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	101.6
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	98.4
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	95.8

Efektiviteti i shitjeve (%) 2009-2020

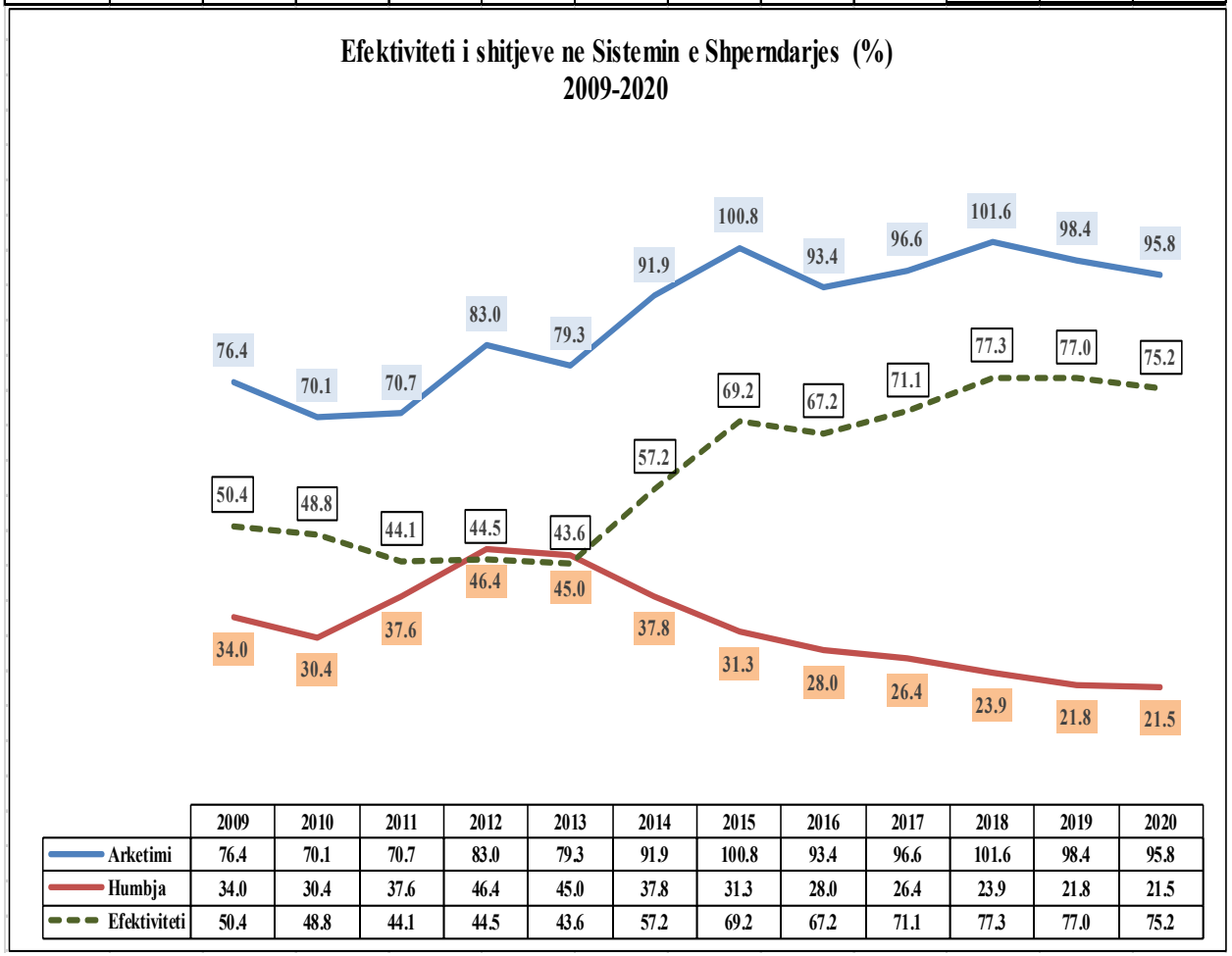
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor	
2009	41.1%	54.1%	46.1%	58.1%	57.4%	52.9%	50.8%	50.6%	62.1%	56.0%	41.1%	44.2%	
2010	34.0%	42.8%	54.7%	61.4%	56.2%	54.4%	54.7%	87.9%	66.1%	56.2%	43.7%	47.2%	
2011	29.9%	35.7%	55.3%	55.1%	72.7%	57.5%	50.8%	65.3%	50.9%	47.8%	34.9%	56.1%	
2012	38.4%	32.3%	35.1%	42.6%	57.9%	50.3%	49.9%	56.1%	42.9%	63.2%	42.2%	39.5%	
2013	30.0%	32.7%	44.6%	48.7%	47.8%	41.5%	49.8%	55.4%	51.0%	45.5%	46.2%	47.9%	
2014	45.0%	44.6%	49.2%	55.0%	51.7%	52.9%	55.0%	53.2%	70.1%	66.1%	68.4%	88.1%	
2015	71.4%	82.2%	69.6%	60.2%	65.8%	69.3%	68.3%	74.0%	71.2%	70.3%	63.8%	66.0%	
2016	60.2%	61.8%	67.0%	66.6%	72.4%	69.6%	69.7%	72.4%	71.3%	70.5%	63.8%	66.7%	
2017	56.7%	63.4%	75.4%	70.1%	78.3%	65.8%	78.9%	74.7%	75.9%	79.1%	70.9%	72.2%	71.1%
2018	66.8%	71.9%	77.0%	75.8%	85.9%	79.4%	82.5%	80.9%	75.1%	85.3%	74.4%	79.9%	77.3%
2019	64.2%	71.1%	73.4%	80.5%	79.8%	75.3%	83.1%	79.6%	77.4%	83.3%	70.3%	83.3%	77.0%
2020	65.6%	71.8%	55.5%	88.2%	82.4%	83.1%	77.7%	77.3%	80.4%	79.7%	70.6%	80.9%	75.2%

Figure 59 Progress of sales effectiveness indicators of the Distribution Operator (%).

Sales effectiveness of OSHEE practically represents the percentage (%) of electricity that is sold and collected. For 2020, the effectiveness of sales for OSHEE is 75.2% or 1.8 % lower compared to that in 2019.

The effectiveness of sales for 2009-2020 is presented in the graph below.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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
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
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



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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
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
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

Figure 60 Sales effectiveness of the DSO 2009-2020 (Source: DSO company).

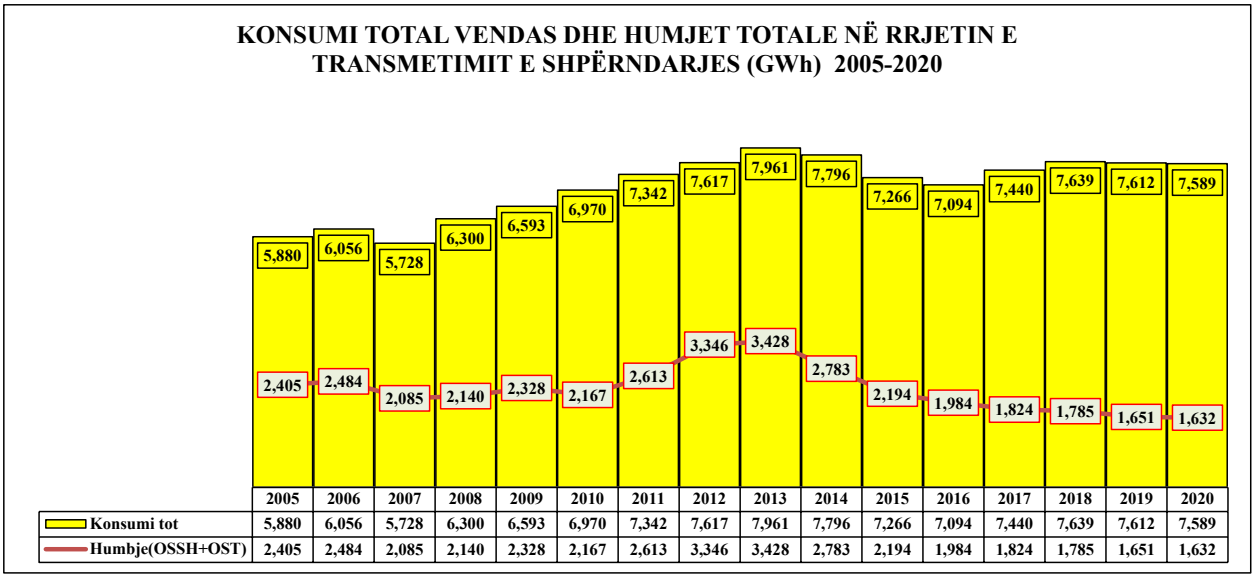


Figure 61 Total losses to the Energy introduced in the Power System to the consumption.

The figure above shows the progress of total electricity losses, which includes losses in the distribution system and those in the transmission system, during 2005 - 2020. The data show that electricity losses in absolute values have been decreasing from year on year. For 2020 electricity losses in the distribution and transmission system are 1,632 GWh. Compared to 2019 we have a reduction of total electricity losses by 19 GWh.

The figure below shows the relationship of electricity invoices-collections during 2005 - 2020. As it can be seen in the figure until 2014, the difference between invoices and collection has been significant. The difference between invoices and collection reaches its maximum level in 2011, at around 30%. For 2020 the difference between invoices and collection is only 3.1 %. The significant reduction of the difference between the invoiced and the collected electricity begins in 2015 and continues to be a consolidated process in the following years.

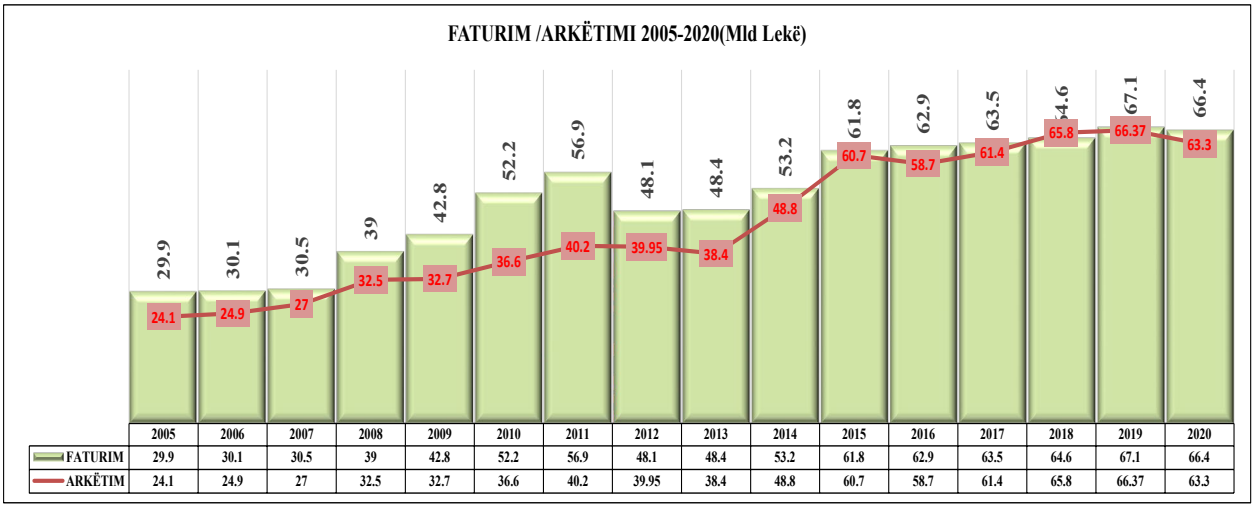


Figure 62 Invoicing/Collections 2002-2020 with the VAT (Source: DSO company).

1.4.7 Assets of the Electricity Distribution Operator.

The following table presents data on assets under administration by OSHEE for 2020, such as substations, lines, cabins and transformers in the electricity distribution network.

Data on assets of OSHEE include data on key elements of the electricity distribution network. Number of substations, number of transformers, length of overhead and cable lines as well as number of electrical cabins. The total number of electric cabins in the distribution network for 2020 is 25,820 of which 13,218 are owned by OSHEE and the rest is owned by private entities/subjects.

The total length of the medium voltage lines in the distribution system is 16.6826 km. The total length of the low voltage network in the distribution system is 36.912 km. More detailed data are given in the table below.

TE DHENAT E RRJETIT OSHEE PER VITIN 2020

NENSTACIONE,KABINA DHE TRANSFORMATORE	
Numri i Nënstacioneve	181
Numri I transformatoreve ne nenstacione	310
Numri I Kabinave total	25696
Numri i Transformatorëve TM /TU	26338

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											
	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
Gjithsej	335	275	10	2647	3727	3942	56	87	1741	6942	5847	87	25696	1601391	1797666	2633679	6032686	10043	9995	6300	26338
Pronesi OSHEE	256	200	2	1,675	2,620	2,072	42	52	1,676	2,020	2,387	51	13,053	790010	1053947	1583065	3427022	4022	5295	4047	13364
Pronesi Jo e OSHEE	79	75	8	972	1,107	1,870	14	35	65	4,922	3,460	36	12,643	811381	743719	1050614	2605664	6021	4700	2253	12974

Gjatesia Totale e rrjetit TM (km)	17389.6
Linja 35 kV (km) Ajrore	1244.6
Linja 35 Kv (km) Kabllore	17.5
Linja 20 Kv (km) Ajrore	192.4
Linja 20 Kv (km) Kabllore	2396.9
Linja 10 Kv (km) Ajrore	7528.9
Linja 10 Kv (km) Kabllore	419.0
Linja 6 Kv (km) Ajrore	4827.2
Linja 6 Kv (km) Kabllore	763.1

Gjatesia Totale e rrjetit TU (km)	56,070
Ajror me percjelles te shveshur (km)	17,771
Ajror me kabell ABC(km)	5,039
Kabllor PVC, XLPE	13,376
Kabell Koaksial	19,885

KABINAT	SHPERNDARJA SIPAS TIPIT DHE PRONESISE SE KABINAVE (%)												TOTAL %
	METALIKE			MURATURE			BOX			SHTYLLORE			
	6 kV	10kV	20kV	6 kV	10kV	20kV	6 kV	10kV	20kV	6 kV	10kV	20kV	
Gjithsej	335	275	10	2647	3727	3942	56	87	1741	6943	5847	87	100
Pronesi OSHEE	256	200	2	1675	2620	2072	42	52	1676	2020	2387	51	50.8
Pronesi Jo e OSHEE	79	75	8	972	1107	1870	14	35	65	4923	3460	36	49.2

Figure 63 Data on the main assets of the DSO (Source: DSO).

2. ELECTRICITY MARKET.

During 2020 the Electricity Market operated according to Council of Minister's decision No. 244 dated 30.03.2016, as amended "On approving the conditions for setting public service obligation, that shall be implemented to the licensee on Power sector, which exercise electricity production, transmission, distribution and supply activities" implementing Council of Ministers Decision no. 519 dated 13.07.2016 "On approving the Electricity Market Model" the implementation of which is related to the effectiveness of the Day Ahead Market and the establishment of the Albanian Power Exchange. Among others the current model has defined the electricity market participants in Albania and the role and responsibilities of each participant in the market charged with public service obligation.

With the entry into force of Law No.43/2015 "On Power Sector", as amended, the Energy Regulator Authority to reflect the requirements of this Law continued the work on approving the secondary legislation on its implementation.

As provided even on article 98 of Law No. 43/2015 "On Power Sector" and on Council of Ministers Decision No. 244 dated 30.03.2016, as amended, the Transitional Market Rules approved by ERE with ERE Board Decision No. 139, dated 15.08.2016, as amended are implemented during 2020.

Also, with ERE Board Decision No. 193 dated 27. 11.2017 are approved the "Transitional rules for the Electricity balancing mechanism" to give an acceptable and transparent solution for all the market participants in handling the Albanian Power System balancing and their responsibilities. ERE Board decision no. 214, dated 28.12.2017 approved the "Albanian Electricity Market Rules and the Agreement to Participate at the Albanian Power Exchange" that shall enter into force with the implementation of the Market Model from the initiation of the work of the Albanian Power Exchange as provided in point 8 of Council of Ministers Decision no. 519, dated 13.07.2016.

There are taken the concrete steps for the Electricity Market liberalization regarding the establishment of the technical conditions and the by legal and regulatory framework for the introduce in the free market even for the customers connected at the 35 kV voltage level pursuant to Law no. 43/2015 "On Power Sector" and relevant bylaws which are introduced in the free market in March 2020 and from this date shall no longer be supplied by the Supplier of Last Resort. This process shall continue in the coming years and with the introduction in the free market of customers connected to the voltage 20 kV, 10 kV and 6 kV. To guarantee the rights of both suppliers and customers of electricity, ERE has completed the legal regulatory framework with the necessary basis to guarantee safe, transparent and non-discriminatory operation. For this purpose, there are approved a series of bylaws, among which we mention,

- the Distribution Service Agreement between OSHEE and electricity suppliers,
- the Regulation on Standard Criteria for Quality of Supply Service and Security of Performance in the Electricity Distribution Network,
- Regulation on Procedures for Submission of a Request for its Review and Notification Deadlines when the Customer Doubts about the Accuracy of Electricity Meter Data,
- Regulation on Switching the Electricity Supplier,
- Regulation on specific conditions for interruption of electricity supply to customers in need,
- Regulation on general conditions of the universal electricity supply service contract for the end use customers.

ERE has also instructed the Universal Service Supplier to sensibilise the customers for their introduction in the unregulated market by notifying this latter regarding the obligations arising from the implementation of Power Sector Law and the impossibility of Supply as a last resort after being introduced in the unregulated market.

Currently the number of customers for which it become possible the establishment of technical conditions is over 90, however in this regard is expected to be done more in establishing the technical conditions by OSHEE for its further liberalization.

2.1 Regulation to determine the conditions for the Nominated Electricity Market Operator (NEMO).

ERE Board with Decision no. 40 dated 06.03.2020, approved the "Regulation for the requirements and procedures to designate the nominated electricity market operator (NEMO) as well as nemo roles and responsibilities and the electricity transmission system operators in market coupling."

Regarding the above, it shall be emphasized that Energy Community Regulatory Board (ECRB) supported the regulatory measures for the implementation of the requests of the Day – ahead and Intraday Market Coupling of electricity in the contracting parties of the Energy Community.
The regulation on capacity allocation and congestion management (CACM) clearly states that in order to enable the operation of the day-ahead and intraday market coupling of electricity in countries that are members of the Secretariat and the European Union, should be defined the responsibilities of Transmission System Operators (TSOs) and Nominated Electricity Market Operators (NEMOs).

ECRB suggested that the contracting parties of the Energy Community should describe the responsibilities of NEMO and the TSO with a regulatory act, which depending on the regulatory framework of the Contracting Parties may be in the form of a separate regulatory decision, recommendation or included in the regulatory decision approving the implied allocation or market coupling.

The approval of these acts is a flexible and appropriate response to regulatory commitments by the Contracting Parties and more specifically to the WB6 national regulatory authorities, commitments undertaken with the signing of the Western Balcan 6 memorandum.

With ERE Board Decision no. 40, dated 06.03.2020, it is approved the"Regulation on the requirements and procedures for designation of nominated electricity market operator(s) (NEMO) and the roles and responsibilities of NEMO-s and electricity Transmission System Operators in Market Coupling."

2.2 Monitoring the Activities in the Alectricity Market

2.2.1 Electricity Market Monitoring

Pursuant to Law no. 43/2015 "On Power Sector", article 7, article 20, letter 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", 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.

Pursuant to the abovementioned and the bylaws issued implementing the sector law but also the obligations set out in the Albanian Assembly Decision no. 134/2019, "On approving the annual and periodic manual monitoring ", ERE has the obligation to report to the Albanian Assembly regarding the findings during the exercise of its monitoring function.

Regarding the above, ERE during 2020 in oredr to collect data which provide a complete overview of the operation and developments of the electricity market, exercised this task in two forms:

1. By data collection and obtaining information and data through periodic reporting from the licensees and ongoing monitoring by performing verifications of these data of the same nature obtained from different reporting sources.

2. Through specific monitoring performed at licensees with specific monitoring facilities.

Regarding the first point mentioned above, the results and analysis are presented on the I-st Part" The Situation of the Power Sector and Electricity Market " of this report, giving the possibility to compare with the previous years and the comparison approach with the performance of data , for which targets have been set in Chapter VI “Implementation Plan” of Council of Ministers Decision no. 253, dated 24.4.2020 “On the approval of the financial consolidation plan of the public power sector.
To ensure the most accurate and timely reporting by licensees and electricity market participants with ERE Board Decision no. 203, dated 12.12.2020, approved the "Rules to monitor the electricity market"

ERE in cooperation with donors of the sector is seeing the possibility of developing an electronic platform which shall enable participants in the electricity market to meet all obligations arising from the EC Directives and Regulations and Laws 43/2015 " On Power Sector ” as amended and 102/2015“ On natural gas sector ”as amended, shall simultaneously serve all interested parties to obtain the necessary information and data as soon as possible

Analysing the results and processing the problems and the information received, from ERE, it was judged on a case-by-case basis to conduct verifications, analyses, hearings sessions and on site monitorings.

Also, it is analysed the situation of periodic reporting of licensees where are found failures in compliance by them to meet the obligation for periodic reporting, regarding ERE findings it continued with the relevant correspondence in the framework of improving these practices and improving the shortcomings.

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

Within this framework, ERE send the required information from these institutions and various cooperating organizations with ERE, as well as participates in meetings, which are within the ERE scope of work.

In order to increase transparency in the electricity market, ERE Board Decision no. 118, dated 27.07.2017, approved the "Rules on the publication of electricity market fundamental data”, while the publication of the main quarterly data for the operation of the electricity market are regularly approved on ERE website according to the provisions of Law no. 43/2015 “On Power Sector”, as

amended. 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 2019 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. From the operators, it is noticed the increase of the information that is published in the framework of transparency, mainly TSO through the transparency platform of ENTSO-E, although improvements of this process shall continue and become one of the objectives of ERE continuing operation.

Some of the specific monitorings to the licensees are submitted briefly as follows:

2.2.2 Specific Monitoring from periodical information of TSO company.

I. The allocation of interconnection capacities

The following table presents the allocations of interconnection capacity according to their borders.

Tabela me te dhenat e Alokimit te ATC 2020

Ankandi	Periudha	Shqiperi - Mali Zi						Shqiperi - Greqi						Shqiperi - Kosove					
		Ankand		Ankand		Cmimi Ankandit		Ankand		Ankand		Cmimi Ankandit		Ankand		Ankand		Cmimi Ankandit	
		Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
		[MW]	[MW]	[MW]	[MW]	[Euro/MWh]	[Euro/MWh]	[MW]	[MW]	[MW]	[MW]	[Euro/MWh]	[Euro/MWh]	[MW]	[MW]	[MW]	[MW]	[Euro/MWh]	[Euro/MWh]
Janar	01.01.2020-31.01.2020	250	250	250	250	0.07	1.11	100	100	99	100	4.87	0.34	125	125	125	125	0.12	0.48
Shkurt	01.02.2020-29.02.2020	200	250	199	250	0.06	1.86	125	125	125	125	2.67	0.61	125	125	125	125	0.31	1.49
Mars	01.03.2020-15.03.2020	100	100	99	100	0.12	3.16	100	100	100	99	3.52	0.09	125	125	125	125	0.1	1.33
	16.03.2020-20.03.2021	0	0	0	0										50		50		2.94
	21.03.2020-15.03.2022	100	100	99	100	0.12	3.16								125		125		1.24
Prill	01.04.2020-03.04.2020	0	0	0	0	0	0	100	100	100	100	5.91	0.06	105	105	105	105	0.16	0.15
	04.04.2020-13.04.2020	100	100	100	100	0.24	2.38												
	14.04.2020-30.04.2020													105	105	105	105	3.51	4.55
Maj	01.05.2020-31.05.2020	100	100	100	100	0.28	4.3	50	100	50	100	3.06	0.12						
	01.05.2020-15.05.2020							50		50		2.35		105	105	105	105	0.1	4.3
	16.05.2020-24.05.2020													105	105	105	105	0.1	2.2
	25.05.2020-29.05.2020							0		0		2.35							
	30.05.2020-31.05.2020							50		50		2.35							
Qershor	01.06.2020-14.06.2020	100	100	100	100	0.15	1.91	100	100	100	100	2.09	0.32	105	75	105	75	0.03	2.55
	15.06.2020-29.06.2020							0	0	0	0	0	0	105	75	105	75	0.12	3.39
	30.06.2020-30.06.2020							100	100	100	100	2.09	0.32						
Korrik	01.07.2020-31.07.2020	100	100	100	100	0.05	1.97	150	150	150	150	1.42	0.15	105	105	105	105	0.11	2.05
Gusht	01.08.2020-31.08.2020	100	100	100	100	0.08	1.89	100	100	100	100	1.89	0.18	105	105	105	105	0.17	1.69
	01.08.2020-14.08.2021							50	50	50	50	1.32	0.10						
	15.08.2020-17.08.2022							0	0	0	0	1.32	0.10						
	18.08.2020-31.08.2023							50	50	50	50	1.32	0.10						
Shtator	01.09.2020-07.09.2020	100	100	100	100	0.08	2.56	150	150	150	150	1.01	0.05	105	105	105	105	0.19	2.77
	08.09.2020-09.09.2020													-	-	-	-	-	-
	10.09.2020-14.09.2020													105	105	105	105	0.19	2.77
	15.09.2020		0		0		-												
	16.09.2020-30.09.2020		100		100		2.56												
Tetor	01.10.2020-31.10.2020	100	100	100	100	0.06	4.56	150	150	150	150	1.08	0.19	125	125	125	125	0.07	3.17
Nëntor	01.11.2020-30.11.2020	150	150	150	150	0.06	2.73	150	150	150	150	2.01	0.18	125	125	125	125	0.51	2.22
Dhjetor	01.12.2020-31.12.2020	100	100	100	100	0.12	4.88	150	150	150	150	1.13	0.43	100	200	100	200	0.05	0.11

Figure 64 Data on the Capacities Allocation Auctions in the Transmission System during 2020.

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

For the allocation of interconnection capacities, during 2020 are followed the procedures according to the rules approved with ERE Board Decision no. 140, dated 22.11.2013 "Regulation on allocation of interconnection capacities" for the Albania – Kosovo Border and the "Southeast Europe Coordinated Auction Office (SEE CAO) version 1.4, approved with ERE Board Decision No. 167, dated 18.10.2016 for Albania- Montenegro and Albania – Greece Borders. ERE Board with decision no. 197, dated 26.11.2020 approved the harmonized rules of the Interconnection Capacity Allocation for the auction coordination office in Southeast Europe (see cao) for the borders Albania - Greece, Albania - Montenegro and Albania - Kosovo"which with regard to transmission capacity auctions, apply the harmonized SEE CAO rules.

- Interconnection capacity auctions were conducted in conformity with the deadlines and procedures set out in the relevant ERE regulations or decisions.
- 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.

II. Imbalances

Implementing the Transitional Market Rules and the Transitional Rules for the Electricity Balancing Mechanism regarding the handling of the balancing market issue, on the basis of the hourly data received from the TSO metering system are conducted the calculations of the imbalances for each market participant which are responsible for the caused imbalances on hourly basis.

Following ERE Board with Decision no. 106, dated 02.07.2020, approved the "Albanian electricity balancing market rules" which during 2020 were implemented without financial effects by members of the electricity market. These rules establish clear principles of a competitive and dynamic market regarding electricity balancing.

Imbalances of market participants during 2020 are calculated and invoiced on a monthly basis.

Market operation is subject to continuous monitoring by ERE.

The following table presents the imbalances for 2020 for the responsible balancing parties.

Pale Pergjegjese Balancuese	JANAR		SHKURT		MARS		PRILL		MAJ		QERSHOR		KORRIK		GUSHT		SHTATOR		TETOR		NENTOR		DHJETOR		TOTALI 2020	
	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]	Dis. Negative [MWh]	Dis. Pozitive [MWh]
KURUM	996	552	625	1,205	781	829	1,204	277	1,888	499	1,730	749	1,444	546	1,247	1,323	945	1,054	1,708	980	1,749	708	1,257	911	15,574	9,633
DEVOLL HP	36	16	9	7	182	692	22	95	70	137	62	65	68	34	47	74	158	60	75	97	152	104	75	72	956	1,453
ENERGIA GAS & POWER	427	2	483		514	0	517	0	569	-	746	-	1,074	-	621	20	395	11	1,052	126	1,261	227	1,369	125	9,026	510
AYEN AS ENERGJI	98	117	26	116	33	118	61	31	55	105	134	24	67	24	66	43	49	92	75	217	132	69	115	87	911	1,044
GSA	458	1,389	297	480	630	909	204	942	721	1,240	477	987	1,360	581	933	1,130	2,244	553	1,583	576	1,545	1,890	1,941	345	12,394	11,022
GEN-I	316	93	282	218	323	355	361	97	536	268	776	240	520	62	929	516	779	109							4,823	1,958
AES	488	283	641	96	1,370	147	674	190	1,200	101	1,260	113	1,626	77	1,747	124	1,400	83	1,883	87	1,175	79	1,019	198	14,482	1,577
ASHTA	760	836	233	717	1,014	1,056	1,046	1,285	802	1,013	523	841	650	663	572	456	695	887	933	765	596	743	1,592	1,348	9,417	10,612
FTL (OSHEE Grup)	3,278	23,605	7,905	16,209	5,633	28,847	7,229	14,410	5,541	10,483	4,628	7,355	2,992	10,964	2,424	12,833	3,132	12,793	5,789	24,305	3,189	13,126	3,891	33,846	55,630	208,777
#REF!	-	75																							-	75
KESH (Pale Pergjegjese Balancuese)	58	15	12	73	7	120	-	250	1	198	1	121	0	138	0	140	3	150	1	111	3	88	5	106	91	1,510
EZ-5 ENERGY (KASTRATI ENERGY)	235	64	169	62	285	101	388	111	441	99	402	98	387	150	303	91	224	135	503	23	372	42	351	41	4,062	1,018
DANSKE COMMODITIES ALBANIA shpk																					2		119		121	-
BYLLIS Tec Ballsh (Pa kontrate Furnizimi)	78	-	72	-	74	-	67		61	-	56	-	56		56		58		67		70		71		785	-
NOA									22	20															22	20
AXPO ALBANIA sha																							1		1	-
ENER TRADE sh.p.k.											27										60		52		139	-
OST - HUMBJET ne Transmetim	1,567	675	4,160	679	2,844	3,907	2,104	680	665	1,461	825	803	1,551	765	1,414	677	595	1,120	7,699	2	1,112	1,067	4,249	453	28,783	12,288
Ofruesi i Sherbimit te Balancimit	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]	Ulje Gjenerimi [MWh]	Rritje Gjenerimi [MWh]
KESH	14,696	3,592	3,147	5,271	18,050	4,746	12,457	8,628	9,883	6,363	6,414	6,782	7,733	5,661	10,636	3,207	10,601	5,018	20,356	6,214	12,450	4,463	25,482	8,072	151,905	68,017
TOTALI	23,492	31,313	18,061	25,133	31,740	41,828	26,333	26,997	22,455	21,988	18,060	18,178	19,529	19,665	20,997	20,635	21,277	22,065	41,723	33,502	23,866	22,606	41,588	45,604	309,122	329,514
Disbalancat mujore [MWh]		7,821		7,071		10,087		664		(468)		118		136		(362)		789		(8,221)		(1,260)		4,016		20,392

Figure 65 Total imbalances for 2020 (MWh), Source TSO company.

2.2.3 Other monitorings related to the activity of the licensees in the Power Sector.

- **Periodic monitoring of indicators and key data of the Power Sector for 2020.**

The main data of the power sector for 2020 are given in the following table in the column "Fact", compared to the column "Target", which reflects the values set as a target in Chapter VI "Implementation plan" of the Council of Ministers Decision no. 253, dated 24.4.2019 "On the approval of the financial consolidation plan of the power public sector"

Comparison of the target/fact of some from the data of the Albanian Power System for 2020 (GWh)		
	Target	**Fact**
Losses in distribution (import from OSHEE)	**1 241**	1 458
Losses in Transmission (TSO)	**162**	172
Qualified customers Industry (connected at TSO company)	**782**	811
Hosehold	**2 910**	2 957
Total request of electricity	**7 150**	7 589
Net generation from KESH	**3 950**	3 090
Conscession and PPE	**1 935**	2 223
Internal Net Generation	**5 888**	5 313
Total losses in distribution (%)	**20**	21.48
Collection of the revenues (%)	**95**	95.8

2.2.4 Transactions performed from KESH, TSO and OSHEE company in the Open Market (irregulated) during 2020.

During 2020 ERE monitored through periodic reporting electricity purchase in the open market by regulated companies Free Market Supplier (FTL) and TSO, where it results that the weighted average electricity purchase price in the open market by these two companies charged with public service obligation is about 54.98 EU / MWh.

OSHEE company purchased in an irregulated market in order to provide electricity supply to end-use customers, pursuant to the obligations arising from Council of Ministers Decision no. 244/2016, and according to the Transitional Market Rules and the Regulation on electricity purchase procedures to cover losses in the distribution and transmission networks and for the purchase and sale of electricity to ensure the compliance of public service obligations approved with ERE Board Decision No. 103/2016, as amended.

KESH company during 2020 sold /purchased electricity in an irregulated market pursuant to the "Regulation of Electricity Trading by the Albanian Power Corporation KESH company." approved with decision no. 2762/8, dated 06.06.2019, of the Ministry of Infrastructure and Energy, as the owner of KESH company and the "General rules of organizing the commercial activity by the Albanian Power Corporation approved by Decision No. 5233/1, dated 12.06.2020, of the Shareholders General Assembly.

TSO company purchased at the irregulated market in order to cover losses in the transmission network pursuant to the obligations arising from Council of Ministers Decision no. 244/2016 and according to the Transitional Market Rules as well as the Regulation on electricity purchase procedures to cover losses in the distribution and transmission networks and on the purchase and sale of electricity to ensure the the compliance of public service obligations approved with ERE Board Decision No. 103/2016, as amended.

As follows it is presented a table with data of transactions performed during 2020:

(MWh)	Transaksionet e KESH ne treg te hapur gjate vitit 2020												
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor	Total 2020
Transaksionet hyrese nga interkoneksion	0	-796	-690	-4,870	-6,288	-8,574	-7,182	-1,200	-914	0	-372	-4,712	-35,598
Transaksionet dalese nga interkoneksion	0	0	0	0	1,900	1,150	0	3,455	20,154	0	2,740	12,255	41,654
Transaksione ne tregun e brendeshem	12,960	0	0	0	1,106	-5,424	-4,836	17,424	0	0	-2,002	5,320	24,548
(MWh)	Transaksionet e FTL (OSHEE Group sha) ne treg te hapur gjate vitit 2020												
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor	Total 2020
Blerje ne treg te hapur	279,480	220,908	164,254	159,840	153,658	84,960	74,400	137,640	234,880	53,760	241,620	364,480	2,169,880
(MWh)	Transaksionet e OST ne treg te hapur gjate vitit 2020												
	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor	Total 2020
Blerje ne treg te hapur per mbulimin e humbjeve ne transmetim	16,740	12,910	5,820	12,108	12,961	11,874	12,963	13,362	11,150	7,979	12,541	12,722	143,130

Figure 66 Transactions performed during 2020 from KESH company. ; FTL company (OSHEE Group) and TSO company.

Graph of Figure 67 shows the balance (input - output) import-export of electricity for the period 2009 - 2020

For the last 10 years, with the exception of 2010, 2016 (small values) and 2020 our country turns out to be a net importer of electricity. It is clarified that the submitted values represent all inflows and outflows from all participants in the electricity market in Albania.

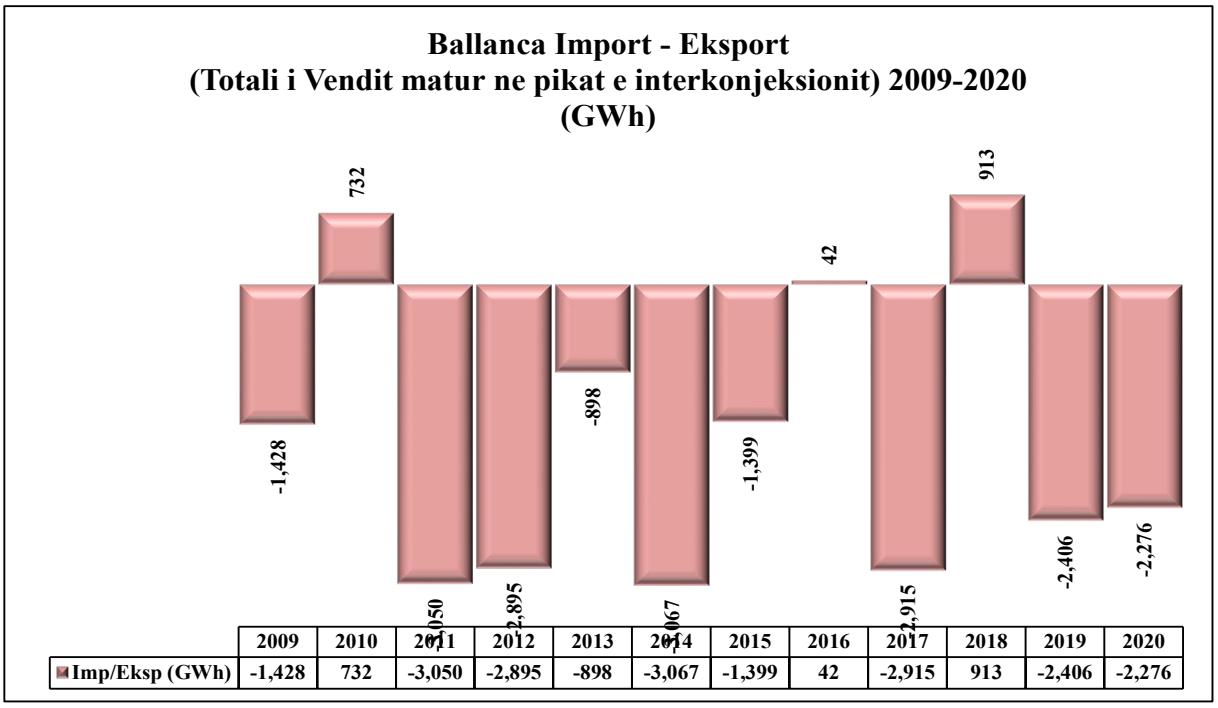


Figure 67 Import- Export electricity Balance throughout the years (Source: TSO company).

Register of the Participants registered in the electricity market during 2020.

Register of Market Participants (year 2020)				
			Producer	P
			Trader	T
			Supplier	F
			Universal Service Supplier	FSHU
			Distribution	SH
No	**Name of the Entity**	**EIC Code**	**Registration date**	**Role in the Electricity Market**
1	Albanian Energy Supplier	54X-AEG-02-1603G	26.05.2015	T; F
2	AXPO Albania	23X--150330-AA-K	28.1.2020	T; F
3	Ayen AS Energji	23X--150416-A—N	17.12.2014	P; T; F
4	Ayen Energy Trading	23X--140426-AY-W	04.05.2014	T; F
5	Danske Commodities Albania	23X--121120DCALG	30.10.2012	T; F
6	Devoll Hydropower	23X--150409-DHP5	11.06.2015	T; F
7	Energija doo Veternik	54X-EDOOV-15-020	15.12.2015	T; F
8	Energji Ashta	54X-HECASHTA-059	25.05.2012	P
9	Energy Supply-AL	34X-0000000017-C	15.05.2013	T; F
10	Erdat Lura	54X-HEC-LURA-069	17.09.2013	P
11	GEN-I Tirana	23X---120709GEN0	31.01.2011	T; F
12	Gjo-Spa Power	54X-HEC-LAPAJ075	17.09.2013	P
13	Green Energy Trading Albania	23X--150702GE--3	01.07.2015	T
14	Grupi Sistemeve Automatike	22XGSA---------N	09.05.2011	T; F
15	Korporata Elektroenergjitike Sh	23X--130918APC-M	25.04.2011	P; T
16	KURUM International	23X--131115KI--1	17.12.2013	P; T; F
17	NOA Energy Trade	23X--150630-NE-6	10.03.2015	T; F
18	Operatori i Sistemit të Shpërnd	54X-101010IOSS0U	19.02.2020	SH
19	Stravaj Energy	54X-STRAVAJ-E086	25.04.2014	P; T
20	WENERG	54X-WENERG---10E	10.06.2015	P
21	YLLIAD	29XYLLIAD-AL---W	03.03.2011	T
22	Energy Market Albania	54X-ENMARKETAL99	23.03.2017	T
23	Grid Energy	54X-GRID-ENERGYR	05.04.2017	T; F
24	Energy Financing Team Tirana	54X-EFT-TIRANA-V	24.08.2017	T; F
25	Alpiq Energy Albania	23X--141204AEA-T	29.04.2011	T; F
26	URADRIN	54X-100ID101218J	10.08.2018	T
27	Energia Gas and Power Albania	23x-150309-LT-Y	22.10.2018	T; F
28	RENRGY Trading Group	54X-10IRN102618R	12.11.2018	T,F
29	Ener Trade shpk	54X-10 IET091118	21.12.2018	T; F
30	Power and Gas Operations	54X-10IPG2307196	23.07.2019	T

Figure 68 Market Participants during 2020. Source TSO company

- ***Regarding the second specific of the monitoring related to the latter in the field, in other words, to the licensed entities and energy market participants, it is clarified that the Energy Regulatory Authority, at the beginning of 2020, started monitoring the facilities near them, in order to verify and consolidate the data for the completion of ERE annual report for 2019 as well as to ascertain the progress of the work of the latter, but following, realizing that for some practices it was necessary to obtain information and data of findings near the licensees, conducting meetings with representatives of the licensees, to enable the processing of the data received, field monitoring to identify problems encountered by monitoring, tasks which in some cases are difficult or may be impossible , due to the situation, measures of social distancing and prohibition of holding physical meetings or activities with many employees, due to the situation of the declared natural disaster, as a result of the global pandemic COVID-19, these practices remain in process until the normalization of this situation, according to the relevant instructions and decision-making.***

- ***It shall be emphasized that ERE, pursuant to the provisions of point 5, letter a) of Decision no. 134/2018 "On the approval of the annual and periodic monitoring manual", prepared and submitted to the Albanian Parliament 6-month reports and information on the findings from the monitoring.***

3. LICENSING AND SUPERVISION OF THE LICENSEE ACTIVITIES IN THE POWER SECTOR

3.1 Licenses and Requests Handled during 2020.

During 2020 ERE continued the licensing process of entities in various activities of electricity and natural gas sector, implementing the effective legal and by-legal framework in force

For all submitted applications, it is respected the transparency provided in the licensing procedures, pursuant to Law no. 43/2015 "On Power Sector", as amended, Law no. 102/2015 "On the natural gas sector", as well as the "Regulation on the Procedures and Terms for License Issue, Modification, Transferring, Renewal or License Termination in the Power Sector". In accordance with the above legal framework, the terms for publication in the print media to obtain the opinion of the interested parties have been implemented. Also, each license application was subject to a careful analysis of the regularity and correct completion of the relevant legal, administrative, financial, technical documentation and obtaining the relevant water use permits or environmental permits in cases of electricity generation activity, data from other institutions in accordance with the activity that the entities have requested to be licensed.

Licensed entities, in electricity production activity for 2020:

No.	ENTITY	ELECTRICITY PRODUCER	INSTALLED CAPACITY	ERE Decision
1.	"DIEZELA" company	Ljusa HPP	1980 kW	No. 16, dated 23.01.2020
2.	"KROI MBRET ENERGJI" company	Backa 1 HPP Backa 2 HPP Backa A HPP Backa B HPP Backa C HPP	1600 kW 4000 kW 500 kW 500 kW 720 kW	No. 41, dated 06.03.2020
3.	"ELECTRAL BATRA HPP" company	Selita HPP Frankthi HPP	1798 kW 2129 kW	No. 42, dated 06.03.2020
4.	"ERA HYDRO" company	"Strori" HPP	2000 kW	No. 62, dated 08.04.2020
5.	"GEGA – G "company	"Prevall" HPP	1750 kW	No. 63, dated 08.04.2020
6.	"KALISI HYDROPOWER" company	"Veleshica 1" HPP "Veleshica 2" HPP	5810 kW 8116 kW	No. 71, dated 22.04.2020
7.	"Statkraft Renewables Albania" company	Photovoltaic floating plant on Banja HPP reservoir	2000 W	No. 212, dated 17.07.2020
8.	"SEKA HYDROPOWER" company	"Seke" HPP "Zais" HPP	12667 kW 2265 kW	No. 146, dated 10.09.2020
9.	"MATEO & CO" company	Muras HPP	2000 kW	No. 155, dated 07.10.2020
10.	"TIRANA ENERGJI" company	"Mali" HPP	1490 kW	No. 175, dated 04.11.2020
11.	"KOKA & ERGI ENERGY STAVEC" company	Stavec HPP	6520 kW	No. 176, dated 04.11.2020

12.	" IDI 2005" company	"Kamican" HPP	1860 kW	No, 188, dated 16.11.2020
13.	"ERDY ENERGY" company	Kalis HPP	2138 kW	No. 240, dated 21.12.2020
14.	"ZALL XHUXHE HPP" company	Zall Xhuxhe 1" HPP "Zall Xhuxhe 2" HPP	3487 kW 1254 kW	No. 241, dated 21.12.2020

During 2020, ERE Board approved the following license modifications:

- Decision No. 34, dated 21.02.2020 approved the modification of the electricity production license of "BISHNICA 1,2 HPP" no. 95, Series PV10K, approved with ERE Board Decision no. 23, dated 23.03.2010 on electricity production from "Bishnica" HPP with an installed capacity up to 2.5 MW with two genrating units, thus approving the incorporation of one generating unit without further change in the installed capacity as follows:

  Number of gnerating units :It was : 2 (units), with installed capacity 2,5 MW

  It becomes: 3 (units) with installed capacity 2,5 MW.

- Decision No. 87, dated 19.05.2020 approved to open the procedure for the modification of license no. 402, Series P18, approved with ERE Board Decision no. 83, dated 06.04.2018 "On licensing "FAVINA 1" company in electricity production activity from "Voskopojë" HPP with an installed capacity of about 1970 kW" but this procedure was closed without performing the modification after "FAVINA 1" company submitted at ERE "Notice for cancellation of the request for modification of the production license ...", due to financial impossibility created by Pandemic COVID-19 , to invest the additional installed capacity of "Voskopoja" HPP from 1970 kW to 2400 kW.

- A novelty in the field of electricity producers for this year has been the approval for the first time by ERE of decision no. 132, dated 10.08.2020, "On qualifying and equipping with the guarantee of origin certificate for the power generation plant "banja HPP", of "Devoll hydropower" company."This approval came after the request of the company, based on Law no. 7/2017, "On promoting the use of energy from renewable sources"; and the "Regulation on issuing, transfering or cancelation of the guarantee of origin for electricity produced from renewable resources", approved with ERE Board decision no. 229, dated 20.12.2019.

During this year, ERE handled the requests from some licensees in electricity production activity, for mortgaging assets in banks to finance the construction of HPPs. Following these reviews, ERE Board based on Article 16, Article 20 letter b, Article 44, point "1", of Law no. 43/2015 "On Power Sector", points 1.3 and 1.6 of the "License for Electricity Generation" approved

with ERE Board Decision no. 99, dated 17.06.2016, as well as pursuant to Article 6; Article 7 and Article 8 of the "Regulation on Procedures for Assets Transferring of the Licensee" approved with ERE Board decision no. 119, dated 21.07.2016, **the following decisions were taken:**

- Decision no. 25, dated 10.2020 " On the request of "SA'GA MAT" company for mortgaging future or present movable assets and placing a mortgage on immovable assets that shall belong to "German 1" and "German 2" HPPs, in favor of "Intesa Sanpaolo Bank Albania" for the purpose of providing credit for financing the construction of hydropower works "German 1" and "German 2". (The approval of the request of "SA'GA - MAT" company for mortgaging future or present movable assets and placing a mortgage on immovable assets that shall belong to "German 1" and " German 2 "HPPs, in favor of " Intesa Sanpaolo Bank Albania " for the purpose of providing credit for financing the construction of hydropower works (" German 1 "and" German 2 ").

- Decision no. 153, dated 18.09.2020, "On the request of M.T.C ENERGY company for encumbrance and mortgage of assets of "M.t.c Energy" company in Radovë HPP, in favor of Alpha Bank, pursuant to the loan agreement with Alpha Bank no. 125 rep, collateral no. 32, dated 09.01.2020". (The approval of the request of M.T.C ENERGY company for encumbrance and mortgage of assets of "M.t.c Energy" company in Radovë HPP, in favor of Alpha Bank, pursuant to the loan agreement with Alpha Bank no. 125 rep, collateral no. 32, dated 09.01.2020". (attached the list of assets).

- Decision no. 239, Date 21.12.2020 "On reviewing the request of "WENERG" company, for encumbrance of assets (machinery and equipment) in favor of "otp albania" bank, for the effect of restructuring the loan for the funds used to finance the construction of "Dardha 1" HPP. (The approval of the request of "WENERG" company, for encumbrance of assets (machinery and equipment) in favor of "otp albania" bank, for the effect of restructuring the loan for the funds used to finance the construction of "Dardha 1" HPP.

Licensees in Electricity Trading activity during 2020:

No.	ENTITY	LICENSED ACTIVITY	ERE BOARD DECISION DATE
1	"GEGA - G" company	Trading	Decision No. 64, dated 08.04.2020
2.	"PowerComm" company	Trading	Decision No. 92, dated 02.06.2020
3.	"TIRANA ENERGJI" company	Trading	Decision No. 174, dated 04.11.2020
4.	"HEC ZALL XHUXHE" company	Trading	Decision No. 242, dated 21.12.2020

Figure 69 Entities licensed in the electricity trading activity for2020.

During 2020, the requests for license renewal in electricity trading activities were submitted at ERE by the companies licensed in this activity due to the expiration of the 5 (five) year term and the renewals were approved as follows:

- Renewal of "Albanian Energy Supplier" company license no. 276, Series T15, in electricity trading activity, approved with ERE Board Decision no. 37, dated 18.03.201 for a 5-year term. (ERE Board Decision no. 45. dated 18.03.2020).
- Renewal of "Albanian Energy Supplier" company license no. 277, Series FK15, in electricity supply activity, approved with ERE Board Decision no. 38, dated 18.03.2015, for a 5-year term. (ERE Board Decision no. 46, dated 18.03.2020).
- Renewal of "Green Energy Trading Albania" company license no. 286, Series T15, in electricity trading activity, approved with ERE Board Decision no. 59, dated 23.04.2015, for a 5-year term. (ERE Board Decision no. 72, dated 22.04.2020).
- Renewal of "Alpiq Energy Albania" company license no. 291, Series FK15, in electricity supply activity, approved with ERE Board Decision no. 73, dated 13.05.2015, for a 5-year term. (ERE Board Decision no. 80, dated 04.05.2020).
- Renewal of "Alpiq Energy Albania"company license no. 290, Series T15, in electricity trading activity, approved with ERE Board Decision no. 72, dated 13.05.2015, for a 5-year term. (ERE Board Decision no. 81, dated 04.05.2020).
- Renewal of "YLLIAD" company license no.9, Series T15, in electricity trading activity, approved with ERE Board Decision no. 97, dated 28.07.2015, for a 5-year term. (ERE Board Decision no. 157, dated 07.10.2020).
- Renewal of "LENGARICA & ENERGY" company license no. 306, Series FK15, in electricity supply activity, approved with ERE Board Decision no. 105, dated 18.08.2015, for a 5-year term. (ERE Board Decision no. 173, dated 04.11.2020).
- Renewal of "GSA" company license no. 321, Series T11/15, in electricity trading activity, approved with ERE Board Decision no. 57, dated 22.06.2011 and renewed with decision no. 160, dated 28.12.2015, for a 5-year term. (ERE Board Decision no. 201, dated 02.12.2020).
- Renewal of "Energia Gas And Power Albania" company license no. 322, Series F15, in electricity supply activity, approved with ERE Board Decision no. 159, dated 28.12.2015, for a 5-year term. (ERE Board Decision no. 209, dated 11.12.2020).

Licensed entities, in electricity supply activity during 2020 :

For 2020 there were no new licenses in electricity supply activity, but also in this activity what stood out was the submission of applications for the renewal of licenses which expired, ERE renewed their licenses as follows:

- Renewal of "Albanian Energy Supplier" company license no. 277, Series FK15, in electricity supply activity, approved with ERE Board Decsion no. 38, dated 18.03.2015, for a 5-year term. (ERE Board Decision no. 38, dated 18.03.2020).
- Renewal of "Alpiq Energy Albania" company license no.291, Series FK15, in electricity supply activity, approved with ERE Board Decision no. 73, dated 13.05.2015, for a 5-year term. (ERE Board Decision no. 80, dated 04.05.2020).

- Renewal of "Lengarica & Energy" company license no. 306, Series FK15, in electricity supply activity, approved with ERE Board Decision no. 105, dated 18.08.2015, for a 5-year term. (ERE Board Decision no. 173, dated 04.11.2020).
- Renewal of "Energia Gas And Power Albania" company license no. 322, Series F15 in electricity supply activity, approved with ERE Board Decision no. 159, dated 28.12.2015, for a 5-year term. (ERE Board Decision no. 209, dated 11.12.2020).

License Renewal in electricity supply activity			
No.	**ENTITY**	**ACTIVITY**	**ERE BOARD DECISION DATE**
1.	Albanian Energy Supplier" company	Supply	Decision No. 46, dated 18.03.2020
2.	"Lengarica & Energy" company	Supply	Decision No. 173, dated 04.11.2020
3.	"Energia Gas And Power Albania" company	Supply	Decision No. 209, dated 11.12.2020
4.	"Alpiq Energy Albania" company	Supply	Decision No. 80, dated 04.05.2020

Figure 70 Licensed entities in electricity supply activity for 2020.

Entities licensed in Natural Gas activity for 2020:

- On opening the procedure to review the request of "ALBPETROL" company, for license in natural gas supply activity. (ERE Board Decision no. 13, dated 23.01.2020)

- On the request of "ALBPETROL" company to extend the term for the completion of the procedure to review the request of Albpetrol compny for license in natural gas supply activity (ERE Board Decision no. 65, dated 08.04.2020, decided to extend by 90 calendar days the term of the administrative procedure for reviewing the application for licensing the company in natural gas supply activity, because the company could not submit the missing application documentation as a result of the difficult situation created from COVID-19 Pandemic).

- On the request of "ALBPETROL" company to extend the term for the completion of the procedure to review the request to license "ALBPETROL" company in natural gas supply activity (ERE Board Decision no. 65, dated 08.04.2020 decided to extend by 90 calendar days the term of the administrative procedure for reviewing the application for licensing the company in natural gas supply activity, because the company could not submit the missing application documentation as a result of the difficult situation created from COVID-19 Pandemic).

"On extending the administrative procedure to review the request of "ALBPETROL" company for license in natural gas spply activity. (ERE Board Decision no. 120, dated 17.07.2020 decided to extend the term of the administrative procedure to review the request of the company for license in

natural gas supply activity until 06.01.2021, because the company could not submit the missing application documentation as a result of the difficult situation created from COVID-19 Pandemic). As for 2020 also for 2021 this procedure has been inherited by further re-extending the term to handle until 06.04.2021.

On the request of "ALGAZ" company to extend the term of ERE Board final approval (decision no.43,dated 06.03.2020). The extension of the term of the decision for licensing the company in operating the storage facilities of natural gas activity until 01.07.2020. This procedure was opened in 2019 with ERE Board Decision no. 190, dated 25.11.2019 and continued with the respective extentions throughout 2020, according to the chronology of ERE Board decision dates, reflected below. The extensions of this procedure came as a result of the the inability of the company to complete in time the documentation required by the licensing regulation, due to the difficult conditions created by COVID-19 pandemic and the restrictions that came from it.

- On an amendment in ERE Board Decision no. 187, dated 10.11.2017 "On licensing ALBGAZ company in natural gas distribution activity" as amended" and "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 decision no. 108, dated 02.07.2020 the extension of the term to complete the conditions of the licensing decision is until 20.12.2020.

- On some amendments in ERE Board decision no. 221, dated 20.12.2019, "On some amendments in ERE Board decision n. 179, dated 08.11.2017 "On the certification of the "Combined Operator of Natural Gas" ALBGAZ company, as amended. (ERE Board decision no. 109, dated 02.07.2020). The extension of the term to complete the conditions of the certification decision is until 20.12.2020.

- On the request of "ALBGAZ" company to extend the administrtive procedure to review the request for license in operating the storage facilities of natural gas activity. (ERE Board decision no. 119, dated 17.07.2020). The extension of the administrative procedure to review the request of "ALBGAZ" company for license in operating the storage facilities of natural gas activity until 10.10.2020.

- On the request of "ALBGAZ" company to extend the term of ERE Board final approval. (ERE Board decision no. 179, dated 04.11.2020). The extension of the term for licensing "ALBGAZ" company in operating the storage facilities of natural gas activity until 20.03.2021.

- On some amendments in ERE Board Decision no.179, dated 08.11.2017, "On the certification of the "Combined Operator of Natural Gas" ALBGAZ company, as amended." (ERE Board decision no. 261, dated 28.12.2020). The extension of the term to complete the conditions for certification is until 2006.2021.

- On an amendment in ERE Board Decision no. 187, dated 10.11.2017, On licensing ALBGAZ company in natural gas distribution activity" as amended" and "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 decision no. 262, dated 28.12.2020 the extension of the term to complete the conditions of the licensing decision is until 20.06.2021.

For all entities licensed by ERE, it is carried out and archieved a register for each activity, with the necessary data for the entity and the type of license, which are reflected updated on ERE official website and can be consulted by any interested party.

It must be emphasized that during this year, ERE also considered other requests of licensees, for which a rejection has been decided because the applicants have not met the requirements of applicable laws and regulations. In this context, it was decided to reject 5 licenses by EREand it was decided not to open the procedure for 6 licensing applications.

Due to the difficult situation created by COVID -19 during 2020, requests for extension of the administrative term for ERE Board final approval have been submitted at ERE, as a result of the inability to complete the application documents on time. For this reason, 9 decisions were taken to extend this term.

Entities licensed in Natural Gas activity for 2020			
No.	**ENTITY**	**ACTIVITY**	**ERE BOARD DECISION DATE**
1.	"GSA" company	Wholesale Trading	Decision no. 118, dated 17.07.2020
2.	"GSA" company	Natural Gas Supply	Decision no. 117, dated 17.07.2020

Figure 71 Entities licensed in Natural Gas activity for 2020.

Granting Authorizations

During this year, pursuant to the legislation in force, ERE has taken the following decisions for granting authorization:

- ERE Board Decision no. 30, dated 21.02.2020, "On the request of "Kastrati Energy"Company for granting authorization by ERE for the sale of 80% of the capital quotas"

- ERE Board Decision no. 75, dated 22.04.2020 "On the request of "Spahiu Gjanç" Company for granting the authorization by ERE to mortage the quotas of "SPAHIU GJANÇ". company that are 100% owned by "HYDRO INVEST" company, in favor of Intesa San Paolo Bank".
- ERE Board Decision no.141, dated 21.08.2020 "On the request of "Kisi-Bio-Energji" company to receive from ERE an authorization for the transfer of quotas that constitute 100% of the company's capital to "FREE CO" company.
- ERE Board Decision no. 158, dated 20.10.2020"On the request of "WENERG" company to obtain the authorization from ERE for the encumbrance of 100% of the company's shares in favor of OTP bank ". (The extension by 30 days of ERE Board decision to grant the authorization for the encumbrance of 100% of the company's shares in favor of OTP bank).

- ERE Board Decision no. 238, dated 21.12.2020 0 “On the request of “WENERG” company to obtain ERE authorization for the encumbrance of 100% of the company's shares in favor of OTP bank (ex-societe generale Albania).

3.2 Supervision of licensees during 2020.

During this year, the supervision of the licensees has continued the work with the control and evaluation of the information provided by the reports related to the licensed activity for each entity. Based on the respective articles of the licenses Electricity and Natural Gas activities. There has been a mostly correct reporting by the enities, respectively according to the licensed activity every month.

From the collected data, the technical-economic indicators have been processed and analyzed according to periodic evidences or other reporting documents, making comparisons with the applications of the issued licenses and drawing the respective conclusions. The necessary database regarding the monthly reports of the licensees has been continuously maintained.

Within the framework of monthly reporting and monitoring, companies have been identified which have encountered problems as a result of voltage fluctuations and power outages in the area where entities operate, in relation to evidence, ERE in support of the “Regulation on new connections in the distribution system approved with ERE Board decision no. 166, dated 10.10.2016, "Distribution Code" approved with ERE Board decision no. 100, dated 26.08.2008 and the "Regulation on the standard criteria of the supply quality service and the security performance of the electricity distribution grid” approved with ERE board decision no. 181, dated 10.11.2017, case after case has been handled through the relevant documents. In the framework of the implementation of "DSO" company "OSHEE" company where information was requested on concrete actions that have been taken to resolve issues encountered by licensed entities.

The website of the NBC (National Business Center) was also monitored, the changes registered by the entities were identified and the respective contacts and relevant decisions were made regarding what was argued and applied.

Also during this year, ERE completed the process of monitoring / supervising the fulfillment of the conditions of licensing decisions for production companies by Wind Power Plants, licensed by ERE as follows:

- “Hera” company is licensed by ERE with decision no. 61, dated 02.11.2007;
- “Alb Wind Energy” company is licensed by ERE with decision no. 13, dated 28.01.2008;
- “ERS-08” company is licensed by ERE with decision no. 63, dated 13.06.2008;
- “E Vento s.r.l Albania” company is licensed by ERE with decision no. 84, dated 17.07.2008;
- “Albanian Green Energy”company is licensed by ERE with decision no. 89, dated 06.08.2008;
- “Biopower Green Energy” company is licensed by ERE with decision no. 90, dated 06.08.2008;

In relation to the above, the applications of the aforementioned licensed companies were reviewed during 2020. During this year Decision no. 19, dated 31.01.2020 decided on the extension of the term until 29.02.2020, for fulfilling the licensing conditions, to continue with the monitoring at the headquarters of these companies and near the areas where wind projects are extended and developed, in order to identify, the documentation and review all the circumstances which the applicants claim to have prevented the implementation and realization of the conditions and terms provided respectively in: ERE Board decision no.61, dated 02.11.2007, On licensing *"Hera"* company, as amended, ERE Board Decision no. 84, dated 17.07.2008, On licensing *"E-Vento s.r.l Albania"*company, as amended; ERE Board Decision no. 13, dated 28.01.2008, On licensing *"Alb Wind Energy"* company, as amended, ERE Board Decision no. 63, dated 13.06.2008, On licesning *"ERS-08"* company, as amended; ERE Board Decision no. 84, dated 17.07.2008, On licensing *"E Vento s.r.l Albania*" company, as amended; ERE Board Decision no.89, dated 06.08.2008, On licensing *"Albanian Green Energy"* company, as amended; ERE Board Decision no.90, dated 06.08.2008, On licensing *"Biopower Green Energy"* company, as amended.

The above mentioned decision came as a result of the difficulties in completing the monitoring, caused by the declaration of the state of natural disaster caused by the earthquake, and subsequently by COVID-19, which led to delays in the completion of many procedures and restrictions on movement and obstacles caused by the companies themselves, which despite having the obligation to take all measures to provide within time any necessary documentation in order to complete the monitoring provided in this decision,they have formally requested from ERE to conduct the monitoring in only a few certain days for reasons considered reasonable. Further regarding this procedure with decision no. 83, dated 04.05.2020, it was decided again to extend by 2 (two) months after the end of the natural disaster situation the period of suspension provided for the monitoring of licensed companies in electricity production activity by wind power plants. Certainly the difficult situation created by COVID-19, which also affected our institution, made it difficult to coordinate issues with the object of monitoring, which rely mainly on working groups.

Following the aforementioned delays regarding the communication with MIE and within the framework of meeting the respective conditions that these companies have had in licensing decisions, is continuing with the finalization of practices.

3.3 Certifications

- During 2020, after TSO company ensured the fulfillment of all the conditions for certification, including those that did not depend on its will, ERE pursuant to Article 16 and Article 58 of Law no. 43/2015 "On Power Sector" as amended; Article 113 of Law no. 44/2015, "Code of administrative procedures", as well as Article 15, of the "Rules on ERE Organization, Operation and Procedures", approved with ERE Board Decision, no. 96, dated 17.06.2016, ERE Board with Decision no. 99, dated 24.06.2020, decided the abrogation of points 2, 3 and 4 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 amended.

Also during this year ERE Board has taken decisions for the Certification of ALBGAZ company as follows:

- ERE Board based on article 16 of Law no. 43/2015 "On Power Sector", as amended; article 37,50,59,68 and 80 of Law no. 102/2015 "On Natural Gas Sector"; article 53, point 3 of Law no. 44/2015 "Code of administrative procedures", article 6-11 of the Regulation for the certification of transmission system operator in natural gas" approved with ERE Board decision no.100, dated 05.08.2015, as amended with ERE Board decision no. 129, dated 31.10.2015; as well as article 15 of the "Rules on ERE Organization, Operation and Procedures", approved with ERE Board Decision, no. 96, dated 17.06.2016, ERE Board with decision no. 109, dated 02.07.2020, decided to extend the term for fulfilling the conditions provided in ERE Board Decision no. 179, dated 08.11.2017, "On the certification of the "combined operator of natural gas" Albgaz company, as amended" according to the request of the company.

The extension of the term provided for fulfilling the conditions of the above-mentioned decision, came as a result of ALBGAZ company being unable to fulfill these conditions on time due to the difficult situation created in our country by COVID-19 pandemic, as well as because part of these conditions depended on state institutions. These conditions relate to the inter-institutional cooperation and changes in the respective legal framework in force and submission for approval at ERE by 20.12.2020 of the Compliance Program adapted according to that approved by ERE with decision no. 77, dated 26.05.2017 of the ERE Board, "On approving the Compliance Program of the Transmission System Operator for Natural Gas".

Hereinafter, ERE Board with decision no. 261, dated 28.12.2020, based on article 16 of Law no. 43/2015 "On Power Sector", as mended; article 37,50,59,68 and 80 of Law no.102/205 "On Natural Gas Sector", as amended; article 53, point 3 of Law no. 44/2015, "Code of administrative procedures"; article 6-11 of the the Regulation for the certification of transmission system operator in natural gas" approved with ERE Board decision no.100, dated 05.08.2015, as amended with ERE Board decision no. 129, dated 31.10.2015; as well as article 15 of the "Rules on ERE Organization, Operation and Procedures", approved with ERE Board Decision, no. 96, dated 17.06.2016, ERE Board decided to repeal point 4 provided in ERE Board Decision no. 179, dated 08.11.2017, "On the certification of the "combined operator of natural gas" Albgaz company, as amended; as a result of fulfilling the condition related to the submission for approval at ERE until 20.12.2020 of the Compliance Program adapted according to that approved by ERE with decision no. 77, dated 26.05.2017 of the ERE Board, "On approving the Compliance Program of the Transmission System Operator for Natural Gas".

With the same decision ERE Board once again extended the term for fulfilling the condition set out in point 5.2 (institutional interaction for amendments in the legal framework) of decision no. 179, dated 08.11.2017, "On the certification of the "combined operator of natural gas" Albgaz company, as amended; within 20.06.2021, by Albgaz company since the latter has proved all its efforts to meet this condition, although it does not depend directly on its will. The difficult situation created in our country due to COVID-19 has been taken into account in this extension.

3.4 The Compliance Program for Network Operators

Electricity TSO Compliance Program

Pursuant to the definitions Decision no. 43, dated 15.03.2017, "On the final approval of the certification of the electricity transmission system operator TSO company in accordance with article 54, point 6, of law no. 43/2015, "On power sector" and Article 9, point 6, of Directive 72/2009 EC after obtaining the opinion of the Energy Community Secretariat ", as well as pursuant to the provisions 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 fulfillment of his duties, presented at ERE the Compliance Report of TSO company for 2019, within 31 March.

With the electronic communication dated 09.04.2020 the Compliance Officer of TSO company informed that, due to the situation created by COVID-19 that led to the declaration of the state of natural disaster with the DCM no. 243, dated 24.3.2020, it was impossible to complete the Annual Compliance Report within the defined term.

As such, ERE, taking into account the situation created due to COVID-19 and the restrictions imposed, in order to prevent the spread of this infection, with Decision no. 76, dated 22.04.2020, decided to suspend the implementation of the term provided in Chapter VI, letter C, point 1, of the Compliance Program of the Electricity Transmission System Operator, approved with ERE board decision no. 103, dated 30.04.2018, until no later than 30 days after the end of the epidemic caused by COVID-19.

Following the above with official letter Protocol no. 4529 , dated 22.07.2020, the Compliance Officer in fulfillment of the duties provided in ERE Board decision No. 43, dated 15.03.2017 and pursuant to the provisions of the Compliance Program of TSO company with ERE board decision No. 103, dated 30.04.2018, submitted at ERE the compliance report of TSO company for 2019.

From this report it was concluded that TSO company has continued best with the fulfillment of its obligations in the context of improving the work in terms of implementing the provisions of the certification decision, compliance program and implementation of the recommendations of the Compliance Officer. ERE has provided some recommendations within the framework of improvements in the fulfillment of these obligations which should be considered by the administration of TSO company and reported by the Officer in the report of the following year.

ALBGAZ company Compliance Program

- Pursuant to the provisions of decision no. 179, dated 08.11.2017, "On the certification of the "combined operator of natural gas" Albgaz company, as amended; the Compliance Officer of ALBGAZ company in fulfillment of his duties, had to submit at ERE the Annual Compliance Report of ALBGAZ company for 2019, within 31 March.

  With the electronic communication dated 08.04.2020, the Compliance Officer of ALBGAZ company has indicated that in the conditions when, the Albanian Government with Decision no. 243, dated 24.03.2020, decided the "On natural disaster declaration" throughout the

Republic of Albania due to the epidemic caused by COVID-19", as well as after the measures taken to restrict movement, data verification, review of correspondence and the update of the information for the completion of the Annual Compliance Report for 2019 for ALBGAZ company was impossible.
As such, ERE, taking into account the situation created due to COVID-19 and the restrictions imposed in order to prevent the spread of this infection, with Decision no. 77, dated 22.04.2020, decided to suspend the implementation of the term provided in Chapter VI, letter C, point 73, of the Transmission System Operator Compliance Program for Natural Gas, approved with ERE board decision no. 77, dated 26.05.2017, until no later than 30 days after the end of the epidemic caused by COVID-19.

Following the above, with official letter Protocol no. 142/1, dated 23.07.2020, at ERE with No. 654/2 dated 23.07.2020Z, the Compliance Officer submitted at ERE the Annual Compliance Report for Albgaz company (Combined Natural Gas Operator), for 2019.

As evidenced at the time of submission of this report at ERE, ALBGAZ company had not submitted at ERE for approval the Compliance Program of the TSO, pursuant to point 76 of the Compliance Program, approved withERE Board decision no. 77, dated 26.05.2017. For the preparation of the Annual Compliance Report for 2019, the Compliance Officer relied on the program approved by the Supervisory Council of "ALBGAZ" company.

Referring to the reporting of the official regarding the implementation of the compliance program for 2019 by ALBGAZ company consisting of findings and recommendations, it was concluded that this reporting was done mainly according to the requirements of the program. ERE made some findings and provided several recommendations within the framework of improvements in the fulfillment of these obligations, which should be taken into account by the administration of ALBGAZ company and the Compliance Officer, as well as to be reported by the succeeding Officer.

Also within the obligations and fulfillment of the respective conditions as quoted in the Decision for the Certification of Albgaz company, as a result of fulfilling the condition related to the submission for approval at ERE until 20.12.2020 of the Compliance Program adapted according to that approved with ERE Board decision no. 77, dated 26.05.2017 “On approving the Compliance Program of the Transmission System Operator for Natural Gas”. ERE Board Decision no. 263, dated 28.12.2020 decided "To open the Procedure for the approval of the compliance program of the transmission system operator for natural gas," ALBGAZ company.This practice shall be for approval in the following year.

4. 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 Law 102/2015 "On Natural Gas Sector" respectively articles 16, 17, 75 and 92, as well as on Law 7/2017 "On the promotion of the use of energy from renewable resources" Article 10, 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 2020 have been:

1. Review of the tariffs and prices from the licensee in power and natural gas sectors for:

- Electricity transmission activity;
- Electricity distribution activity;
- Electricity universal supply service activity;
- Electricity of the supply of last resort activity;
- Electricity production activity from the priority producers according to the provisions of Law 7/2017;
- Electricity production activity from the small renewable sources from solar with installed capacity up to 2 MW for 2019;
- The electricity production activity from small renewable sources from wind with installed capacity up to 3 MW for 2019;
- Natural gas transmission and distribution activity;

4.1 The review of the applications for approving the tariffs and prices of the power and natural gas licensees for 2020:

4.1.1 Regarding the application of TSO company for the approval of the electricity transmission service tariff for 2021.

TSO company with the official letter Protocol no. 5686, dated 24.09.2020, submitted at ERE the request to apply for the electricity transmission service tariff for 2021.
On this application, the tariff required from the TSO for 2021 for the electricity transmission service is calculated 1.31 ALL /kWh value from the effective tariff 0.75 ALL/kWh approved by ERE.

ERE after reviewing this application, accessed that the application submitted at ERE does not meet the formal and content criteria, because there were observed deficiencies in issuing the explanations for its specific aspects, which do not comply with the requirements and definitions of: (i) Law no. 43/2015 "On Power Sector" as amended, (ii) "The regulation on ERE organization, operation and procedures"; (iii) "the Methodology of calculating the electricity transmission tariffs "; (iv) "The

unified and standardized system of the calculations for the power sector licensees for the electricity transmission, distribution and electricity universal service of supply activities", (v) "The regulation on the Procedures of submitting and approving the investment plans of the electricity distribution and transmission operators''

Based on these assessments, ERE Board with decision no no.163, dated 22.10.2020 decided to not open the procedure for reviewing the application of TSO company on approving the electricity transmission service tariff for 2021.

Following this decision TSO company with the official letter Protocol no. 6731, dated 09.11.2020, required to review ERE Board decision "On the application of TSO company for approving the electricity transmission service for 2021".

Following this request, ERE based on the definitions of the Regulation for ERE organization, operation and procedures as well as the Methodology for calculating the electricity transmission tariffs, followed with the review **of the accompanying documentation and the response regarding the findings of this decision submitted by the TSO company**, which may lead ERE Board to review Decision no. 163, dated 22.10.2020.

After reviewing this documentation, ERE accessed that the review process of a Board decision, implementing the definitions of the Regulation on ERE organization, operation and procedures, shall be carried out if the licensee has ensured new findings that may lead the Board in taking a different decision from the previous one or the observed material mistakes, while from the analysis of the submitted documentation or the explanations regarding the findings of the decision to not open the procedures for the electricity transmission tariff submitted from TSO company, on this request there was not observed any new evidence that may lead to the review of ERE Board decision no. 163, dated 22.10.2020.

From the justifications and the performed analysis, the documentation and the explanations of the company from this request, ERE above all assessed that the application of the tariff is not supported on the regulatory principles of the Methodology for calculating the electricity transmission tariffs, the financial stability of electricity market shall be affected and shall face significant difficulties which may escalate on into further financial losses for the regulated companies and unjustified increase of the operational costs for the other users of the transmission network, above all the time for accessing this application shall be insufficient and beyond the terms set on the legislation in force.

Based on these assessments and the respective analysis, ERE Board with decision No. 206, dated 11.12.2020 decided the failure of TSO company request to review ERE Board decision no. 163, dated 22.10.2020.

From the data set avalable during, it was assessed that the current electricity service tariff has set up to the TSO company, sufficient reserves of incomes to cover the operational expenses in general. In order the TSO company to continue the realization of its activity during 2021, there was the need that the company to continue with the invoicing based on a transmission tariff approved by ERE, in conformity with the definitions of Law. 43/2015, "On Power Sector", as amended.

On these conditions, ERE Board with decision no. 266, dated 21.12.2018, decided to let into force of decision no. 266, dated 21.12.2018, regarding the electricity transmission service tariff to the application for defining the electricity transmission service tariffs from TSO company, in conformity with the rwquirements of the Methodology for calculating the electricity transmission tariffs approved with ERE Board decision no. 180, dated 08.11.2017, where the effects on the incomes of the average transmission tariff shall be adjusted/corrected implementing the definitions of this Methodology.

4.1.2 Regarding the application of the Electricity Distribution System Operator to define the tariffs according to the voltage level for 2020 and the application of the Universal Service Supplier (FSHU) company to define the retail sale price for the customers that are served from the universal service supplier for 2020.

Based on article 19, of Law no. 43/2015, "On Power Sector", as amended, ERE is the responsible institution for approving and publishing, pursuant to the transparency principle, and taking into consideration the provides service cost, of the electricity distribution service tariffs as well as approving the tariffs for the licensed activities for which it is set public service obligation.

With the official letter protocol no. 25971, dated 30.12.2019 OSHEE company, as the parent company, submitted at ERE the application for Distribution System Operator tariffs for the voltage level for 2020.
As follows, with the official letter protocol no. 3, dated 06.01.2020, FSHU company submitted at ERE the application for the retail electricity sale price for 2020 for the customers that are supplied by the universal service supplier (FSHU company).

OSHEE company for the first time from its establishment moment, initiated the administrative, managerial, and legal allocation process, of electricity distribution and supply activities to meet the requirements of Law no. 43/2015 "On Power Sector", as amended.
On date 01.01.2020, the new companies established by the DSO and FSHU companies began to operate as companies financially independent from each other by performing their activity based on the respective licensing definitions.

After reviewing the submitted applications, ERE Board with decision no.02 dated 10.01.2020 decided to open the procedure for reviewing the application of FSHU company to define the retail price for the customers served by universal service supplier for 2020 and the review of the application of the electricity Distribution to define the tariffs according to the voltage level for 2020, by specifying at the findings of these decision the assessment regarding the analysis of the submitted material as well as completes the observed shortcomings, being supported to the definitions of the effective legal and by-legal acts.

Following this decision, ERE had a series of correspondences regarding the completion of the necessary documentation from DSO and FSHU companies as well as issuing additional justifications on the components of defining the distribution network tariffs as well as the retail sale prices. During the development of this process, there are organized a series of technical and hearing sessions with

the representatives of the companies in question and the stakeholders, not only as a request of "ERE rules of organization, operation and procedures", approved with ERE Board decision, no. 96, dated 17.6.2016, but also as a request following the interest groups to be informed regarding these two applications.
Following the unprecedented situation established by COVID -19 pandemic, because of the real inability to implemente the effective legislation provisions, regarding the public discussion of hearing sessions organization with the stakeholders, the restrictive measures taken by the Albanian Government to restrict the spread of Covid-19 virus, as well as being supported on Article 16, article 20, letter "c", article 85 of Law no. 43/2015 "On Power Sector" as amended, Council of Minister Decision no. 243 dated 24.03.2020 "On declaring the state of natural desaster" , article 67 and 91 point 4 of Law no. 44/2015 " Administrative Procedures Code in the Republic of Albania", article 15 and 22 of the "Regulation on ERE organization, operation and procedures" ERE Board with decision no. 67 dated 08.04.2020 decided to suspend the procedure for reviewing the application of the Universal Service Supplier (FSHU company) to define the retail sale price for the customers served by the universal service supplier for 2020 and the review of the application of the Distribution System Operator, DSO company, to define the tariffs according to the voltage level for 2020, by not later than 3 months from the termination of the natural desaster state in the Republic of Albania.

During the suspension period of the above process, as the measures taken within the protocol of the Albanian government for protection against the Covid-19 virus continued, the only legal spaces for carrying out the work, in order for the progress of the application review process, were exchanging requests and obtaining necessary information for the purposes of this practice from the applicant.

For the analysis within the realization of ERE duties and supervision of the financial-economic status of DSO and FSHU companies during the natural desaster status, by a series of request for information send to the abovementioned companies there are required the Financial Operational Statements, requests that the companies from the communications during this period failed to complete. The send of the required information, was necessary to realize the technical-economic and financial indicators of these companies shall serve to conclude the process initiated with ERE Board decision no.2 dated 10.01.2020, regarding the definition if the tariffs according to the voltage levels of the Distribution System Operator, for 2020 as well as to define the retail sale prices for the customers that are served by the universal service supplier for 2020.

By the end of the term defined on ERE board decision no. 67, dated 08.04.2020, ERE continued with the procedure initiated with ERE Board Decision no.2, dated 10.01.2020, by accessing according to the provisions of the DSO and FSHU companies submitted with the request to review the application for defining the tariffs according to the voltage level and the retail sale price for 2020 were not considered due to the 8 month period for 2020 has terminated, so any data submitted previously had lost relevance and did not present a realistic statement of the exercising activity for these companies. For the time the companies do not submit at ERE the specific necessary information, the completion of this process still required time so the calculation of the tariffs according to the voltage level for the DSO company and the calculation of the retail sale price for the customers served by FSHU company for 2020 shall be based on the real costs justifying the activity of both companies.

As follows ERE submitted requirements for information to the applicants and for information to all the stakeholders, for sending all the necessary documentation together with the respective explanations, to enable the review of the application and then ERE decision for terminating this process.

In the absence of the required data regarding the realization of the technical-economic and financial indicators of the companies during 2020, ERE Board with decision no.213, dated 15.12.2020, decided to close the procedure initiated with decision no.2 dated 10.01.2020 to review the application of the electricity Distribution System Operator to define the tariffs according to the voltage level for 2020 and to postpone the legal power of ERE board decision no.199, dated 12.12.2019, to the approval of a decision being supported on the application of DSO company for 2021, in conformity with the requirements of effective legal and by-legal acts.

On this decision, ERE assessed that on liberalization conditions of the electricity market and of the right of end use customers to freely switch their electricity supplier, except of the end-use customers connected in the 35 kV voltage level, for which ERE has approved the distribution tariff of about 1.5 ALL/kWh, and the customers connected in 20 kV voltage level for which ERE has approved the distribution tariff of about 3.9 ALL/kWh, for all the other end use customers connected with the distribution network in other voltage levels, the Distribution System Operator shall invoice the energy delivered according to the average electricity distribution tariff of about 4.79 ALL/kWh, approved by ERE.

Also with decision no. 214, dated 15.12.2020, ERE Board decided to close the procedure initiated with decision no. 2, dated 10.01.2020, to review the application of the Universal Service Supplier (FSHU) company to define the retail sale price for the customers that are served by the Universal Service Supplier for 2020 and to postpone the legal effect of ERE Board Decision no. 200, dated 12.12.2019, until the approval of a decision based on the application of FSHU company for 2021, for the retail prices for the end use customers served by the universal service supplier in conformity with the requirements of the effective legal and by-legal acts. The effects for the incomes of FSHU company and their correction shall be on/with the permitted request for the incomes for the previous year, according to the definitions of the Methodology to Define the Electricity Retail Sale Prices to the End-Use Customers that are Supplied from the Universal Service Supplier (FSHU) approved with decision no. 189, dated 23.11.2017.

- **On defining the electricity sale price from the Supplier of Last Resort for 2020**

Implementing article 87, point 4 of Law no. 43/2015 “On Power Sector”, as amended, as well as “the Methodology on defining the electricity sale price from the Supplier of Last Resort” approved with Decision no. 201, dated 04.12.2017, as amended with ERE Board Decision no. 144, dated 25.06.2018 and no. 233, dated 20.12.2019, the Energy Regulator Authority has defined the electricity sale price of the supplier from the Supplier of Last Resort (FMF) for the customers connected in the 35 kV voltage level for each month in 2020. The calculations of the electricity sale price supplied from the Supplier of Last Resort, are performed implementing the formula defined on the abovementioned methodology, which is submitted as follows:

ÇFMFt = CBEt + Pr* CBEt + TRrTSHt + CA where:

ÇFMFt *- Supply price in the relevant period* ***t***

ÇBEt *- The maximum purchase price of electricity for the supply period from the irregulated market or the purchase from the priority producers (BRE).*

Pr - *Risk of return determined as a percentage for the year (shall be accepted at the rate of 3% for the first two years and shall be revised based on historical data)*

TRrTSHt *- Tariff to use the transmission and distribution network for the relevant period*

CA - *administrative cost of the Supplier of Last Resort*

As follows are submitted the sale prices of electricity supply from the Supplier of Last Resort for 2019 – 2020, according to the respective decisions of ERE Board, as well as the maximum purchase prices of electricity to cover the demand of this group of customers, compared to those of 2019.

Year 2019	Decision	Sale price approved by ERE (ALL/kWh) 2019	Maximum electricity purchase price by OSHEE company (Euro/MWh) 2019
January	no.23, of date 18.02.2019	18,73	114,77
February	no.42, of date 15.03.2019	13,92	76,95
March	no. 55, of date 03.04.2019	13,40	73,00
April	no. 75, of date 10.05.2019	13,67	74,87
May	no. 78,of date 31.05.2019	13,62	75,45
June	no. 111, of date 10.07.2019	13,07	72,00
July	no . 126, of datë 08.08.2019	12,75	63,50
August	no. 138, of date 16.09.2019	12,75	62,99
September	no. 150, of date 10.10.2019	12,81	70,00
October	no. 165, of date 04.11.2019	14,01	79,48
November	no. 195, of date 12.12.2019	14,68	83,80
December	no. 1, of date 10.01.2020	16,57	100,00

Year 2020	Decision	Sale price approved by ERE (ALL/kWh) 2020	Maximum electricity purchase price by OSHEE company (Euro/MWh) 2020
January	no.23, of date 10.02.2020	12,49	77,75
February	no.47, of date 20.03.2020	10,50	64,45
March	no. 60, of date 08.04.2020	9,56	52,00
April	no. 84, of date 12.05.2020	9,50	40,00
May	no. 95,of date 08.06.2020	9,50	37,00
June	no. 116, of date 09.07.2020	9,50	35,00
July	no. 130, of date 10.08.2020	9,50	40,85
August	no. 147, of date 10.09.2020	9,71	42,00
September	no. 156, of date 07.10.2020	11,75	75,90
October	no. 182, of date 06.11.2020	11,10	73,69
November	no. 207, of date 12.12.2020	11,32	53,79
December	no. 1, of date 11.01.2021	14,82	108,88

Figure 72 Electricity supply sale prices from the Supplier of Last Resort for 2019-2020 (Source: ERE)

The graph as follows, shows the moving curve of the maximum purchase price of electricity from FSHU company to cover the request for electricity of this customer's category for 2019 - 2020:

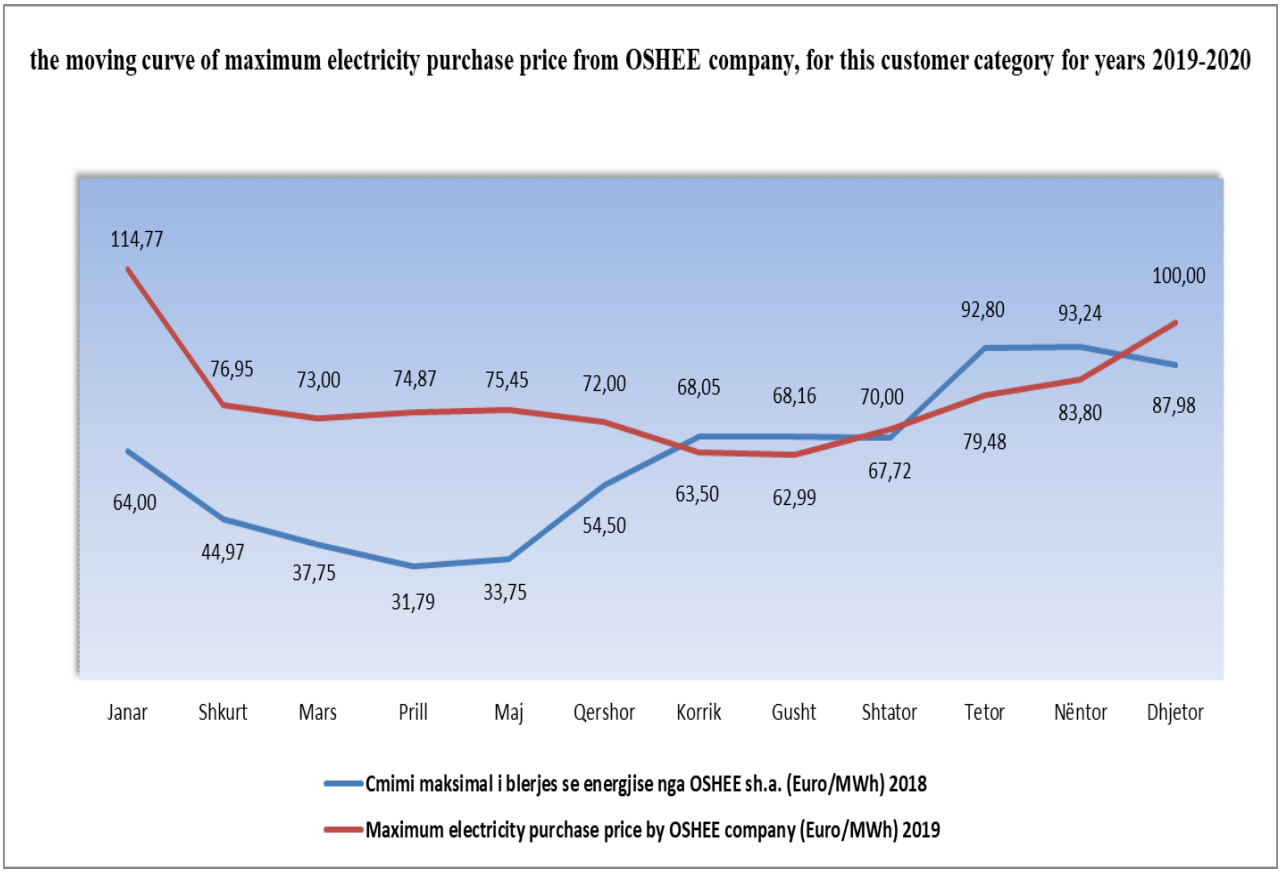


Figura 73 The moving curve of the maximum electricity purchase price from the Universal Service Supplier company for this category of customers for 2019 – 2020 period

The following graph is submitted the moving curve of the electricity sale prices of electricity from the Supplier of Last Resort approved by ERE Board for 2020, in compare]ison to the sale prices for 2019:

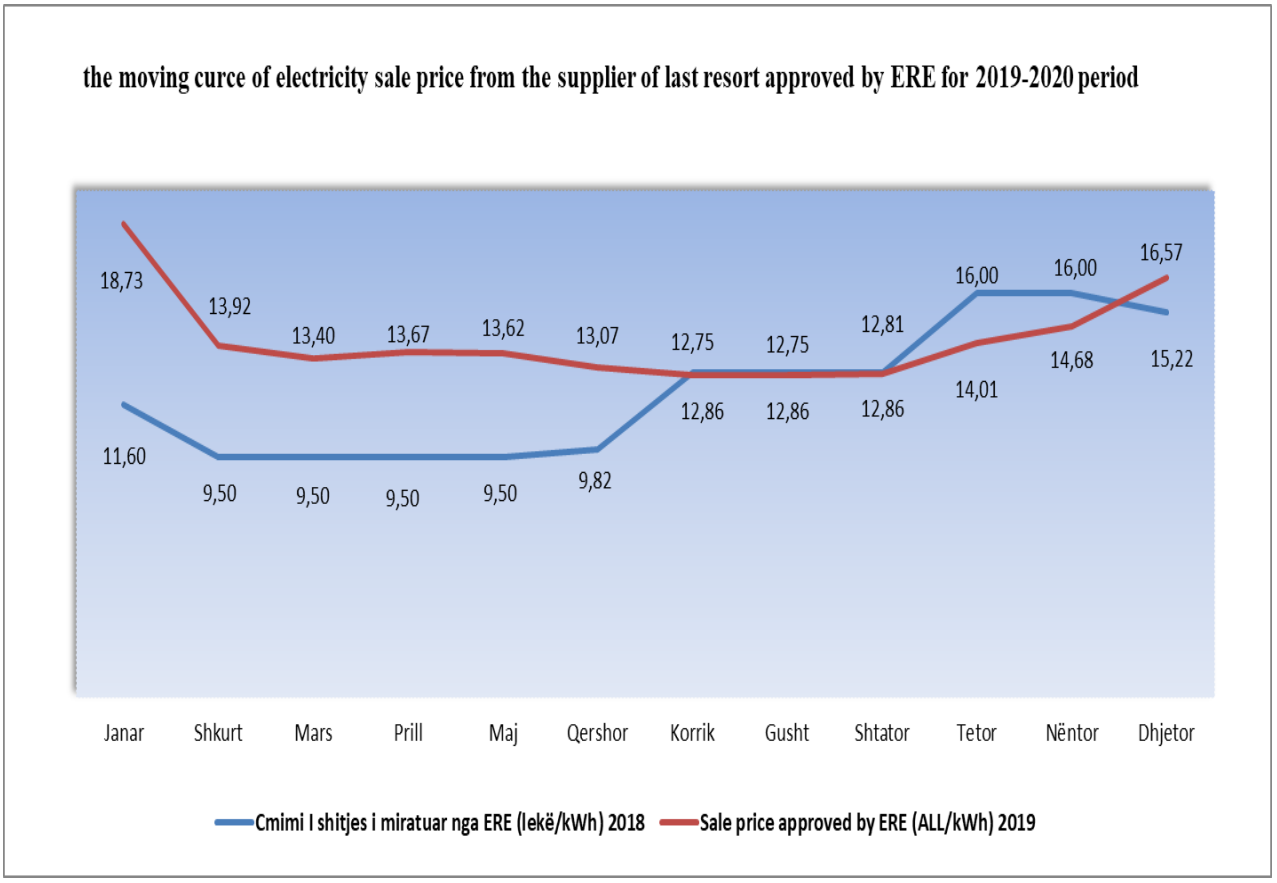


Figure 74 The moving curve of the electricity sale prices from the Supplier of Last Resort from ERE t, të miratuar nga ERE për vitet 2019-2020

As it can be seen in the graph above, the prices approved by ERE Board for customers connected to the 35 kV implementing the definitions "Methodology of setting the Electricity sale price from the Supplier of Last Resort",as amended, based on the documentation submitted through periodic applications of FSHU company for 2020, are decreased compared to the prices approved for the same period for 2019.

From the sales proce, it is evidenced a considerable decrease of electricity supplied for the customers that are supplied on the conditions of the last resort on 32% measure during 2020, compared with that of 2019, which is due to the conclusion of supply contracts in the free market by a part of customers who were supplied in terms of last resort in previous periods.

While the electricity sale price from the Suplier of Last Resort for 2020, had a considerable decrease compared to 2019, of about 21% which is as mainly as result of the decrease of the electricity purchase price in the free market from the Supplier of Last Resort to cover the request for supply of the customers which are supplied on the conditions of the last resort.

From the analysis of the periodic reports for 2020, it is evidenced that the quantity of electricitysaled for the Supplier of Last Resort customers, has been 26 GWH, with an invoiced value of 289 milion ALL, resulting to an average annual price of about 11.09 ALL/kWh, where the comparison of realization as well as the difference between the indicators for the years 2019-2020 is presented in the table as follows:

Year	Amount (kWh)	Value (ALL)	Average price (ALL/kWh)
2019	38,098,488	537,217,272	14.10
2020	26,062,645	289,076,144	11.09
Difference	-32%	-46%	-21%

(Source OSHEE company, ERE)

As observed at the above table, the decrease of the electricity amount and the electricity sale supply price from the Supplier of Last Resort, during 2020, affected on the decrease and the incomes generated from the electricity sale in 46% measure, compared with the incomes generated from the Supplier of Last Resort during 2019.

4.1.3 On approving the temporary natural gas transmission tariff from Albgaz company for 2020 and for 2021.

ERE Board with Decision no. 206, dated 16.12.2019, decided to postpone the legal power of Decision no.60, dated 15.04.2019, on which it is defined the temporary natural gas transmission tariff from Albgaz company even for 2020 has been the one approved with the abovementioned decision of 28 ALL/m3 or 2.6457 ALL/kwh.

Implementing article 17, letter "e", of Law no. 102/2015, "On Natural Gas Sector", as amended, where it is defined that "ERE shall have the right to approve temporary transmission or distribution tariffs, when the distribution or transmission operators establish delays in amending the tariffs".
In the absence of the submission of the application to review the transmission tariff of Albgaz company for 2021, submission of the investment plan for 2021 as an important component of calculating the natural gas transmission tariff for 2021, as well as the implementation of Energy Community Directives, since the access to the network for the transmission system users shall be guaranteed and this company shall provide its services with regulated tariffs by ERE, ERE Board with decision no215, dated 15.12.2020 decided to postpone the legal power of Decision no.206, dated 16.12.2019, for 2021 until the approval of a tariff supported on the application of Albgaz company where the update and compensation of the required incomes of Albgaz company from the temporary required incomes, shall be supported on the definitions of article 17, point "e" of Law no. 102/2015 "On Natural Gas Sector", as amended.

4.1.4 On approving the "Methodology to determine the sales tariff for natural gas by the supplier of last resort".

Based on article 13 and 90, point 11 of Law no. 102/2015 "On Natural Gas Sector", as amended, article 19 and 26 of the "Regulation on ERE organization, operation and procedures" approved with

ERE Board decision no. 96, dated 17.06.2016, ERE has the obligation to approve the Methodology on defining the natural gas sale tariff from the supplier of last resort.

Implementing the above mentioned, ERE Board with decision no.186, dated 25.11.2019, decided to open the procedure for approving the Methodology to define the natural gas sale tariff from the supplier of last resort.

This methodology is implemented only for the licensee charged with the Supplier of last Resort Service on natural gas sector, and shall serve to define the natural gas sale tariff supplied from the Supplier of Last Resort based on clear tariff principles and detailing the necessary data to define accurate and transparent tariffs.

The Supplier of Last Resort shall be defined in conformity with the provisions of Law no. 102/2015 "On Natural Gas Sector", as amended, which shall operate as a legal person, allocated from the other activities of natural gas sector, shall keep allocated financial accounts, as well as shall prepare the financial reports regarding the compliance of last resort.

Following the procedure initiated with the abovementioned decision and complying with the procedural steps supported on the definitions of the "Regulation on ERE organization, operation and procedures" approved with ERE Board decision no.96, dated 17.06.2016, ERE Board with Decision no. 38, dated 27.02.2020, decided to approve "the Methodology on defining the natural gas sale tariff from the supplier of last resort"

4.1.5 Regarding the electricity sale price from the existing priority producers for 2020.

Based on the provisions of Law no. 7/2017 "On the promotion of the use of energy from renewable sources", the purchase price of electricity from existing priority producers is calculated by ERE, in accordance with the Methodology for determining the annual purchase price of electricity that shall be paid to existing priority producers ", approved with Council of Ministers Decision no. 687, dated 22.11.2017.

Based on the abovementioned methodology, the annual electricity purchase price is also defined from: the average annual price of the day ahead market (HUPX/DAM) of electricity in the base load of the respective year of the Hungarian Stock Exchange (HUPX) of electricity in Eurocent / kWh, a bonus coefficient for the promotion of renewable resources at 1.3 and the average exchange rate in euro / (ALL) for the last year.

From the data of the Hungarian Stock Exchange (HUPX) the average annual price of the day ahead (HUPX/DAM) of electricity in the baseload for 2019 rezulted 50.36 Eur/MWh.

From the data published from the Bank of Albania on ALL/EUR exchange rate for the each day of 2019, resulted that the average exchange rate for 2019 shall be 123.01 ALL/EUR.

Following the collection of the abovementioned data and implementing the definitions of the abovementioned Methodology, the purchase price of electricity from existing producers with priority for 2020, was 8.0532 ALL / kWh.

Regarding the above, ERE Board with Decision no.7 dated 16.01.2020 approved the annual price of **8.0532 ALL/kWh**, that shall be paid to existing priority producers for 2020.

In the framework of the amendments approved from Council of Ministers Decision no. 396, dated 13.05.2020 "For any amendments of Council of Minister Decision no. 687, dated 22.11.2017, "On approving the methodology to define the annual electricity purchase price, that shall be paid to existing priority producers, where the bonus for the promotion of the renewable resources was amended on 1.2 measure, resulted to the recalculation of this price.

From the above mentioned ERE, with Board Decision no. 94, dated 08.06.2020, decided that the applicable price for the Existing priority Producers, implementing the amendments approved with Council of Minister Decision no. 396, dated 13.05.2020, shall be 7.448 ALL/Kwh from the entry into force of this decision until on 31.12.2020.

The following graph presents the performance of prices approved for electricity producers by hydropower plants for 2009-2020 period.

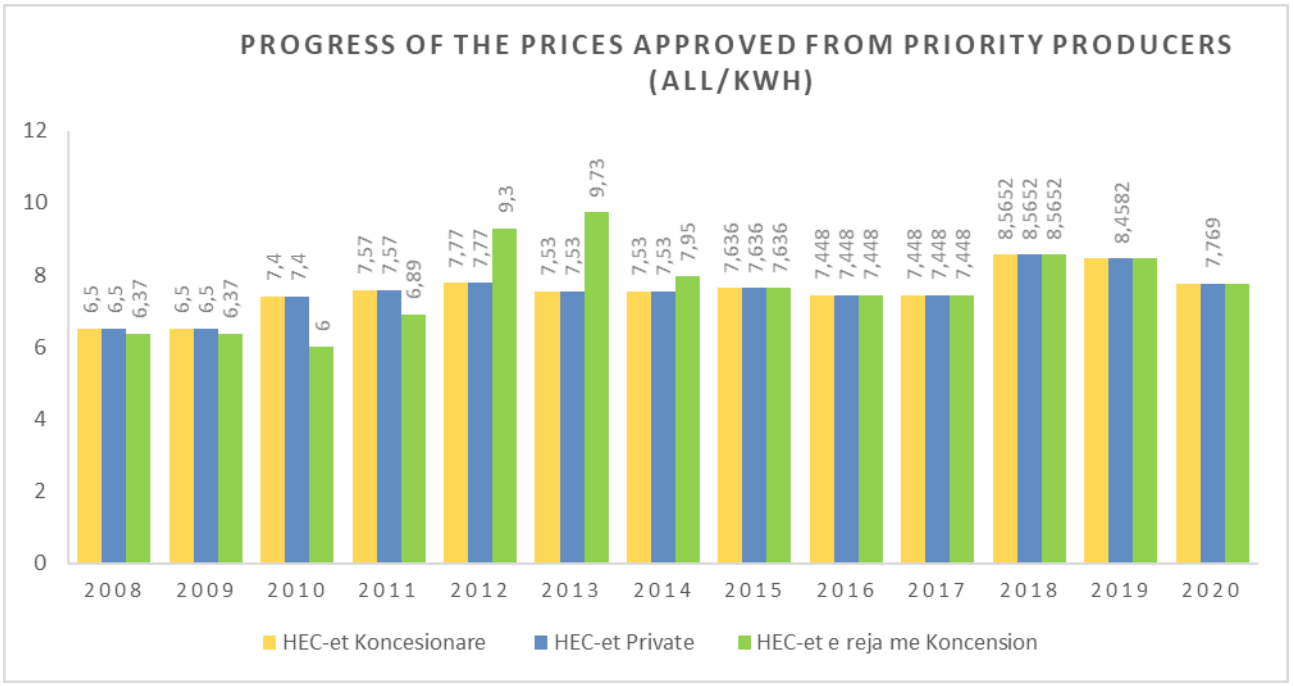


Figure 75 The progress of the prices approved for Priority Producers.

4.1.6 On determing the purchase price of electricity produced from small renewable sources from the solar with an installed capacity of up to 2 MW and wind with an installed capacity of up to 3 MW for 2020.

- **Defining the electricity purchase price produced from small renewable sources from solar with installed capacity up to 2 MW for 2019.**

Pursuant to article 10 point 2 and 16 of Law no. 43/2015, "On Power Sector", as amended, article 10, point 3 of Law no. 7/2017 "On the promotion of the use of energy from the renewable resources" and the provisions of Council of Ministers Decision no. 369, dated 26.4.2017, ERE has the obligation to

determine the purchase price of electricity produced from small renewable sources from solar and wind with installed power respectively 2 MW and 3 MW.

Implementing the abovementioned legislation as well as the MIE guidelines, where to define the electricity price produced from small floating photovoltaic sources shall be taken into account the methodology of estimating energy costs from renewable sources, which is based on the same LCOE formula according to Council of Minister Decision no.369, dated 26.04.2017, ERE Board with Decision no. 193, dated 02.12.2019, as well as reviewing the documentation submitted at MIE by ERE, subject of which was the final approval for the construction of the floating photovoltaic plant up to 2MW, ERE Board with Decision no. 20 dated 31.01.2020 decided the approval of the electricity purchase price produced from the floating photovoltaic plants with installed capacity up to 2MW of about 100.025 EUR /MWh, for 2019.

Regarding the definition of the electricity price produced from the ground photovoltaic plants of 2 MW, it does not result to be issued for approval from the state authority MIE for this technology during 2019, to the definition of a price for this category it is not necessary due to its incompatibility.

- **Defining the electricity purchase price produced from small renewable sources from wind with installed capacity up to 3MW for 2020.**

Implementing the above mentioned legislation and following the procedure initiated with Decision no.193, dated 02.12.2019, for the calculation of the electricity purchase price produced from small renewable sources from wind with installed capacity up to 3MW, after the review of the documentation submitted at MIE and at ERE of the companies, which had the final approval to construct the aeolian plants supported on the formula for LCOE calculation, implementing the Methodology approved with Decision no. 369, dated 26.04.2017, resulted a price of about 75.64 EUR/MWh.

On the following table there are submitted the electricity purchase prices produced from small renewable sources from wind for 2019 compared even with the effective prices of other countries of the region:

Country	Parameters	Price Eur/MWH	Supporting Period (Years)
Albania	<3MW	75,64	15
Kosovo	<35MW	85.00	12
Macedonia	<5MW	89.00	15
Serbia	up to 9000 working hours	92.00	12
Monte Negro	N/A	96.10	12

ERE Board with Decision no. 271, dated 28.12.2020 decided to open the procedure on "Defining the electricity purchase price produced from small renewable sources from solar and wind and the biodegradable part of solid waste utilizing industrial, urban and rural waste" for 2020.

The approval process of the prices from small renewable sources from solar, wind and the biodegradable part of solid waste utilizing industrial, urban and rural wastes shall be handled during 2021 implementing the definitions of the effective legislation.

- **The activity of electricity priority producers & Ashta HPP for 2020**

The activity of the electricity producers & Ashta HPP for 2020. Production of electricity from electricity priority producers (HPP-s with capacity up to 15 MW) on 2020, had a decrease of 9.7 % while the production of Ashta HPP had a decrease on the level 2.2% less, compared with the production for 2019.

The graphs as follows, submit the progress of produced electricity and the revenues realized throughout the years from the electricty sale for priority producers and Ashta HPP:

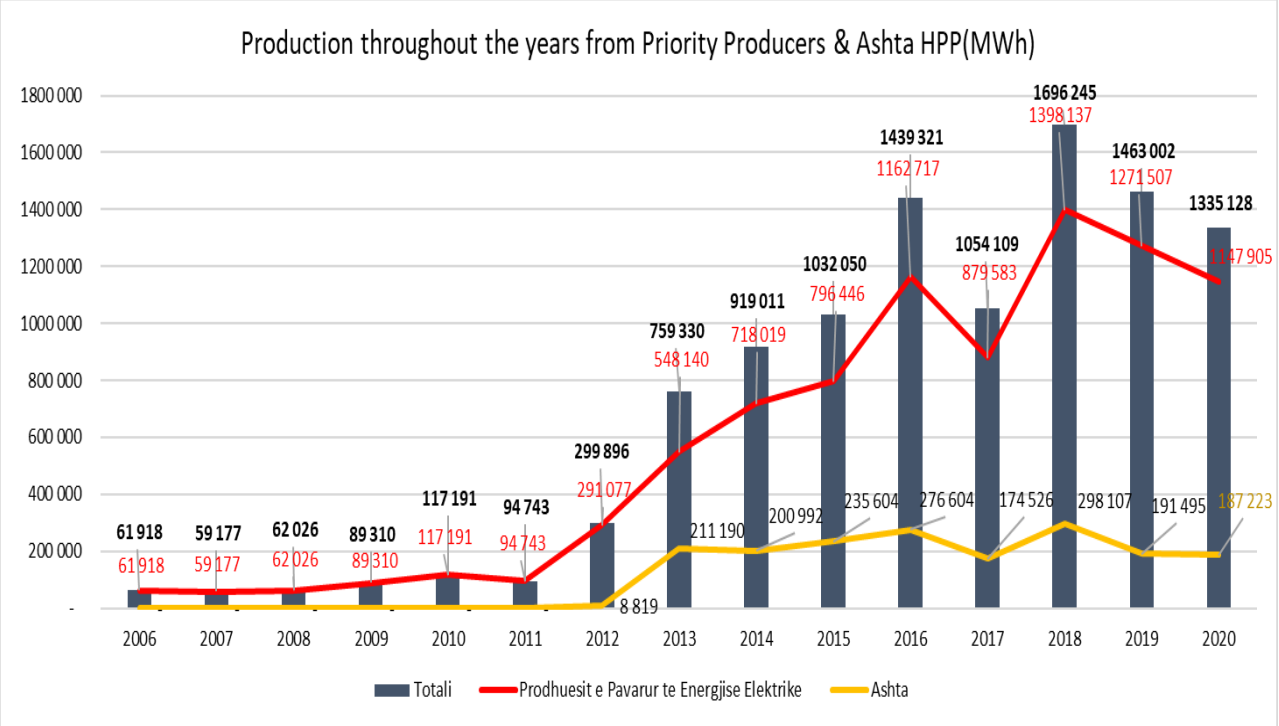
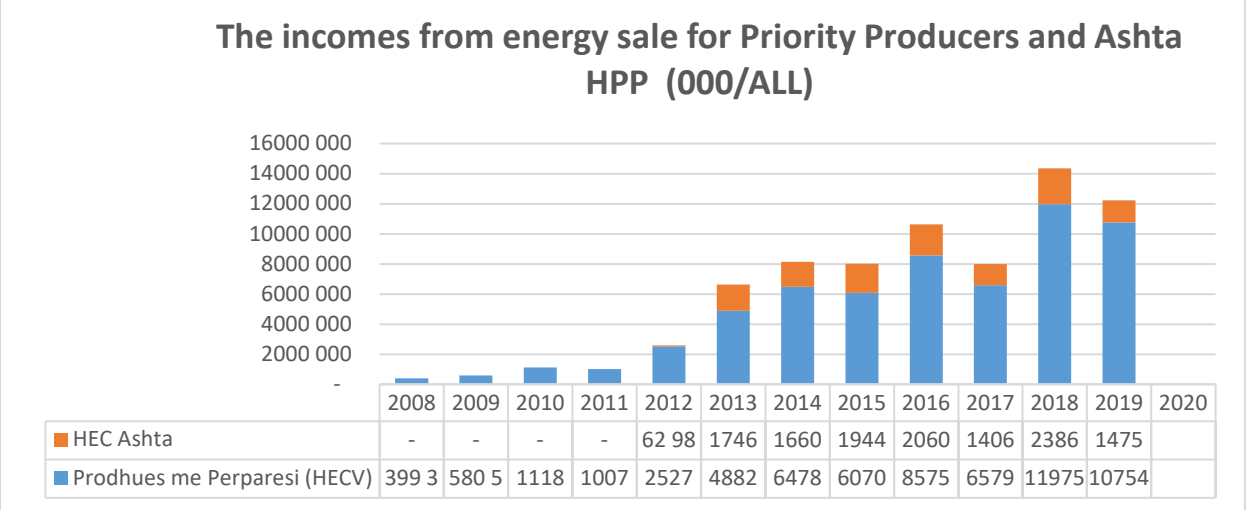


Figure 76 Progress of production throughhout the years from Priority Producers and ASHTA HPP.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
HEC Ashta	-	-	-	-	62 98	1746	1660	1944	2060	1406	2386	1475	
Prodhues me Perparesi (HECV)	399 3	580 5	1118	1007	2527	4882	6478	6070	8575	6579	11975	10754	

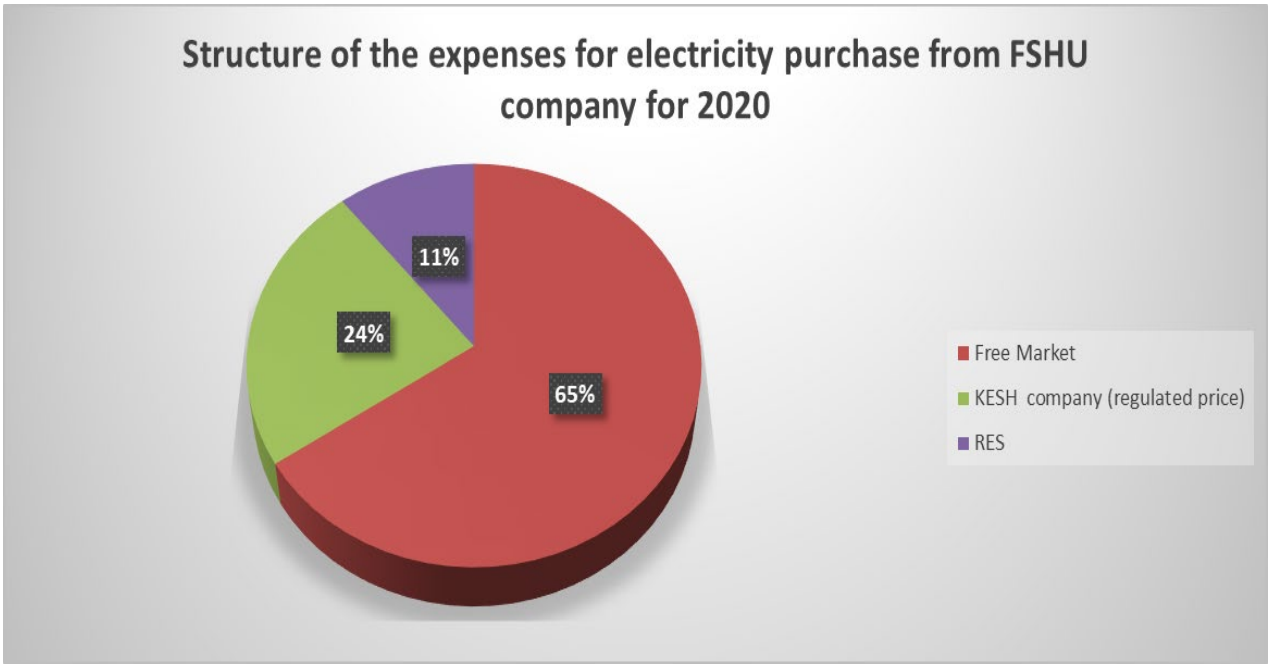
Figure 77 The incomes from priority producers (Source OSHEE company)

As reviewed from the above graph, the incomes level realized from Electricity Priority Producers (PPE) and Ashta HPP had a considerable decrease, mainly for this last one mentioned. The level of decreased revenues respectively was 15.92% for the Electricity Priority Producers (PPE) and 7.32% for Ashta HPP.

The cost of electricity purchase implementing the conditions for setting public service obligation from the licensee on power sector.

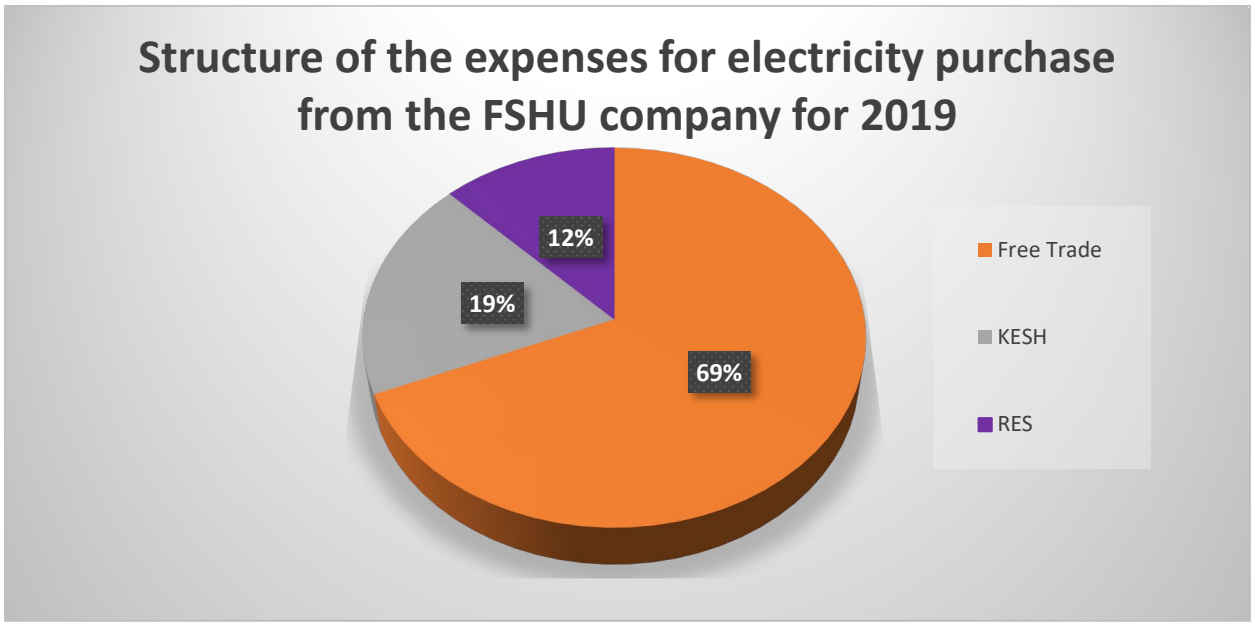
FSHU company implementing Council of Minister decision no. 244, dated 30.03.2016, "On approving the conditions for setting public service obligation, that shall be implemented to the licensee on power sector, which perform electricity production, transmission, distribution and electricity supply activity", as amended, shall have the obligation of electricity purchase produced from the electricity production company, whose shares are controlled by the state (KESH company), as well as electricity purchase in the irregulated market, by the public company of supply in the free market (FTL) for the unsecured quantity from the electricity production company according to the value defined on the contract.

The FSHU company expenses for the electricity purchase from KESH company, constitute 24 % of the total expenses for electricity purchase.
The average electricity purchase price from the free Market for 2020 resulted approximately 55.53 Eur/MWh or 6.87 ALL/kWh.
The graphs as follows submit the expenses structure for the electricity purchase from the FSHU company for 2020, compared with the ones of 2019:



(Source: OSHEE Group company.)

Figure 78 Strukture of the expenses for electricitz purchase from the FSHU compannz for 2020.

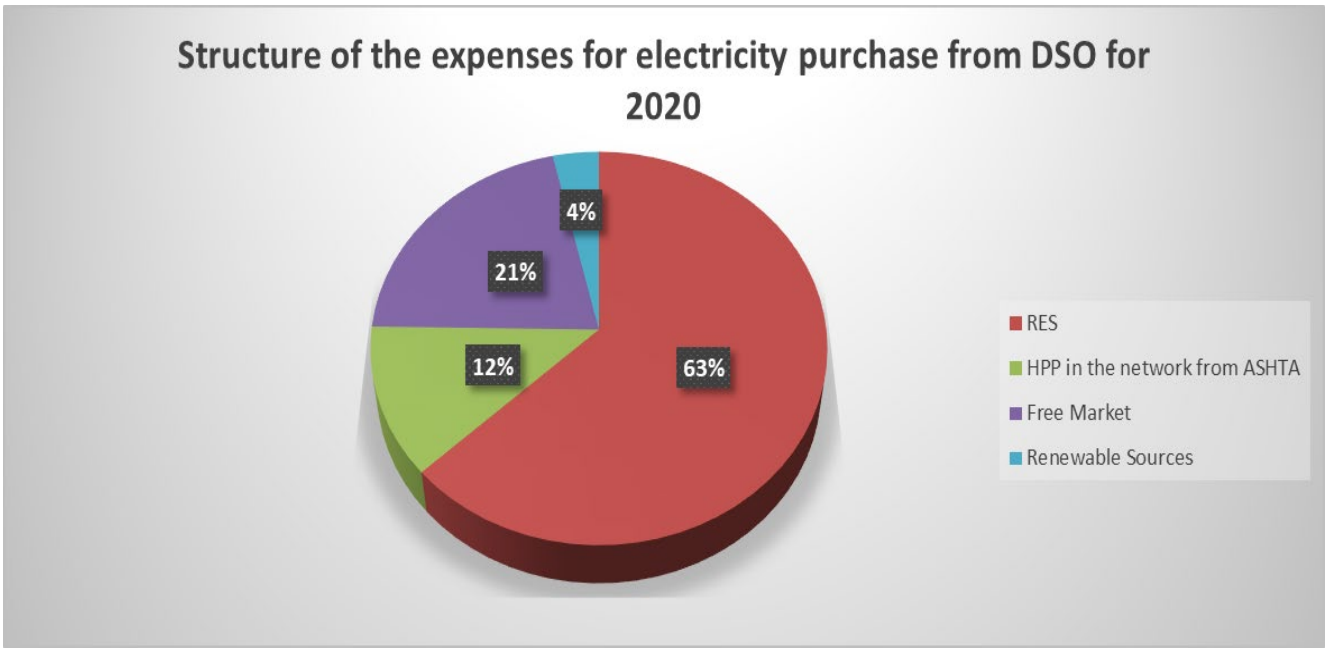


(Source: OSHEE Group company.)

Figure 79 Structure of the expenses for electricity purchase from the FSHU companz for 2019.

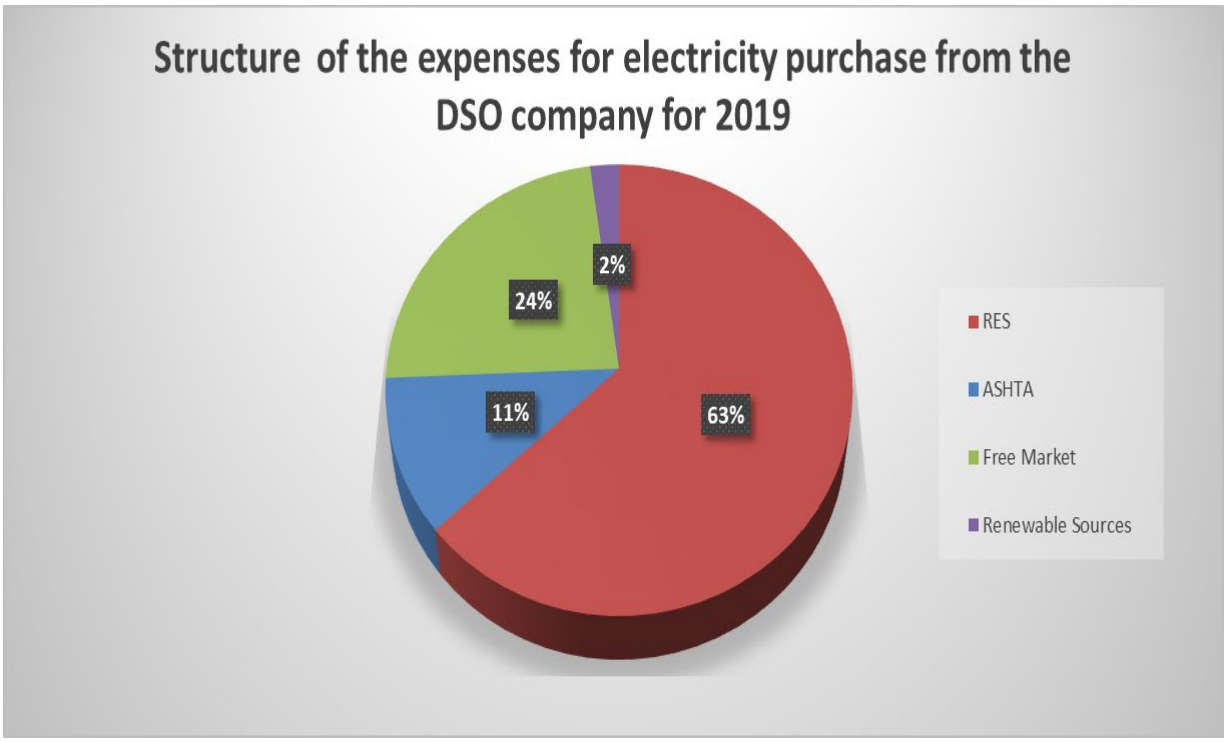
As observed from the structure of the expenses submitted on the above graphs, the electricity purchase cost to cover the request for the supply of the end-use customers during 2020, compared to 2019 of the FSHU company, has experienced an increase of 3% from the energy produced by KESH company, while it has resulted in a decrease of 21% of the energy purchased cost from the Free Market and a decrease of 28% of the cost of energy purchased from priority producers.

The graphs as follows submit the structure of the expenses for the electricity purchase from the DSO company for 2020 compared with those for 2019:



(Source OSHEE Group company)

Figure 80 Strukture of the expenses for electricity purchase from DSO company for 2020.



(Source OSHEE Group company)

Figure 81 Structure of the expenses for electricity purchase from DSO company for 2019.

As reviewed from the structure of the expenses submitted at the above graphs, the cost of electricity purchase from the DSO company to cover the losses caused at the electricity distribution network during 2020 compared with 2019 is decreased with 11% for the priority producers, 2% for the electricity purchased from Ashta HPP, 19 % for the electricity purchased in the free Market, while the electricity purchase cost produced from small electricity renewable resources from solar to 2MW is increased with 46% due to the introduction into operation of the new photovoltaic production plants.

The structure of the expenses regarding the electricity purchase cost had a significant decrease due to COVID – 19 pandemic conditions, whose impact is reflected on energy international markets. From the data of the annual report of the Hungarian Power Exchange (HUPX) the annual average price for the day ahead market (HUPX/DAM) of electricity in the baseload for 2020 resulted 39.00 Eur/MWh with a decrease of 22.6% from the one of 2019 of about 50.36 Eur/MWh as submitted on the table as follows:

Description	2019	2020	Difference in % 2020 - 2019
HUPX Base Average Price (EUR/MHW)	50.36	39.00	-22.6 %

(Source HUPX)

Figure 82 Annual average price of the day ahead market (HUPX/DAM) for 2019-2020

Except of the decrease of energy purchase cost, based on the FSHU company reports during 2020 it resulted even with an amendmet on the incomes generated from the electricity sale to the end-use customers, respectively with an increase of about 7.54 % for the household customers and a decrease of 9.29% for non-household customers where in total the incomes realized from the electricity sale from FSHU company during 2020, resulted with a decrease of about 1.34% compared with the incomes of 2019, as reflected on the table as follows:

Description	Quantity (kWh)		Difference in quantity 2020-2019	Difference in % 2020-2019
	2020	2019		
Non household	2 062 090 577	2 263 212 008	(201 121 431)	-8,89%
Household	2 956 700 850	2 750 191 028	206 509 822	7,51%
Total	5 018 791 427	5 013 403 036	5 388 390	0,11%

Description	Incomes (ALL)		Diference in ALL 2020-2019	Diference in % 2020-2019
	2020	2019		
Non household	26 447 061 015	29 155 802 162	(2 708 741 147)	-9,29%
Household	28 095 065 686	26 126 107 697	1 968 957 989	7,54%
Total	54 542 126 701	55 281 909 859	(739 783 158)	-1,34%

(Source OSHEE Group company)

Figure 83 The amount and the incomes from the electricity sale from FSHU company 2019-2020 period

As observed at the above table, except of the decrease of the energy purchase cost for the supply of the end-use customers that are served from the Universal Service Supplier, as explained above on this report, the restrictions for different periods during 2020 due to COVID-19 pandemic, have impacted on the incomes from electricity sale as consequence of decreasing the consumption from the non-household customers with about 8.89% and increasing the consumption from the household customers with about 7.51%.

4.1.7 The tariffs and prices approved throughhout the years.

The following graph and table shows the performance of electricity tariffs and prices approved throughhout the years by ERE implementing the effective legislation:

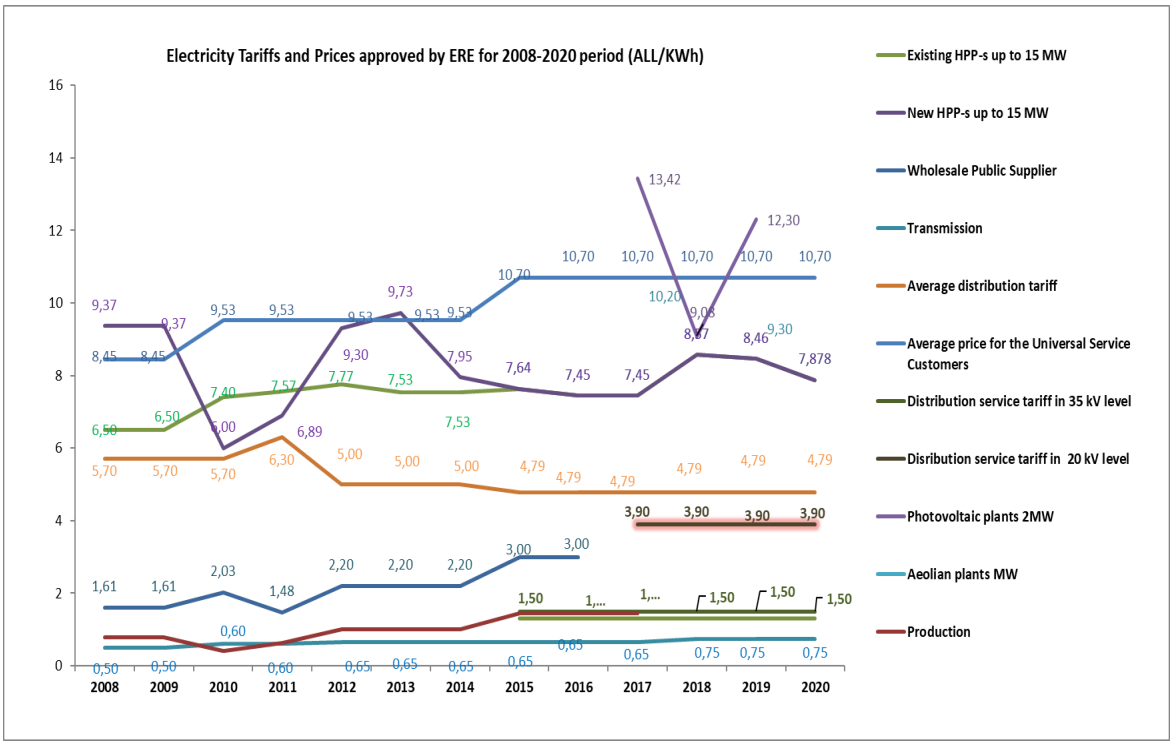


Figure 84 The electricity tariffs and prices approved by ERE throughhout the years

Type of Activity (ALL /kWh)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Wholesale Public Supplier	1,61	1,61	2,03	1,48	2,20	2,20	2,20	3,00	3,00				
Production	0,78	0,78	0,40	0,63	1,00	1,00	1,00	1,45	1,45	1,45			
Existing HPP-s up to 15 MW	6,50	6,50	7,40	7,57	7,77	7,53	7,53	7,64	7,45	7,45	8,57	8,46	7,878
New HPP-s up to 15 MW	9,37	9,37	6,00	6,89	9,30	9,73	7,95	7,64	7,45	7,45	8,57	8,46	7,878
Photovoltaic plants 2MW										13,42	9,08	12,30	
Aeolian plants MW										10,20		9,30	
Transmission	0,50	0,50	0,60	0,60	0,65	0,65	0,65	0,65	0,65	0,65	0,75	0,75	0,75
Distribution service tariff in 35 kV level								1,50	1,50	1,50	1,50	1,50	1,50
Disribution service tariff in 20 kV level										3,90	3,90	3,90	3,90
Average distribution tariff	5,70	5,70	5,70	6,30	5,00	5,00	5,00	4,79	4,79	4,79	4,79	4,79	4,79
Average price for the Universal Service Customers	8,45	8,45	9,53	9,53	9,53	9,53	9,53	10,70	10,70	10,70	10,70	10,70	10,70

Figure 85 The electricity tariffs and prices for 2008 – 2020 period.

On the above table, it is evidenced the electricity purchase price from the Existing priority Producers of about 8.0532 ALL/kWh according to decision no.7 dated 16.01.2020 of ERE Board and the applicable price for the Existing priority Producers of about 7.448 ALL/Kwh implementing the

amendments of Council of Minister Decision no. 396, dated 13.05.2020 approved with ERE Board Decision no. 94, dated 08.06.2020.

The Graph as follows submits the average prices realized from the electricity sale from FSHU company.

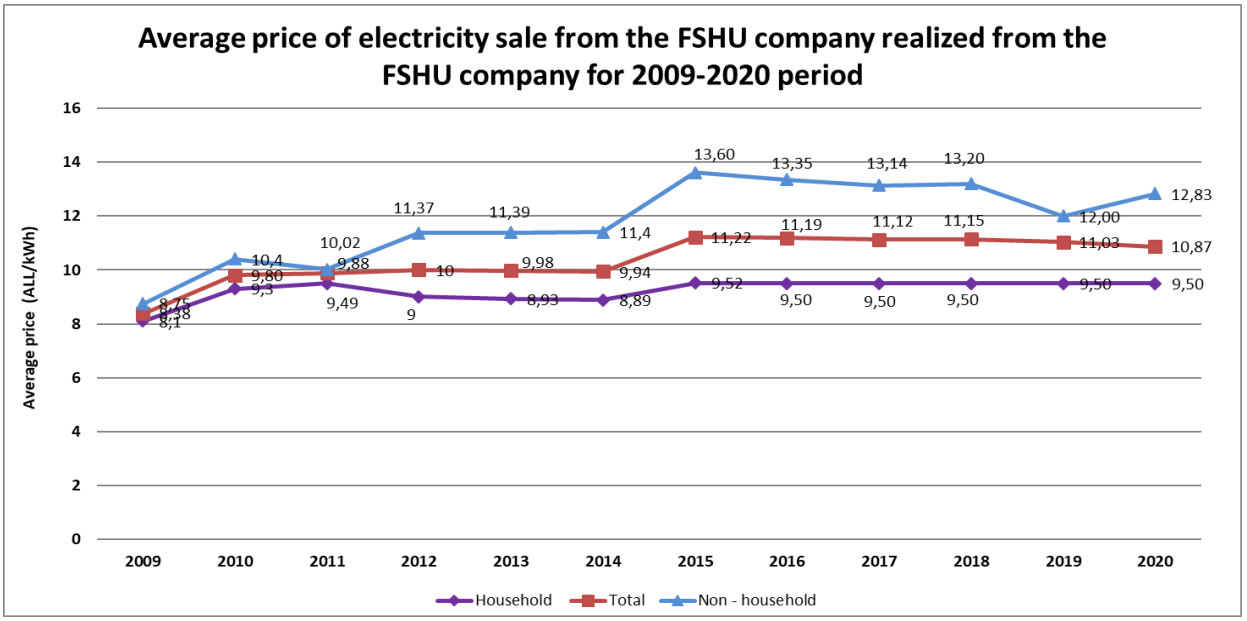


Figure 86 The electricity average sale price from the FSHU company for 2009 – 2020 period.

Based on the calculations supported on the sales structure of FSHU company, for 2020, the average electricity sale price realized for the end use customers resulted 10.87 ALL/kWh, decreasing with 1.45% from the average electricity sale price realized in 2019. The table as follows submits the average electricity sale prices for different end use customer's categories according to the respective voltage levels to the prices approved by ERE for 2020:

Customer's Category	Approved price 2020		Realized average price 2020	
	Active	Peak	Active	Peak
Customers in 20/10/6 kV	11,00	12,65	11,00	12,66
Bakeries and flour production in 20/10/6 kV	7,10	8,17	7,57	8,74
Customers connected in 20/10/6 kV Metering at LV (cabin for a customer)	12,40	14,26	12,40	14,27
Customers connected in 20/10/6 kV Mettering in LV (Cabin for more than one customer)	14,00	16,10	13,90	16,10
Customers in 0.4kV	14,00	16,10	14,00	16,09
Bakeries and flour production in 0.4 kV	7,60	8,74	7,60	8,74
Religious facilities	9,50	10,93	9,50	10,93
Household	9,50		9,50	
Joint environments	9,50		9,50	
Average price	**10,70**		**10,87**	

(Source OSHEE Group company)

Figure 87 The realized average price of electricity sale for different categories of end use customers.

The actual price of 7.57 ALL/kWh for the category "Bakery and flour production" for the voltage level 20/10/6 kV resulted higher than the one approved ERE of about 7.10 ALL/kWh because of the application from FSHU company of the 7.6 ALL/kWh tariff for the customers of this category, which

otherwise from other end use customers served by the universal service supplier, are connected in medium voltage while the metering is for low voltage.

4.2 Electricity Tariffs in the Countries of the Region for 2020

In the absence of updating the Energy Regulators Regional Association (ERRA) data on electricity tariffs and prices for countries in the region, the database for 2020 has been taken from EUROSTAT publications.

The following graph shows the prices of electricity in eurocent / kWh and (ALL) / kWh before taxation (VAT) for non-household customers for 2020. The average price of electricity for non-household customers for the regional countries is 11.67 ALL/ kWh.

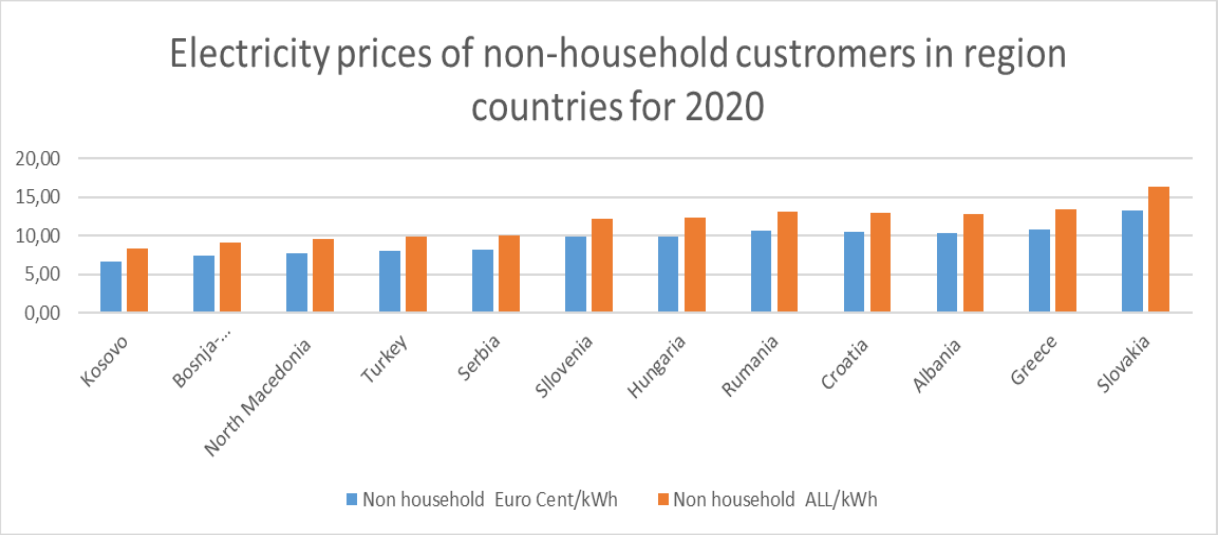


Figure 88 The electricity prices for non-household customers in the regional countries for 2020

The following graph shows the prices of electricity in eurocent / kWh and ALL / kWh before taxation (VAT) for household customers for 2020. The average price of electricity for household customers for the regional countries is 11.92 ALL/ kWh.

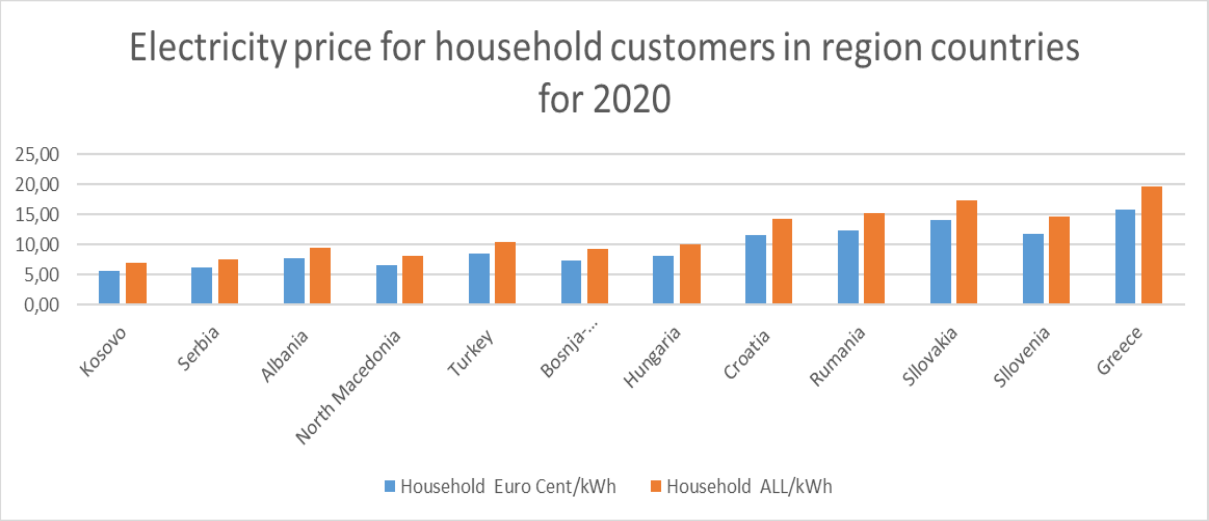


Figure 89 The electricity prices for household customers in region countries for 2020

5. REGULATION OF NATURAL GAS SECTOR

5.1 Trans Adriatic Pipeline Project

The TAP project is aimed to facilitate the transportation of natural gas produced from the gas fields in the territory of the Republic of Azerbaijan and to supply under the relevant Shah Deniz (SD) Gas Sales Agreements, but mainly the phase II development of the SDgas field.

On 15 November 2020, TAP Project terminated. Construction of the onshore pipeline through Greece, Albania and Italy are completed in conformity in conformity with all the criteria and standards of an enormous project. The limitations of COVID 19 were for all the hosting countries of TAP in 2020, although TAP set a series of facilitations which were sucessful to prevent the significant delays and this made that:

- In Greece all the main works of the construction terminated. The delivery from project into operation is terminated and the gas fillings are submitted to the five (5) parts of the pipeline.
- In Albania, shall be terminated the construction and the gas fillings for all the sessions and the security proof are submitted for all parts of the pipeline.
- In Italy, the works of the construction are completed and natural gas is present to all the parts of the pipeline. Except of the limitations because of COVID -19, in Italy, where works have been slow, a number of key points have been reached during 2020 including the completion of the offshore pipeline (successfully over 98.4 km as planned) and the completion of the micro-tunnel in Blocks 2 to the onshore section of the pipeline.

The assets of all hosting countries (Greece, Albania, Italy) are delivered for operation and now are under TAP AG control according to the signed agreements.

Having into consideration all the technical achievements, on 15 November 2020 TAP realized the Commercial Operation Date (*COD*) as provided at the Exception Decision of the European

Commission and Paragraph 4.10.2 of the Final Joint Opinion of the National Regulatorz Authorities on the exception of TAP from the requirements of third party access, tariff regulation and ownership unbundling defined on Articles 9, 32, 41(6), 41(8) and 41(10) of Directive 2009/73/EC.

The moment of Commercial Operation Date (COD) on 15 November, composes the begining of the 25 year period of the exemption from third party access, the tariff regulation and ownership unbundling. From this date and in continuation, TAP Transporters shall pay tariffs, as defined according to TAP Tariff Code and published at TAP website.

South Gas Corridor (SGC)

The Southern Gas Corridor (SGC) is one of the most complex gas value chains in the world, that aims to bring Gas from the Caspian region, a considerable reserve over 100 trillion NM 3 Gas, to the European markets for the first time and shall be implemented within 2020. Natural gas from the Shah Deniz field will make a 3,500 km journey from the Caspian Sea into Europe. This requires enhancement of some existing infrastructure and development of a whole chain for the new

pipelines belonging to this region and especially:

- Shah Deniz II development, on which continue the Rump – up period, to increase gas production
- in the Caspian Sea.
- Shall terminate the expansion of natural gas processing plant at the Sangachal terminal on the Caspian Sea coast in Azerbaijan and sending gas to Turkey for the First Phase through TANAP project, was realized on July 2019.
- Finalisation of the three pipeline projects with simultaneous development:
    - South Caucasus Pipeline (SCPX) – Azerbaijan, Georgia
    - Trans Anatolian Pipeline (TANAP) – Turkey
    - Trans Adriatic Pipeline (TAP) – Greece, Albania, Italy.
- Expansion of the Italian gas transmission network.
- Possibilities for other connections with gas networks in South Eastern, Central and Western Europe

TAP is currently expanded through Greece, Albania, the Adriatic Sea floor and is joining the Italian Transmission Gas System in San Foca South Italy area which enables further movement toward European markets.

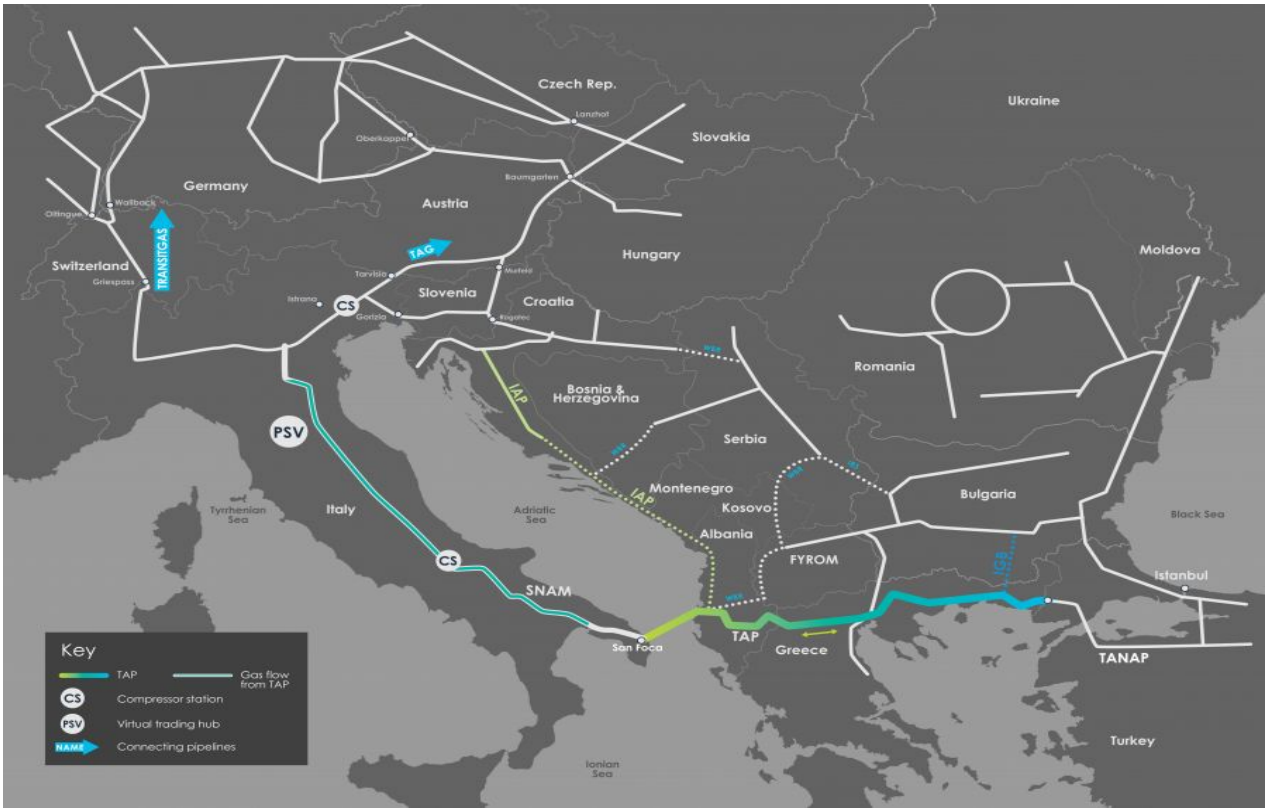


Figure 90 Gas Transmission Network in our region

Development of TAP Project from TAP AG. The Shareholders of the Company

During 2020 there were not shareholder's changes, for which are notified all the stakeholders, including the three national Greek, Italian and Albanian Authorities.

Currently TAP AG shareholders are : SOCAR (Azerbaijan) 20%, BP(England) 20%, SNAM S.p.A (Italy) 20%, Fluxys (Belgium) 19%, Enagas (Spain) 16% and Axpo (Switzerland) 5%.

TAP a strategic project for Albania and South-East Europe

- TAP is the European part and the main part of the Gas South Corridor, a strategically and economically important project to the EU and to the Energy Community.
- TAP is essential in providing reliable access to a new source of natural gas from Caspian Sea and in a new road. TAP strengthens the diversification of supply sources and routes and enabling the gasification of South-East Europe and Western Balcans, including the gasification of our country. TAP actively contributes to the establishment and operation of Albania gas market.
- In addition, TAP supports the EU ambitions to become climate neutral until 2050 and fosters the achievements of decarbonization goals of the EU and the Energy Community, specifically TAP allows further use of gas (natural gas, renewable gas or decarbonized gas) by substituting more polluting fuels such as coal, diesel/gasoline and heavy oils for transport, heating and power generation sectors, overly used more in South-East Europe and Western Ballcans.
- TAP Pipeline is designed to double its capacity up to 20 milliard NM^3in a year (to 20 bcm / in a year) and to give the possibility to any interested party enable to submit a connection

request to TAP pipeline, as long as the technical and regulatory conditions of the Final Joint Opinion are compiled with.

- In general, TAP shall facilitate greater interconnection between the countries in South-East Europe and the establishment of a gas regional market fully integrated with the European Market. By this project to our country is given the opportunity for the establishment of a significant junction for the region because it enables the opportunity of undergroung gas storage and a Liquidified Natural Gas terminal .

TAP STATUS OF PERMITTING

Before the termination of the construction, the efforts of the permit status were concentrated to the Usage/Utilisation Certification Package and their submission to the Ministry of Infrastructure and Energy to be approved before the Commercial Operation Date (COD).

The Usage/Utilisation Certificate waas the first permission that was delivered to TAP after the termination of the construction works for all the infrastructure of the pipeline on the Albanian territory, including the onshore and offshore devices/facilities.
The Utiliyation Certificate is an official document issued from the Ministry of Infrastructure and Energy which certifies that the construction of the pipeline is performed in conformity with the terms and conditions of the Construction Permit and that the construction when it terminates is suitable to be used within all the technical and environmental safety rules.

The applications for the Utilization Certificate initiated on 2019 for each Construction permission issued for all onshore and offshore parts and for pipeline stations in Albania.

The Pipeline permission for the Onshore part and it is received om May 2020 and August 2020.

On June 2020, TAP applied to the Ministry of Infrastructure and Energy to allocate the constructions for the offshore part of the pipeline in two stages, to apply for the Utilization Certificate for the terminated constructions of pipeline installation before the Commercial Operation Date (COD). The Ministry of Infrastructure and Energy approved it on July 2020.

In close cooperation with the Ministry of Infrastructure and Energy the on-site inspections for all the permitted parts remaining from TAP were organized and developed according to the submission of all Utilization Certificate Packages. TAP took all the Utilization Certificates until on 24 September 2020. **This was thanks to an extraordinary work from the Ministry of Infrastructure and Energy, did not bring any obstacle but also speed up the procedures for the pipeline to be set into operation on the planned time.**

LICENCE TO OPERATE

While TAP has moved toward the operation stage, TAP has additional licenses, authorisations, and permissions related to this stage of the project that need to be obtained from the Italian, Greek and Albanian authorities before the ‘’Planned Commercial Operations Date’’ (generally “*License to Operate*” or “*LtO*”. In this regard, TAP coordinated very well the work with the Regulatory Authorities (NRA) and other national aothorities to obtaim the LtO license in a timely manner.

a) Transmission License

ERE issued TAP, with decision no. 14/31.01.2019, License no. 436 for the Natural Gas Transmission Activity on the Albanian Territory to comply some specific conditions. TAP initiated its work to implement these conditions before the Commercial Operations Date (COD). As consequence TAP submitted the verification certificates at ERE according to ERE Board decision no.14 dated 31.01.2019 according to Article 3(14) to issue the Trans Adriatic Pipeline in Albania the Transmission License for the Albanian Territory for a 25 year period from the Commercial Operation Date. Except that, TAP informed ERE that according to the provisions of Paragraph 4.5.3 of the Final Joint Opinion, TAP is exempted from the obligations to submit at ERE the Ten -Year Transmission Network Plan, annually, as mentioned on Articles 3(6) – 3(8) of ERE Board Decision no. 14 dated 31.01.2019 to issue the Transmission License of Trans Adriatic Pipeline. ERE shall define some conditions on the license that shall be completed before the commercial operation date of TAP. At the end, TAP submitted the completion of all conditions within the defined deadlines.

b) *Third Parties Certificates for pressure equipments*

Third Party Certificates (for pressure equipments) are ensured for all permitted parts and the facilities in Albania.

TAP has registered the pressure equipments to the State Technical and Industrial Inspectorate and submitted the Compliance Certifications for the pipeline parts and the marine parts to the State Technical and Industrial Inspectorate.

c) *Fire Protection Certificate*

There are taken the certificates for Fire Protection and for all others that are applied only for onshore infrastructure.

d) *TAP Ownership Certificates*

TAP Ownership Certificates shall be obtained from the Local Directories of State Agency of Cadastre after the completion of the construction works for the permanent facilitates (the Albanian compressor stations and the Albanian block valves), and after the Utilization Certificate has been issued for the construction work.

TAP's Ownership Certificates shall cover the properties/permanent facilities constructed by TAP on the
basis of Law no. 107/2014 "On Territorial Planning and Development", as well as of the sectorial legislation and the Decisions of the Council of Ministers (which are only applicable to TAP Project).
The Ownership Certificates are different from the Land Properties Certificates and the property rights/servitudes that TAP has already acquired or is in the process of acquiring or amending, for the purpose of operating its facilities on the Albanian territory.

The application for the Ownership Certificates will commence after there are received the final projects of the constructions from the Contractors.

e) ***Other authorizations and customer's procedures***

Except of the above mentioned and part of the Operation License process, TAP received the Working Authorizations according to the facility inspection from the The State Labour and Social Services Inspectorate.

Notification for all the Metering Equipments installed at the Stations is submitted to the General Directorate of Metrology.

The Authorizations to Use the Radio Frequences during Operation (23in total) are received from the Electronic and Postal Communications Authority on August 2020.

The customs and tax procedures applied for TAP during the commissioning stage which are respectively received on February and August 2020. In September 2020, TAP contacted the Ministry of Finance and Economy regarding the custom and tax procedures that TAP shall follow and comply during the Operational stage.

Regulatory aspects of TAP Project

Apart from its significant contribution for establishing the Albanian gas market, **TAP is unique from a regulatory perspective**:

- TAP crosses the jurisdictions of our country, a Contracting Party to the Energy Community, **which is actively transposing and aligning the national legislation to the energy acquis Communautaire, and of two EU Member States (Italy and Greece);**
- ERE granted TAP, along with the Greek and Italian NRAs (RAE and ARERA respectively), *the exemption from the core provisions of the EU Third Gas Directive* (third party access, regulated tariff and ownership unbundling) for a period of 25 years from TAP commercial operations date;

Obtaining the Exemption Decision involved **an excellent cooperation between ERE and the other two NRAs**. This is shown for instance in various common documents issued by the NRAs, such as the Joint Opinion on the Exemption, the ITO Joint Certification Decision, the Guidelines for the management and allocation of capacity, documents related to the first market test, approval of TAP's Regulatory Compliance Program , the Tariff Code, approval of TAP's Network Code.

TAP PROGRESS OF THE AGREMMENTS FOR TAP PROJECT

Commercial Agreements

In November 2013, TAP concluded gas transportation agreements for the initial capacity of 10 bcm/a with three shippers: Azerbaijan Gas Supply Company (AGSC), SOCAR and Axpo Trading.

AGSC and Axpo Trading will act as shippers of TAP as of COD. SOCAR will take over the

role of AGSC as a TAP shipper in March 2036.

In March 2016, the gas transportation agreements with AGSC and SOCAR concerning TAP's Initial Capacity were amended in respect of the Reserved Capacity at TAP's Exit Points in Greece.
This amendment is initiated to avoid feeding the gas into a congested area of the DESFA system.

On 12 November 2020, TAP organized the First Shareholders Forum, to regularly discus and to handle the challenges and opportunities regarding the transport services provided by TAP. The Regulatory Authorities are notified for the organization of Shareholder's Forum on 23 October 2020.

TAP announced the first booking auctions of capacity to PRISMA platform, on 14 November through the auctions for day in advance capacity in Melendugo and in Kipoi. **Albania could not participate on this auction because it is not constructed yet the network for the supply of such customers such as Vlora TPP, with a production capacity of 100 MW/day**.

Other Agreements

A number of other agreements have been signed in order to support the development of the TAP project. In February 2013, an intergovernmental agreement (IGA) between Italy, Greece and Albania was signed and ratified in Italy by Law no. 153/2013, whereby, the government of each of the three countries committed their full support to the realization of the project. The first meeting
of the Implementation Commission, set out in the IGA between Italy, Albania and Greece, took place in Tirana on 25 January 2016 with the participation of TAP.

In addition, TAP has concluded **Host Government Agreements HGAs** with Greece and Albania.
The European Commission issued a decision on 3 March 2016 declaring that the Greek HGA is compatible with EU Rules on State Aid.

TAP finalized the Interconnection Agreements (Ias) with TANAP Doğalgaz İletim A.Şfor the Interconnection Point in Kipoi.
TAP signed the Interconnection Agreements Snam Rete Gas S.P.A for the Interconnection Point in Melendugno and the Interconnection Agreement with DESFA S.A for the Interconnection Point in Nea Mesimvria.

Currently TAP is terminating the discussions for the Interconnection Agreements with ICGB AD for the Interconnection Point of Komotini.

Update of TAP Project Progress

On 1 July 2010, TAP initiated the Market Test for 2019, a commercial process through which natural gas shippers may gain access to TAP long-term capacity, permitting the extension in the future of

pipeline capacity.

TAP performed the Market Test according to an adopted regulatory regime, included on the Guidelines for the 2019 Market Test of Trans Adriatic Pipeline (Guidelines). These guidelines were approved by the Regulatory Authorities on June 2019 and there was required the implementation of these provisions at the Final Joint Opinion of the Energy Regulators on the Exemption Application of TAP AG, on 6 June 2013, issued from the Authorities according to Directive 2009/73/EC and the Tariff Code of TAP with the EU 2017/459 for the establishment of the Capacity Allocation Mechanism Network Code (**CAM NC**) for gas transmission systems.

On 21 October 2019, TAP published, jointly with Snam Rete Gas and DESFA a Demand Assessment Report (DAR), to mark the end of the Demand Assessment phase.

The Demand Assessment Report (DAR) listed the non-binding demand indications in an aggregated manner per each of TAP's interconnection points with the adjacent Transmission System Operators (TSOs) which launched the Incremental Capacity processes as per the provisions of the CAM NC, SRG and DESFA. In addition, the DAR also includes the non-binding demand indications received for TAP's side of the interconnection point at Kipoi (with TANAP), of the interconnection points in Albania (with Albgaz) and at Komotini (with ICGB). **Shall be underlined that the exit points in Albania are Fier and Kucova and with the Market Test that is performed, shall be added another one in Korca**. **The exit point in Kuçova (24'') is constructed having into consideration TAP obligation from the Final Joint Opinion of Energy Regulators from TAP exemption from the requirements for third party access, tariff regulation and ownership unbundling defined on articles 9, 32, 41 (6), 41 (8) and 41 (10) of Gas Directive 2009/73 / EC and the Final Joint Opinion (FJO) while the obligation for the construction of the exit point in Fieri (16'') is on the Agreement for the Development of the Gas Market approved from Council of Minister Decision no. 233, dated 21/03/2017. But it is important that on our country to start the construction of gas infrastructure, because we have the customers that shall use gas, and it is not a problem that at any time to perform the connection with the transmission network of TAP.**

Immediately after the publication of the DAR, on 22 October 2019, TAP initiated the Coordinated Design phase. During this phase TAP and adjacent TSOs conducted technical studies for the incremental capacity projects at their side of the IPs and closely coordinated towards the joint publication of the draft Project Proposal on 20 January 2020. Following the end of the public consultation on 21 February 2020, TAP and the adjacent TSOs continue refining the Project Proposal, with the aim of submitting it for the approval of the ARERA, RAE and ERE by October 2020, in line with the timing provisions of Article 28 CAM NC. After having discussed with the NRAs, on 4 June 2020, the TSOs have announced on their websites that the Binding Bidding phase of the 2019 Market Test will take place in July 2021, while the Information Phase will be launched at least 2 months before that.

TAP, together with SRG and DESFA, plan to informally share the Project Proposal with the NRAs in
January 2021 and send it for their approval soon thereafter.

TAP project progress (general) update – 100% complete

- On 15 November 2020 TAP started commercial operations.
- From November 15 onwards TAP launched the auctions for booking capacity with TAP on PRISMA Capacity Booking Platform.
- On 31 December 2020 TAP started transporting first gas flows to Italy and Greece.

On 2020 TAP became a TAP became a fully-fledged TSO in 2020 and reached commercial operations!

A couple of its regulatory achievements leading to the commercial operations milestone.

- In June 2020, ERE together with the Greek and Italian NRAs have approved TAP's Network Code, comprising of the rules aimed at governing the commercial operation of TAP's transport system.
- In August 2020, TAP opened the registration process for any party interested in becoming a registered party/shipper. This is necessary for the future booking of capacity on TAP pipeline.
- By 15th November 2020, TAP finalised its profile on European Transparency Platform and started publishing daily/hourly information on technical, available and booked capacities and any other transparency information requested by EU regulation and Albanian Gas Law 102/2015.
- TAP finalised and commissioned its website where all information on TAP operational activity is displayed, including an Electronic Data Platform where the wide market and TAP customers have access to operational data per each interconnection point (i.e. physical flows, available, booked and technical capacities, metered data, etc).
- TAP closely engaged with the EnCS and ERE (as well as the Greek and Italian NRAs) in relation to the implementation of the ITO Roadmap certification requirements, including the amendment of TAP's Regulatory Compliance Program. In September 2020, ERE has approved TAP's Regulatory Compliance Program for operations.

From Commercial Operations Date – 15 November 2020 onwards:

- The 25 years exemption from third party access, tariff regulation and ownership unbundling granted to TAP by the European Commission started running.
- TAP became a fully-fledged Independent Transmission System Operator (ITO TSO).
- The Gas Transportation Agreements with TAP's shippers started taking effect.
- From this date onwards, TAP's Shippers are under the obligation to pay tariff, as determined in accordance with TAP's Tariff Code and published on TAP's website.
- The 25 years term of the Transmission License granted to TAP by ERE on 31 January 2019 started running, therefore TAP became licensed to perform natural gas transportation activities on the Albanian territory under for a period of 25 years.
- The 878 km gas pipeline part of the Southern Gas Corridor entered operational phase. The flows from Azerbaijan to Italy and Greece started on 31 December 2020. A rough estimation

of the quantities of energy and volumes of natural gas transported by TAP between 31 December 2020 and up to 19 January 2021:

31 Dec 2020 – 19 Jan 2021	Total KWh	Total MNm^3
Entry TAP (Kipoi)	2,916,055,437	248,312,295
Exit TAP (Nea Mesimvria - Greece)	646,610,042	55,507,296
Exit TAP (Melendugno - Italy)	2,203,725,976	187,742,884

- TAP will be running the capacity auctions in accordance with ENTSOG Auction Calendar on PRISMA Capacity Booking Platform. Between November 15 and end of 2020 TAP ran the day-ahead and monthly auctions for booking forward firm and commercial reverse capacity with TAP at IP Kipoi, IP Melendugno and IP Nea Mesimvria.
- **At the moment, no gas flows exit Albania, pending construction of Albanian transmission network and booking of capacity at either Fier or Kucove planned exit points. It is very urgent to set up gas infrastructure because not only is it more economical to use it, but there are also many times smaller emissions, significantly reducing environmental pollution. The first customer should be the TPP built in Vlora, which has not yet been put into operation. We emphasize that with the commissioning of the gas TPP, the cost of electricity import is halved and will affect the reduction of technical losses for the south of Albania.**
- **Development of the IAP (Ionian Adriatic Pipeline) project because it shall serve as a main highway where it would supply all the cities of Albania from Fier to Shkodra, and not only that, but it would also serve as a connecting node with our region. ; Montenegro, Kosovo, Bosnia and Herzegovina to Croatia.**
- **Development of the underground gas storage project in the Dumre region together with the LNG project would make our country a hub for the region where we are located.**

Extension of TAP's Exemption

On 15 June 2020, TAP formally requested from the NRAs and MiSE for the prolongation of the date by when its 'infrastructure becomes operational' (i.e. commercial operations date), as this date is referred to in the Exemption. In this regard, TAP submitted an application for prolongation, whereby it set out the background related to the Exemption (including the first prolongation), as well as why a second prolongation might be essential for TAP's start of commercial operations. TAP thereafter explained in detail why the delay is due to major obstacles beyond its control. Only the condition related to the date by when the 'infrastructure becomes operational' should be fulfilled is relevant for TAP's application, and not the remaining content and conditions of the Exemption.

Following this submission,

- ARERA issued its deliberation on the prolongation, including the NRAs' joint opinion, through Deliberazione (in Italian) 231/2020/R/gas on 23.06.2020.

- ERE issued Decision no. 104 '*on adopting the Joint opinion of the energy regulators regarding the TAP AG request to extend the validity of the exemption*" from the provisions of articles 9, 32 and 41(6) and (8) and (10) of Directive 2009/72/EC decision' of 29.06.2020, which was afterwards notified by ERE to the EnCS on 30.06.2020.
- *RAE notified its Decision no. 1037/2020 regarding the 'approval of the request of the company TAP A.G. extending the duration of the exemption of the TRANS ADRIATIC PIPELINE (TAP) pipeline from the provisions of Articles 9, 32 and 41 (6), (8) and (10) of Directive 2009/73/EC' to the EC on 30.06.2020.*

Furthermore, given certainty on commercial operations date being 15 November 2020, on 4 November

2020, TAP has submitted letters to withdraw the application for a second prolongation of the Exemption Decision to the Italian, Greek and Albanian NRAs and to the Italian Ministry of Economic Development. **ERE has confirmed on 10 November that the Energy Community Secretariat had acknowledged receipt of TAP's withdrawal of its application for the second prolongation.**

Transparency and REMIT activities

In compliance with REMIT Regulation and REMIT Implementing Regulation, TAP has published on TAP website and on ENTSOG Transparency Platform its first Urgent Market Message (UMM) on 12 October, announcing to the market that TAP is preparing to launch the commercial operations. This UMM has been followed by 2 (two) others, on 11 and 12 November, through which TAP announced, in coordination with the adjacent TSOs, the start of day-ahead auctions starting with 15 November 2020 for IP Melendugno and the start of monthly auctions at IP Nea Mesimvria on 21 December 2020. Moreover, on 20 November 2020 TAP published another UMM announcing that TAP will be able to provide **Commercial Reverse Capacity** to the market in December 2020. The Commercial Reverse Capacity is offered by TAP though a single auction as a combination of entry at IP Melendugno and exit at IP Nea Mesimvria.

Furthermore, TAP has completed its profile on the ENTSOG Transparency Platform, in line with the transparency obligations of Regulation 715/2009 on Transparency requirements. TAP has uploaded thus operational information on the ENTSOG TP, such as available, booked and technical capacities, planned interruptions of firm and planned interruptions of interruptible capacity, as well as tariff information. TAP has also published its annual maintenance plan in accordance with the deadline imposed by Regulation 715/2009 by 15 November. TAP continues to send aggregated operational data to ENTSOG for transparency reasons, either with a daily or an hourly frequency.

All throughout the commissioning phase, TAP has reported to ACER the conclusion and monthly execution of the gas supply agreement for commissioning. Moving on to the operations phase, TAP has started reporting to ACER the conclusion of gas supply agreements for operations as per TAP's obligations in the REMIT and REMIT Implementing Regulation.

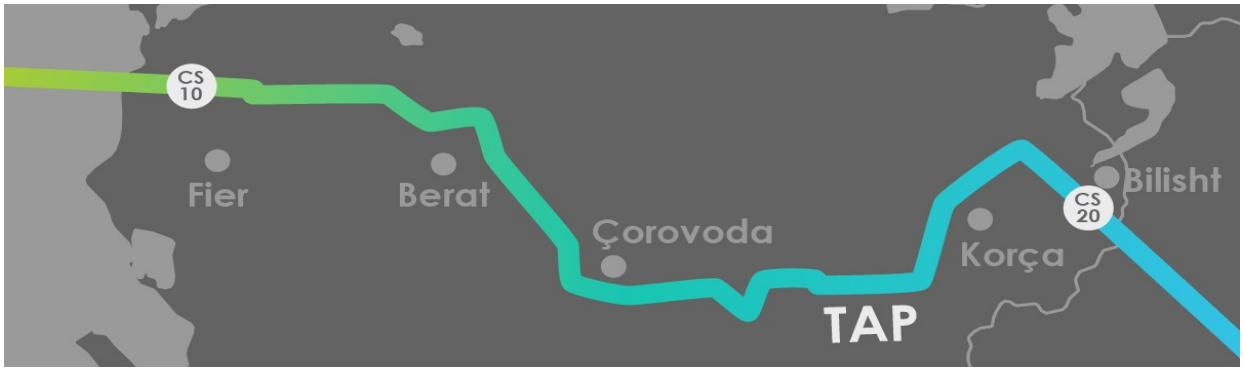


Figure 91 TAP project in Albania

TAP is and shall continue cooperating closely with ERE on various matters, such as:

- Ongoing compliance with the conditions imposed on TAP in the Transmission License granted by ERE (i.e. submission of third-party insurance certificates to ERE on an annual basis, preparation and submission of an Operational Report by 15th February each year, submission of financial statements and audit reports by 30 June each year, etc).
- Market Test process and approval of the Project Proposal, before the launch of the Binding Phase of the Market Test in July 2021.
- Fulfilling any other obligations deriving from the decisions issued by ERE or from the laws adopted by Albanian Parliament.
- ERE is cooperating in drafting the Book of the Rules for the TAP Operation stage after Its construction stage.

Market Test for Expanding the Capacity

Currently TAP launched the Market Test to expand the capacity. It is harmonized with the provisions of the Final Joint Opinion of the Energy Regulators on the Exemption Application of TAP AG, dated 6 June 2013, issued from the Authorities according to Directive 2009/73/EC, ('Final Joint Opinion') of TAP Tariff Code[1] with EU Regulation 2017/459 on establishin a network code on Capacity Allocation Mechanism at natural gas transport systems ("CAM NC").

According to Paragraph 4.1.7 of the Final Joint Opinion, the Guidelines are approved by the competent Regulatory Authorities of Italy, Greece and Albania. ('the Authorities'), respectively ARERA, RAE and ERE.

The request to Expand Capacity

For its innitial capacity, TAP is exempted from third party access provisions, from the regulated tariffs and ownership unbundling according to the terms of the Final Joint Opinion. The exemption from the regulated tariffs and ownership unbundling are also applied for TAP actual constructed Expansion Capacity.

[1] Approved on November 2013 from the Regulatory Authorities of Italy, Greece and Albania. An amendment is approved on July 2018.

According to the Final Joint Opinion, TAP shall perform the Market Test every two years beginning not later than Commercial Operations Date ('COD')

Article 26 of the Capacity Allocation Mechanism for the Network Code requires to the Transmission System Operators to perform a coordinated procedure which is based on the market to access the need for capacity increase.

Market Test

Market Test is a transparent, open and non-discriminatory procedure. The process reflects the unique and specific Regulatory contect of the Transporter and includes the guidelines how TAP shall participate on the wide process of increasing the capacity defined on Chapter V of the Capacity Allocation Mechanism of the Network Code.

TAP requires that any Expansion Project shall contain specific provisions to be in conformity with the Final Joint Opinion. The consultation shall contain information according to Article 27 (3) of the Capacity Allocation Mechanism of the Network Code (CAM NC). This shall include the rules which guide the Binding Phase, including any other alternative for the allocation mechanism within the meaning of Article 30 of the Capacity Allocation Mechanism of the Network Code. This other alternative of the Allocation Mechanism may be foreseen as necessary to permit the compliance with the rules defined on Section 3 of TAP Network Code. This shall also include the auction mechanism defined on Section 3.3.1. (e) of TAP Network Code.

After the consultation, TAP and the adjacent TSO shall finalize the draft of the Project proposed for the Expansion and shall submit it for the respective Authorities approval. According to Article 28 (2) of the Capacity Allocation Mechanism of the Network Code (CAM NC), within 6 months from taking the project final proposal from the last respective Authority, they shall publish the decisions coordinating with each other on the proposal of the project. The project proposals where there are included one or more Requirements for Connection may be handled individually according to a separate term, because these requirements are not subject to the economic test, but only to the technical feasibility test. According to Paragraphs 4.7.5 and 4.7.8 of the Final Joint Opinion, the costs for these requests shall be borne by the third party that made the request according to the effective legislation at the time the request is made.

The Market Test shall serve to expand the capacity at the beginning of the project but also at the required connection points in Korca, because Fieri and Kucova currently exist.

5.2 By- legal acts issued from the Council of Ministers for Natural Gas Sector.

A lot of work has been done for the drafting the secondary legislation for the natural gas sector, both by the Ministry, ERE and Albgaz company, about 80 legal and by-legal acts and orders have completed all the legal framework for a normal operation of gas market in our country. Below we are briefly handling only those that are approved during 2020:

- **Council of Minister Decision no. 702, dated 09.09.2020** "On approving the procedure and criteria for appointing the temporary administrator of the entity to which it is set public service obligation, to which it is removed the license".
- **Council of Minister Decision no. 857, dated 04.11.2020,** "On approving the technical rules and safety criteria, six part, on the minimum requirements of technical projection, the construction and operation of the transmission and distribution systems of natural gas, LNG installations, of storage facilities and direct lines."
- **Council of Minister Decision no. 294, dated 14.04.2020,** "On approving the technical rules and safety criteria, fifth part, on minimum criteria of tecnical projection, the construction and operation of natural gas transmission and distribution systems, LNG installations, storage facilitities and direct lines",
- **Council of Minister Decision no. 659, dated 27.08.2020,** "On approving the technical rules and safety criteria, seventh part, on minimum criteria of technical projection, the construction and operation of natural gas transmission and distribution system operation, LNG installations, storage facilities and direct lines",
- **Council of Minister Decision no. 678, dated 02.09.2020,** "On approving the technical rules and safety criteria, eighth part, on minimum criteria of technical projection the construction and operation of natural gas transmission and distribution system operation, LNG installation, storage facilities and direct lines ",
- **Council of Minister Decision no. 679, dated 02.09.2020,** " On approving the technical rules and safety criteria, ninth part, on minimum criteria of technical projection the construction and operation of natural gas transmission and distribution system operation, LNG installation, storage facilities and direct lines
- **Order no. 170, dated 08.06.2020, of the Ministry of Infrastructure and Energy,** "On approving the form and content of the Identification Card for the inspector, that performs the technical inspection in natural gas sector",
- **Order no. 184, dated 17.06.2020, of the Ministry of Infrastructure and Energy,** "On approving the regulation on the conditions and procedures of imposing the fines and their measures for the violations on natural gas sector activities",
- **Order no. 279, dated 01.10.2020 of the Ministry of Infrastructure and Energy,** "On defining the rules to exercise the supervision operation of the Ministry on natural gas operator's activity for coordinating on-site operations"
- **Order no. 280, dated 01.10.2020 of the Ministry of Infrastructure and Energy,** "On approving the form and practices regarding the relations between the responsible structures, that cover natural gas sector activity in the ministry, and the responsible state inspectorate for natural gas sector".
- **Order no. 281, dated 01.10.2020 of the Ministry of Infrastructure and Energy,** "On defining the rules and content of the inspection order, issued from the State Technical and Industrial Inspectorate (ISHTI), as the responsible state inspectorate for natural gas sector, to perform the inspections at natural gas transmission, distribution and natural gas storage, liquidified natural gas facilities, as well as of other gas facilities".

5.3 By-legal (secondary) acts approved by ERE during 2020 to exercise Natural Gas sector activity.

The Decisions as follows are related with the approval of ERE legal framework implementing Law no. 102/2015 "On Natural Gas Sector" as well as the preparation of the market conditions to initiate gas operation for 2020, that corresponds with the start of TAP project:

Regarding TAP Project

During 2020 it is made a qualitative work regarding the important and necessary decisions for on time realization and the set into operation within the time frames of the enormous TAP AG project. During 2020, there was held an intensive work regarding the approval of some necessary agreements from the three authorities of the countries that TAP AG project crosses, according to the provisions submited by this last one mentioned:

1. Decision no. 97, dated 15.06.2020 "On approving TAP AG Network Code"

Based on 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; Directive 2009/73/EC of the European Parliament and of the Coucil of date 13 July 2009; the Regulation of the European Parliament and of the Council 942/2019 of date 5 June 2019; the regulation of the European Parliament and of the council 715/2009 dated 13 July 2009 as amended with Commission Decision dated 24 August 2012, the Regulation of EU Commission 312/2014 of date 26 March 2014; EU Commission Regulation 2017/459 dated 16 March 2014; European Commission Decision dated 16 May 2013, which contains "The exemption of Trans Adriatic Pipeline from the requirements for the third parties access, tariff regulation and ownership unbundling, defined on articles 9, 32, 41 (6), 41 (8) and 41 (10) Directive 2009/73/EC; the Provisions of the Final Joint Opinion of Energy Regulators on TAP AG Exepmtion Application, dated 6 June 2013, issued from the Authorities according to Directive 2009/73/EC, ('Final Joint Opinion') Article 4.7.1 of the Final Joint Opinion; The Provisions of Regulation 715/2009 and of the European Network Codes which are not in conflict with the Final Joint Opinion; the Letter sent from TAP AG on 20 December 2019; the Letter sent from TAP AG on 10 June 2020; as well as articles 15 and 26 of the " Regulation on ERE Organization, Operation and Procedures" approved with ERE Board Decision no. 96, dated 17.06.2016 ERE Board on their meeting dated 15.06.2020, after reviewing the report prepared by Natural Gas Directory, on "Approving TAP Network Code"

2. Decision no.105, dated, 29.06.2020. "On approving the compliance officer of TAP AG and the contract for providing the compliance officer services"

Implementing Decision 2009/73/EC of the European Parliament and of the Commission dated 13 July 2009 (herein below: Directive 73/09); the Regulation 713/2009/CE of the European Parliament and of the Council dated 13 July 2009; the Regulation 715/2009/CE of the European Parliament and of the Council dated 13 July 2009 (herein below the Regulation 715/09); Paragraph 4.10.2 of the Final Joint Opinion describes that in conformity with article 36 (9) of the gas Directive, the Exemption shall loose its effects 3 years from its approval when TAP construction has not commenced yet and 6 years from the approval, when the infrastructure is not set into operation, until the Commission shall approve that any other delay shall be because of the main obstacles beyond the control of the person

to whom it is issued the exemption.

The exemption shall loose its effects 3 years from the approval when TAP construction has not commenced and 6 years after the approval when the infrastructure is not set into operation, until the Commission shall set that any other delay shall be due to the main obstacles beyond the control of the person to whom it is issued the exemption.

Supported on article 16 of Law no.43/2015 "On Power Sector", as amended, article 16 and 19 of Law no.102/2015 "On Natural Gas Sector" and article 15 of the "Regulation on ERE Organization, Operation and Procedures", approved with ERE Board Decision no. 96, dated 17.06.2016, article 5 letter "c'' of the "Regulation on the protection of confidential information", approved with ERE Board Decision no. 65, dated 26.03.2018, ERE Board, on their meeting dated 29.06.2020, reviewed the report and the draft prepared by Natural Gas Directory on Approving the Compliance Officer of TAP AG.

3. Decision no. 149, dated 10.09.2020. ''On approving the "Regulatory Compliance Programme" submitted by TAP AG according to the "Final Joint Opinion" in the framework of the exemption procedure for TAP AG pipeline"

Based on article 16, of Law no. 43/2015 "On Power Sector", as amended, articles 13; 15, 16 and article 108, of Law no. 102/2015 "On Natural Gas Sector" as amended, as well as article 15 of the "Regulation for ERE organization, operation and procedures", approved with ERE Board Decision No. 96, dated 17.06.2016, ERE Board, on their meeting dated 10.09.2020, after reviewing the report prepared by Natural Gas Directory, on approving the "Regulatory Compliance Program", submitted by TAP AG.

Regarding other decisions for the natural gas by- legal acts we have approved:

1. **Decision no. 145, dated 28.08.2020."On opening the procedure to approve the draft on "General conditions of the standard supply contract with natural gas for the end-use customers that benefit from public service of supply''**

ERE approves "The General Conditions of Supply for End Use Customers, including here the draft in a transparent way of the general contractual rights and obligations, in the supply service provided by Licensees in the public supply activity in Natural Gas Sector. On this regulation it is stipulated that natural gas supply contracts must not have obstacles to the exercise the rights of the end use customer and should not present unfair or misleading methods of sales, measurement, invoicing and / or payment. Natural gas supply contracts should not contain provisions that may prevent the customer from unilaterally terminating the contract, according to the deadlines and the terms set forth in these Rules and /or the free change of supplier according to supplier change rules, approved by ERE.

This methodology serves to define the natural gas sale tariffs supplied from the Supplier of Last Resort based on clear tariff principles and detailing the necessary data to define fair and transparent tariffs on this important area.

Based on article 16 and articles 75, 89, 92, 93 and 94 of Law no. 102/2015 "On Natural Gas Sector "as amended, as well as Article 26 of the "Rules on ERE Organization, Operation and Procedures", approved with ERE Board Decision no.96, dated 17.06.2016 the Board of the Energy Regulatory

Authority (E.R.E) on their 28.08.2020 meeting, after reviewing the report Protocol no. 98/4, dated 26.08.2020, prepared by the Natural Gas Directory, on opening the procedure to approve the draft that provides the general conditions of the Standard Contract for Natural Gas Supply for the end use customers that benefit from public service supply.

2. **Decision no. 148, dated 10.10.2020 "On opening the procedure to review and approve the regulation on the procedures of granting the right of exemption for the new natural gas infrastructure".**

It is opened the procedure to review and approve the regulation on the procedures of granting the right of exemption for the new natural gas infrastructure. The objective of this regulation is to ensure the promotion of investments in the new key infrastructure, guaranteeing the operation of the natural gas market. The purpose of this regulation is: To set out the rules for an exemption procedure that is transparent, non-discriminatory and reasoned in accordance with the rules of the Third Energy Package. The applied procedure for the exemption on these Draft regulation, are based on the provisions of article 78 of Law no.102/2015 "On Natural Gas Sector".

Based on article 16 and 32 of Law no. 43/2015 "On Power Sector" as amended; article 38, article 43, point 1 and article 78 of Law no. 102/2015 "On Natural Gas Sector" as amended; as well as article 15 and 26 of "Rules on ERE Organization, Operation and Procedures" approved with ERE Board Decision no. 96 dated 17.06.2016, the Energy Regulatory Authority (ERE) Board on their meeting dated 10.09.2020, after reviewing the report no.99 /3 dated 03.09.2020, prepared by the Natural Gas Directory, on opening the procedure to review and approve the regulation on the procedures for granting the right of the exclusion for the new infrastructure of natural gas."

3. **Decision no. 164, dated 22.10.2020. ''On opening the procedure to approve the "Rules for monitoring the natural gas market''**

Based on article 16; of Law no. 43/2015 "On Power Sector", as amended; article 16; of Law no. 102/2015 "On Natural Gas Sector", as amended; as well as article 15 and 26 of the "Regulation on ERE organization, operation and procedures", approved with decision no. 96, dated 17.06.2016, ERE Board, on their meeting dated 22.10.2020, reviewed the report Protocol no. 114/1, dated 16.10.2020, prepared by Natural Gas Directory, on opening the procedure to approve the "Rules on Natural Gas market monitoring".

4. **Decision no. 165, dated 22.10.2020. "On opening the procedure to approve "Natural Gas Metering Code''**

"The Metering Code" shall mean the set of minimal obligatory standards for the metering and registration of natural gas. The Metering Code defines the technical requirements for the construction and utilization of Natural Gas metering system, that shall be adequate for the metering, for the collection of the data, their registration and implementation of the respective procedures according to the Market Rules and Agreements between the Parties. The draft of Natural Gas Metering Code was drafted as a document implementing Law no.102/2015 "On Natural Gas Sector", as amended and as a separate part from the Albanian Natural Gas Transmission Code.

Based on article 16; of Law no. 43/2015 "On Power Sector", as amended; article 4 point 39, article 104 point 1, article 116 point 4 of Law No. 102/2015 "On Natural Gas Sector", as amended; as well as article 15 and 26 of the "Regulation on ERE organization, operation and procedures", approved with ERE Board Decision no. 96, dated 17.06.2016, on their meeting dated 22.10.2020, after reviewing the report Protocol no. 114/2, dated 16.10.2020, prepared by Natural Gas Directory, on opening the procedure to approve "Natural Gas Metering Code",

5. **Decision no. 166, dated 22.10.2020. "On approving the general conditions of the Standard natural gas supply Contract for the end use customers that benefit from the public service of supply''**

Based on article 16 of Law no. 43/2015, "On Power Sector", as amended; article 4 point 33 and 44, article 93 point 1 and article 92 point 1 of Law no. 102/2015 "On Natural Gas Sector", as amended, as well as article 15 of the "Regulation on ERE Organization, Operation and Procedures", approved with decision no. 96, dated 17.06.2016, ERE Board, on their meeting dated 22.10.2020, reviewed the report Protocol no. 114/5, dated 19.10.2020, prepared by Natural Gas Directory, on approving the "General Conditions of the Standard natural gas supply Contract for the end-use customers that benefit from public service of supply".

6. **Decision no. 193, dated 20.11.2020. "On opening the procedure to approve the standard license for the operation activity in natural gas storage facilities''**

Based on article 16 of Law no. 43/2015 "On Power Sector", as amended, as well as section II, article 22, 23 of Law no. 102/2015, "On Natural Gas Sector", as amended and also 26, of "Rules on ERE organization, operation and procedures" approved with ERE Board Decision no. 96, 17.06.2016; the Energy Regulatory Authority (ERE) Board, on their meeting dated 20.11.2020, after reviewing the report of Technical Directories protocol no. 123/1, dated 19.11.2020 on opening the procedure to approve the Standard license for the operation activity in natural gas storage facilities, prepared by Natural Gas Directories.

7. **Decision no. 193, dated 20.11.2020. "On opening the procedure to approve the standard license for the operation activity in natural gas storage facilities''**

The purpose of this Regulatory Act Document on Natural gas storage is to confirm the criteria that shall be used to define the suitable procedure of natural gas storage for the Republic of Albania, having into consideration the previous stages of the storage projects in our country. To define the suitable criteria of access for the storage environments, despite that we still on the initial stage; we do not have gas infrastructure, we do not have gaz consumption, but we have storage conditions not only for our country, but for all the region, which makes Albania a HAB country for storage. Shall support the development of natural gas storage environments in Albania, shall promote the development and maintenance of an efficient, economic and coordinated of gas in Albania, to explore the additional measures to promote the development of gas storage environments in our country

ERE has compiled the attached draft, defining the conditions, terms or the rights and the obligations of the licensee based on the provisions of Law no. 102/2015 "On Natural Gas Sector", as amended. The Albanian Energy Regulator Authority (ERE) is the body charged by Law no.102/2015 "On Natural Gas Sector", as amended, with the right to issue the license for the operation of natural gas

storage facilities, subject of this license conditions, as well as the conditions defined on ERE Board decision for licensing.

Based on article 16 of Law no. 43/2015 "On Power Sector", as amended, as well as section II, article 22, 23 of Law no. 102/2015, "On Natural Gas Sector", as amended and also 26, of "Rules on ERE organization, operation and procedures" approved with ERE Board Decision no. 96, 17.06.2016; the Energy Regulatory Authority (ERE) Board, on their meeting dated 20.11.2020, after reviewing the report of Technical Directories protocol no. 123/1, dated 19.11.2020 on opening the procedure to approve the Standard license for the operation activity in natural gas storage facilities, prepared by Natural Gas Directories;

8. Decision no. 203, dated 04.12.2020 "On opening the procedure to approve the license on the operation of Liquidified Natural Gas terminal"

ERE composed the draft license and its conditions for the operation activity of liquefied natural gas terminal, defining the conditions, terms or rights and obligations of the licensee based on the provisions of law no. 102/2015 "On natural gas sector", as amended. The draft license with its conditions for the operation activity of liquefied natural gas terminal, specifies the spectrum of rights and obligations for each subject that is licensed to exercise this activity.

The draft license specifies the entirety of ERE rights in relation to the licensee, based on law no. 102/2010 "On Natural Gas Sector" as well as the approved legislation for its implementation.
Based on article 16, point 11, article 22 and 23 of Law no. 102/2015 "On Natural Gas Sector" as amended, as well as article 26 of the "Rules on ERE Organization, Operation and Procedures", approved with ERE Board Decision, no. 96, dated 17.06.2016, the Energy Regulatory Authority Board (ERE), on their meeting dated 04.12.2020, after reviewing the report Protocol no. 127/2, dated 02.12.2020, prepared by the Technical Directories, on opening the procedure to approve the license on the operation activity of liquefied natural gas terminal,

9. Decision no. 68, dated 22.04.2020, "On approving the Albanian Network Code''

Based on article 16, of Law No. 43/2015 "On Power Sector", as amended and articles 16 and 44, of Law No. 102/2015 "On Natural Gas Sector", as amended as well as article 26 of the "Rules on ERE organization, operation and procedures" approved with ERE Board Decision no.96, dated 17.06.2016, ERE Board on their meeting dated 22.04.2020 after reviewing the report prepared by the Technical Directories, on approving the Albanian Network Code,

10. Decision no. .204, dated 04.12.2020. On opening the procedure to approve the "Regulation on defining the criteria to exercise natural gas depositing activity''.

Based on article 16, of Law no. 43/2015 "On Power Sector", as amended; article 16; article 29, point 2, of Law no. 102/2015 "On Natural Gas Sector", as amended; as well as article 15 and 26, of the "Regulation on ERE organization, operation and procedures", approved with decision no. 96, dated 17.06.2016, ERE Board, on their meeting dated 04.12.2020, reviewed the report Protocol no. 127/3, dated 02.12.2020, prepared by Natural Gas Directory, on opening the procedure on approving the "Regulation on defining the criteria for exercising natural gas storage activity".

11. Decision no.218, dated 15.12.2020 "On opening the procedure to approve the standards for handling the complaints to electricity and natural gas customers from the licensees on the supply activity''

Based on articles 20, letter "ë"; 81, point 3, letter "ç"; 94, point 2, letter "b" and "ë" of Law no. 43/2015 "On Power Sector", as amended, articles 16, point 16 and 20; 17, point 1, letter "ë"; 96, point 11; 98, point 1 and 2 of Law no.102/2015 "On Natural Gas Sector", as amended, articles 52/2 and 56 of Law no. 9902, dated 17.4.2008 "On customer protection", as amended, article 28 of Law no. 9887, dated 10.03.2008, "On the protection of personal data", as amended, the Regulation on General Conditions of Electricity Supply Service for End – use customers, approved with ERE Board Decision no. 203 dated 18.12.2017, Rules on the General Conditions of Natural Gas Service for the end-use customers, approved with ERE Board Decision no. 15 dated 10.01.2018, Regulation on the Standard Criteria of Quality of Supply and Performance Service, approved with ERE Board Decision no. 181, dated 10.11.2017, articles 15 and 26 of the "Regulation on ERE organization, operation and procedures", approved with ERE Board Decision no. 96 dated 03.09.2016, ERE Board, on their meeting dated 15.12.2020, reviewed the report Protocol no. 132/5 dated 11.12.2020, of Legal and Settling the Disputes Directory and Customer Protection, Performance and Standards Directory.

12. Decision no. 263, dated 28.12.2020. "On opening the procedure to approve the compliance program of the transmission system operator for natural gas, "Albgaz company''.

Based on article 16, of law no. 43/2015 "On Power Sector", as amended; article 47, point 1, of law no. 102/2015 "On Natural Gas Sector", as amended; point 76, of the Compliance Program, approved with ERE Board Decision no. 77, dated 26.05.2017; article 19, point 1, letter "f", of the "Rules on ERE Organization, Operation and Procedures" approved with ERE Board Decision no. 96, dated 17.06.2016, the Energy Regulatory Authority (ERE) Board on their 28.12.2020 meeting, after reviewing the report protocol no. 142/7, dated 24.12.2020, prepared by License, Authorisation and Supervision Directory, as well as Natural Gas Directory, "On opening the procedure to approve the compliance program of the transmission system operator for natural gas, ALBGAZ company ",

13. Decision no. 265 dated, 28.12.2020. "On approving the Rules on monitoring natural gas market in Albania'':

Based on article 16, point 24, of Law no. 102/2015 "On Natural Gas Sector" as amended, article 16 of Law no. 43/2015 "On Power Sector", as amended, article 26 of the "Rules on ERE Organization, Operation and Procedures", approved with ERE Board Decision, no. 96, dated 17.06.2016, the Energy Regulatory Authority Board (ERE), on their meeting dated 28.12.2020, after reviewing the report Protocol no. 142/8 dated 24.12.2020 prepared by the Natural Gas Directory, "On approving the rules on monitoring the natural gas market", in Albania.

14. Decision no. 266 dated, 28.12.2020. "On approving the natural gas metering code'' in Albania.

Based on article 4, point 33, 44; article 104, point 1 and article 116, point 4, of Law no.102/2015 "On Natural Gas Sector" as amended, article 16, of Law no. 43/2015 "On Power Sector", as amended, article 26 of the "Rules on ERE Organization, Operation and Procedures", approved with ERE Board

Decision, no. 96, dated 17.06.2016, the Energy Regulatory Authority Board (ERE), on their meeting dated 28.12.2020, after reviewing the report protocol no. 142/9, dated 24.12.2020 prepared by the Natural Gas Directory "On approving the natural gas metering code" in Albania.

15. Decision no. 267, dated 28.12.2020. "On opening the procedure to approve the "Conditions for the licensee charged with public service obligation on natural gas sector'' in Albania.

Based on article 16, of Law no. 102/2015 "On Natural Gas Sector", as amended; Council of Ministers Decision no. 533, dated 25.07.2019 "On approving the conditions for imposing public service obligation that shall be implemented to the licensees on natural gas sector that perform the natural gas transmission, distribution and supply activity"; article 92, point 3, of Law no.102/2015 "On Natural Gas Sector", as amended; as well as article 26, of the "Rules on ERE Organization, Operation and Procedures", approved with ERE Board Decision, no. 96, dated 17.06.2016, the Energy Regulatory Authority Board (ERE), on their meeting dated 28.12.2020, after reviewing the report Protocol no. 142/10, dated 24.12.2020, prepared by the Natural Gas Directory, on opening the procedure to approve the "Conditions for the licensee charged with public service obligation for the natural gas sector" in Albania.

16. Decision no. 268, dated 28.12.2020. "On opening the procedure to approve the "Rules on the utilization of Liquidified Natural Gas Terminal in Albania.

Based on article 16, of Law no. 43/2015 "On Power Sector", as amended, article 16 and 74, of Law no.102/2015 "On Natural Gas Sector", as amended, as well as article 15 and 26, of the "Rules on ERE Organization, Operation and Procedures", approved with ERE Board Decision, no. 96, dated 17.06.2016, the Energy Regulatory Authority Board (ERE), on their meeting dated 28.12.2020, after reviewing the report Protocol no. 142/11, dated 24.12.2020, prepared by Natural Gas Directory, on opening the procedure to approve the "Rules on the utilization of liquefied natural gas (LNG)" for Albania.

17. Decision no. 269, dated 28.12.2020. "On opening the procedure to approve the "Methodology of calculating the re-gazification service tariff from LNG plants'' in Albania.

Based on article 16, of Law no. 43/2015 "On Power Sector", as amended, article 16, point 1, letter a), of Law no. 102/2015 "On Natural Gas Sector", as amended; as well as article 15 and 26 of the "Regulation on ERE Organization, Operation and Procedures", approved with decision no. 96, dated 17.06.2016, ERE Board, on their meeting dated 28.12.2020, reviewed the report Protocol no.. 142/12, dated 24.12.2020, prepared by Natural Gas Directory, on opening the procedure to approve the "Metodology on calculating the re-gszification service tariff from LNG plants" in Albania.

Other decisions taken for Natural Gas during 2020

1. **Decision no.5, dated 10.01.2020** "On opening the procedure to license"GSA" Company in natural gas trading activity."
2. **Decision no.6, dated 10.01.2020** "On opening the procedure to license "GSA" Company in natural gas supply activity."

3. **Decision no.13, dated 23.01.2020**, "On opening the procedure to review the request of "albpetrol" company for licensing in natural gas supply activity"
4. **Decision no.38, dated 27.02.2020,** "On approving the "methodology to set the natural gas sale tariff from the Supplier of Last Resort".
5. **Decision no.43, dated 06.03.2020**, "On the request of "ALBGAZ" company to postpone ERE Board final approval."
6. **Decision no. 51, dated 26.03.2020**, "On some temporary amendments of the licensing procedures in exercising the activities in electricity and gas sector within the measures after the occurrence of virus Covid-19 and announcement of the natural disaster situation in our country."
7. **Decision no. 65, dated 08.04.2020** "On the request of "Albpetrol" Company to extend the term for the completion of the procedure to review the application for licensing in the natural gas supply activity of "Albpetrol" Company.
8. **Decision no. 69**, **dated 22.04.2020**, "On the request of "GSA" Company to extend the term for the completion of the procedure to review the application for licensing in the natural gas supply activity
9. **Decision no. 70, dated 22.04.2020** "On the request of "GSA" Company, to extend the term for the completion of the procedure to review the application for licensing in the natural gas trading activity"
10. **Decision no.77, dated 22.04.2020**,"On the request of the compliance officer of Albgaz Company for the postponement of the deadline for submission of the annual compliance report of the transmission system operator for natural gas".
11. **Decision no. 96, dated 08.06.2020** "On opening the procedure to license "Mobigas alba" Company, in natural gas trading activity (wholesale)."
12. **Decision no.108, dated, 02.07.2020** "On an amendment in ERE Board Decision no. 187, dated 10.11.2017, "On licensing Albgaz company in natural gas distribution activity" as amended and" an amendment in ERE Board Decision no. 188, dated 10.11.2017, "On licensing Albgaz company in natural gas transmission activity"as amended .
13. **Decision no. 109, dated 02.07.2020** "On some amendments on ERE Board Decision no. 22, dated 20.12.2019,"On some amendments on ERE Board Decision no. 179, dated 08.11.2017, "On the certification of the "combined operator of Natural Gas" Albgaz company, as amended."
14. **Decision no. 117, dated 17.07.2020**, "On licensing "Gsa" company in natural gas supply activity (retail sale)".
15. **Decision no.118, dated 17.07.2020** "On licensing "Gsa "company,in natural gas trading activity (wholesale)".
16. **Decision no.119, dated 17.07.2020** "On the request of "Albgaz" company to extend the term of ERE Board Decision".
17. **Decision no.120, dated 17.07.2020** "On the request of "Albpetrol" company to extend the term of ERE Board final Decision"
18. **Decision no. 133, dated 10.08.2020** "On some amendments in ERE Board Decision no. 51, dated 26.03.2020 "On some temporary amendments of the licensing procedures in exercising the activities in electricity and gas sector within the measures after the occurrence of virus covid-19 and announcement of the natural disaster situation in our country"
19. **Decision no. 177, dated 04.11.2020** "On the request of "Mobigas alba" company to withdraw from the application for license in the natural gas trading activity (wholesale)".

20. **Decision no. 179, dated, 04.11.2020** "On the request of "Albgaz" company to extend the term of ERE Board final decision".
21. **Decision no. 215, dated 15.12.2020** "On letting into force ERE Board Decision no. 206, dated 16.12.2019,"On approving the temporary transmission tariff of Natural Gas from "Albgaz company" for 2021".
22. **Decision no. 261, dated 28.12.2020** "On some amendments in ERE board decision no.179, dated 08.11.2017, "On the certification of the "combined operator of natural gas" Albgaz company'', as amended.
23. **Vendim nr. 262, datë 28.12.2020** "Mbi një ndryshim në vendimin e Bordit të ERE-s nr. 187, datë 10.11.2017, "Për liçensimin e shoqërisë "Albgaz" sh.a., në aktivitetin e shpërndarjes të gazit natyror", të ndryshuar dhe një ndryshim në vendimin e Bordit të ERE-s nr. 188, datë 10.11.2017, "Për liçensimin e shoqërisë "Albgaz" sh.a. në aktivitetin e transmetimit të gazit natyror", të ndryshuar.
24. **Decision no. 262, dated 28.12.2020** "On an amendment in ERE Board Decision no. 187, dated 10.11.2017, "on licensing "albgaz" company in natural gas distribution activity", as amended and an amendment in ERE Board Decision no.188, dated 10.11.2017, "on licensing "albgaz" company in natural gas transmission activity, as amended."

5.4 Cooperation with ALBGAZ during 2020.

Albgaz company as the Combined Operator of Natural Gas in Albania, whose activity is licensed and regulated according to the provisions of Law no. 102/2015 "On Natural Gas Sector" shall submit the main developments during 2020 as follows:

Firstly, during 2020, Albgaz company has conditioned as never before the operational maintenance of the company as well as is obliged to suspend or postpone the projects deriving from Gas-Masterplane, by reflecting them through Council of Minister's Decision no. 87/2018.

Although the pandemic year posed unprecedented challenges for various departments, some achievements were made mainly in the regulatory framework, capacity building and both projects as follows:

1. Cooperation for the Transmission Network Code.

Except of the conditions that accompanied this year, Albgaz company is engaged to contribute for the further development of the regulatory framework, by cooperating to bring the official form of the "Transmission Network Code". The Network Code is drafted by the consultant MJM Energy Ltd., as part of the reference terms agreed between Albgaz company and the consultant ECA Ltd through EBRD financing.

The draft-code is subject to a series of reviews from Albgaz company before submitted for opinion and approval at ERE. A necessary time set available from ERE which performs the necessary consultations with the third parties and national and international institutions and reached its approval. The Network Code is approved by ERE with decision no. 68/2020.

2. License Application as Storage Systems Operator.

Albgaz company, as the Combined Operator of Natural Gas (law 102/2015, article 80, point 1), shall have thr right to apply even for the License as Storage Systems Operator, on the condition to respect the allocation for any system operator. Albgaz company, continued its efforts to complete the documentation regarding this license.

The Energy Regulator Authority initiated the procedure to approve the Regulation on Natural Gas Storage and required Albgaz company opinion as a stakeholder. By ERE there are completed all the by-legal acts to be equipped with Albgaz company.

3. Albgaz cooperated and issued the opinion regarding the Natural Gas Metering Code approved recently by ERE with Decision no. 266/2020. The initiative for this conde is undertaken by ERE.

4. Increase of Albgaz company capacities, is undertaken by the consultant employed by Economic Consulting Associates Ltd, who continued the remaining program from 2019 even during 2020.

On the conditions of movement restrictions as a precaution to Covid-19 pandemic, the program continued its progress through online presentations. The topics of this program handled the Tariff Methodology as well as its operationalization in the context of the Albanian market.

The other topic of the program included the operationalization of the Network Code as a concrete practical exercise and was precisely concretized with the approval of this document.

5. Realized projects.

Albgaz realized the procedures to draft and construct two maintenance centers of TAP Pipeline in Albania, concretely: Maintenance Center in Fier (in operation) and the Maintenance Center in Korça (at the construction stage), after the termination of the auction procedures. These projects were realized within the framework of the agreement between TAP AG and Albgaz with object the realization of the pipeline maintenance service through the joint enterprise Albanian Gas Services Company SHA.

Other potential projects which did not continue on later stages.

a) PIP01 project, Fier CP-Vlora TPP, continues to be followed with great interest by Albgaz company, as the project potentially directly involves the company as a transmission network operator.

b) The following and implementation of the requests deriving from the procedures for the establishment of Jonian Adriatik Pipeline (IAP) project.

c) The following of the work after the feasibility study for the interconnection project with Kosovo, ALKOGAP.

Albgaz is included at the Technical and legal negociation process regarding the agreement for the connection point in Korça (Exit Point) with TAP, a process that is in continuation and full

coordination with the other stakeholders including the Ministry of Infrastructure and Energy, as representative of the Albanian state interests.

Albgaz activity is a complex process, extended on time, because such activities, as those on natural gas sector, are very intense "capital investments", such as in project and financing volume, as well as in time span, but their expected final and gradual result is:

1. The Technical-Financial research for the realization of a "pilot project" of small scale LNG;

2. The establishment of the conditions for the benefit of the foreign direct investments on this segment of economy;

3. Increase of employment in the sector and the industry that have an impact from gas sector;

4. The improvement of electricity supply in industrial, service and residential level;

5. Establishment of the conditions for the sustainable industrial development and decrease of energy costs in production level of "goods and services";

6. Decrease in general of the "electricity invoice" of the end use household customer;

7. Establishment of human capacities in the country in terms of pre-design, design, investment management resulting in effective and efficient implementation of relevant activities in the gas industry;

8. Consolidation of the institutional cooperation with the European agencies like ENTSO-G, GIE and with Energy Community Secretariat EnCS.

5.5 Some Problems for the Future in Natural Gas Sector

- Cooperation with the National Regulatory Authorities of adjacent countries, Greece and Italy as two EU member states, coordination of all by-legal acts and regulations in conformity with Directive 2009/EU and Regulation 715/EU, as well as a series of other regulations connected to transparency, discrimination of third parties as well as the taken of joint decisions taken for this purpose.
- Cooperation with Energy Community Secretariat in Vienna for other by-legal acts and the improvement of the existing ones as well as ongoing consultancy for the issues arising during the implementation of the Directives and Regulations.
- Cooperation with the line Ministry (Ministry of Infrastructure and Energy) for the necessity of constructing the gas infrastructure, as well as the urgent need for opening the natural gas market in our country. Currently gas is present and shall initiate its usage. There are identified five priority projects approved even from the Council of Ministers and it is required the commencement of their construction, of course according to the priority that they have.
- Cooperation with the line Ministry (Ministry of Infrastructure and Energy) on amending Law no.102/2015 "On Natural Gas Sector", as amended, for the completion of the certification conditions of the Natural Gas Transmission Operator, Albgaz company.

- Cooperation with Albgaz company, at the regulatory aspect, for all the issues encountered for the opening of natural gas market, the qualification, transparency and improvement of the necessary acts.
- Cooperation with National and International Institutions for natural gas issues like; **CEER** (Council of European Energy Regulators), **ACER** (Agency for the Cooperation of Energy Regulators), **GRI SSE,** (SOUTH SOUTH-EAST GAS REGIONAL INITIATIVE), **MEDREG,** Working Group Gas Natural, (the Association of Energy and Natural Gas Regulators for the Mediteranean region), **ENTSO-G** (European Network of Transmission System Operators for Natural Gas), **IGU** (International Gas Union), **OME** (Observatory of Energy in the Mediteranean and in Europe), **ECRB, (**Energy Community Regulatory Board) Gas Working Group, participation in their studies and the possibility of attracting foreign investments for the development of infrastructure in our country.

6. ON ERE REPORTING, REGARDING THE IMPLEMENTATION AND FOLLOW-UP TO COMPLETE THE RECOMMENDATIONS OF THE "ALBANIAN PARLIAMENT RESOLUTION TO ACCESS THE ACTIVITY OF ENERGY REGULATOR AUTHORITY FOR 2019".

Implementing point 1 Chapter 2 of the "Annual and periodic monitoring guideline" approved with Decision no. 134/2018 of the Assembly and the "Resolution of the Albanian Assembly for assessing the activity of Energy Regulatory Authority for 2019", ERE during 2020 reported regarding its work to perform the follow-up, the implementation of fulfilling the recommendations and tasks issued on the Albanian Parliament Resolution for 2019, periodically as follows:

Above all we want to inform that, to follow-up the tasks of the Resolution, ERE with decision no.123, dated 17.07.2020, approved the calendar of the measures to initiate the implementation and follow-up the completion of the resolution recommendations to access Energy Regulator Authority activity for 2019, approved by the Parliament, and on this calendar continued the follow-up of the obligations issued from the resolution, by ERE structures charged for the follow up.

Also shall be informed that due to the measures and restrictions as a result of the protocol for preventing the spread of COVID - 19, ERE continued to work through online means of communication for the holding ERE Board meetings, also within this context having the impossibility of creating conditions of social distancing for the realization of meetings with the parties, the consultations of the ERE practices have been developed through written communications. The same procedure has been followed for the monitoring of licensees, avoiding on-site monitoring and following the monitorings through written means.

As follows, the realization and follow up of the tasks assigned from the Parliamentary Resolution as well as the measures undertaken by ERE for the follow up and implementation of the assigned tasks.

- **ERE shall undertake the necessary steps for the implementation and monitoring of "OSHEE" company unbundling, in the framework of new established undertakings, a process that initiated from 1 January 2020 and shall be accompanied with the operational and organizational unbundling, as well as unbundling of the accounts and**

costs between the Universal Service Supplier and the Electricity Distribution System Operator, enabling a fair access for the opening of the electricity market, as well as a safe, transparent and qualitative service for the end – use customers.

To follow up this task of the resolution but also implementing the tasks with which Law no. 43/2015 "On Power Sector" as amended, charges ERE, on the conditions of impossibility to held the hearing sessions which due to confrontations and discussions, shall give a clear overview of the circumstances and the progress of OSHEE company unbundling process, ERE proceded with correspondences with the Electricity Distribution Operator to whom required to report on the undertaken measures to fulfill the conditions that establish and evidence the unbundling of the Distribution System Operator (DSO) company and the Universal Service Supplier (FSHU company) and concretely:

- The measures undertaken for the appropriate definition of the organizational structures and the electricity management portfolio in conformity with the operationa and the activities covered by each operator;
- The measures undertaken for the independence of the human and administrative sources (including but not being limited on the specific email addresses, webpages, IT, protocol, human resources etc.) of the three companies.
- The progress of evidencing, unbundling and transferring the assets to each company.
- The process of contracting and invoicing between the three companies as well as the companies and the parent company for the services provided by this last one mentioned.
- Others that are considered that clarify the unbundling process according to the provisions of the abovementioned law.
- Audited financial statements of OSHEE GROUP company, for 2019 as well as the periodic operational financial statements during 2020 of subsidiaries DSO and FSHU companies, OSHEE Group, among others that the situation created by Covid – 19 has significantly hampered the progress for the unbundling process of OSHEE company. Also from the communication with OSHEE actually are terminated the Financial Statements of 2019 audited by the group of experts appointed by the Ministry of Infrastructure and Energy which are submitted on October 2020, at ERE.

OSHEE company also informed that on 08.09.2020 approved the Plan for the operational unbundling of OSHEE company. On this action plan are submitted the targets for the unbundling process that are connected with the initiation of 2020, but there is not a proper report regarding the implementation of this action plan. Regarding the above mentioned, to monitor the implementation of this action plan it continued the communication with the companies to report regarding the implementation progress of this action according to the set targets.

Within this framework, by OSHEE company it is periodically reported even at the Steering Committee meetings set up for the implementation of the sector reform program, where a special attention is paid to OSHEE company unbundling process. At the Steering Committees participate representatives from the Ministry of Infrastructure and Energy, from the Ministry of Finance and Economy, ERE representatives, representatives from the French Bank for Development and the German Bank for development, KfW.

On these reports by OSHEE company are underlined the difficulties of the unbundling because of the situation and the meausres undertaken in cooperation even with the regional office for the implementation of the reform held at MIE to monitor and accelerate this process.

Following ERE official letters even the Ministry of Infrastructure during 2020, submitted at OSHEE company, the official letter requiring maximum movement for the implementation in the shortest time possible of the measures provided on the Action Plan on the Operational Unbundling of OSHEE company. This is closely related with the liberalization of the electricity market, further opening of it that evidences the serious engagement of the Albanian party to implement the obligations established as contractual party of Energy Community Treaty.

- **Within the important process for the implementation of OSHEE company unbundling, the Parliament recommends that ERE shall closely cooperate with the Ministry of Infrastructure and Energy, with the stakeholders and with the international stakeholders, especially Energy Community Secretariat in Vienna, Austria. Also within this context it is of special importance the draft and approval of the compliance program of the Distribution System Operator with the best international practices.**

To follow the progress of the above mentioned task, ERE submitted to the Electricity Distribution System Operator, even implementing the provisions of Law no. 43/2015 "On Power Sector" as amended, which on article 72, point 3 letter b, provides above all that *"... the distribution system operator shall draft a compliance program where are defined the measures that shall be undertaken to ensure the prevention of discriminatory actions, as well as shall ensure that the meeting of the program is monitored adequately ..."*

ERE with Board decision no. 257, dated. 21.12.2020 approved the **compliance program od DSO company,** which is consulted even with Energy Community Secretariat in Vienna.

- **To enable the recognition of the new exchange to the exchange committes of EU countries, ERE according to the respective legislation, shall undertake the necessary measures to define the Nominated Electricity Market Operator (NEMO) his role, responsibilities as well as of the Electricity Transmission System Operators in the Joint/Common Market.**

To facilitate the above mentioned, ERE with decision no. 40, dated 06.03.2020 approved the regulation on the requirements and procedures for appointing the Nominated Electricity Market Operator (NEMO) as well as the roles and responsibilities of NEMO and the electricity transmission system operator in the joint market. This decision is welcomed as a performed task on the Regulatory Board of the the Energy Community Countries (ECRB) as well as the working group for the establishment of the common market between Albania, Italy, MonteNegro, and Serbia (AIMS) where ERE had and currently have an active role and through the cooperation with the Regulatory Entity of Italy, shall be required the support to recognise NEMO at the exchanges committee of EU countries.

While ERE is active at the working groups lead by USAID on the joint markes of Albania and Kosovo, and following the approval of two regulators to assign the cooperation memorandum between them, shall take simultaneous measures with the Regulator of Kosovo to initiate the selection process of the NEMo and at the last meeting it is submitted the draft agreement of the Regulators to enable the joining of the markets which is under discussion between the parties and the engaged consultant of USAID.

Following the establishment of the Exchange by the TSO and KOSTT companies, shall be cooperated for the nomination of the exchange as a NEMO in conformity with the abovementioned decision.

- **ERE, in cooperation with the institutions and operators within the country as well as with the Kosov regulator shall continue the work to define the steps that shall be undertaken to facilitate the regulatory framework for the efficient operation of the exchange by both parties. The establishment and operation of the exchange**
- **The establishment and operation of the exchange shall give the opportunity to market operators, producers, suppliers and traders as well as the customers to have a reference price on which may operate, and establish the opportunity to the adjacent market operators to operate in this market.**

In conformity with the Cooperation Memorandum with the Regulator Authority of Kosovo has followed the cooperation through joint working groups meetings in the framework of joint electricity markets between Albania and Kosovo within the initiative supported by USAID.

The electricity exchange is currently established by transmission system operators of the two countries, and is expected to be applied by both countries for the recognition as NEMO and to operate the common day ahead and intraday market.

Also the cooperation with the Regulator Authority of Kosovo is coordinated the work to recognise and where necessary for the approval of the operational agreements signed by two two operators of the transmission system, that deals with the establishment of a common control area between Albania and Kosovo after the recognition of this last one mentioned by ENTSO-E on April of the last year as well as the commercial operation of 400 kV Albania – Kosovo was realized on 14 December 2020.

It shall be mentioned, that ERE recently with ERE Board decision no. 197, Dated 26.11.2020 "On approving the harmonized rules for the allocation of interconnection capacities for the auction coordination office in South East Europe (SEE CAO) for the Albania – Greece, Albania – Monte Negro and Albania – Kosovo borders", issued the necessary institutional and legal contribution to complete the legal framework by adding, respectively the: Kosovo (XK) KOSTT<>Albania (AL) TSO; Kosovo (XK) KOSTT <> Monte Negro (ME) CGES; Kosovo (XK) KOSTT<>North Macedonia (MK) MEPSO borders.

On this aspect shall be mentioned that the line 400 kV Albania – Kosovo initiated the commercial operation by permiting the capacities allocation of the interconnection between two System Operators on date. 14.12.2020.

- **ERE, after the approval of the necessary amendments of Law no. 43/2015, "On Power Sector", as amended from the Parliament, on date 14 May 2020, shall rigorously monitor the compliance by the TSO of all certification conditions.**

ERE Board with decision no. 43, dated 15.03.2017 decided "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

Also with ERE Board Decision no. 207, dated 16.12.2019, it is decided: The approval of TSO request to postpone the term to implement point 2 of ERE Board Decision no. 43, dated 15.03.2017, "On approving the final certification of the 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" until on date 16.06.2020.

The condition refered as above, relates to: The cross-institutional cooperation for the realization of the legal framework amendments and the transfering of the competences to the Ministry of Economy.

Regarding the above, it results that the approved amendments of Law no. 43/2015 "On Power Sector" as amended, on date 14.05.2020, above all are reflected even those that lead to the completion of this condition.

Regarding the above, by ERE it is observed that the Parliament with Law no. 61/2020 "On some additions and amendments on Law no. 43/2015, "On Power Sector" as amended, approved some amendments and additions regarding:

- Article 31, point 1 was: "The new interconnection lines shall be constructed by the Transmission System Operator or the private investors, shall be approved with Council of Minister's Decision, with the proposal of the respective minister for electricity."

Shall be: "The new interconnection lines, constructed by the private investors, shall be approved with Council of Minister Decision with the proposal of the respective minister for electricity."

- Point 8 of Article 60, with the content: ERE in performing its powers provided on points 1, 6 and 7, of this article, shall take the opinion from the responsible minister for electricity, shall be abrogated.

With the approval of the above mentioned legal amendments, it results that there are fully completed the conditions provided on ERE Board decision no. 43, dated. 15.03.2017

In conformity with the above, with ERE Board decision no. 99, dated 24.06.2020, ERE observed that TSO company fully completed the conditions provided on ERE Board decision no. 43, dated. 15.03.2017 on the certification of this company and this obligation is currently executed. This decision is also send to the Energy Secretariat in Vienna as an important part of this process.

- **ERE, regarding the different delays that shall be performed by MIE for the secondary-acts that define Albgaz company ownership in completing the conditions of the certification decision, of utilising the Online Cross-institutional Platform, set up by the Parliament, which is available to the independent institutions as a new means that targets the increase of independent institutions authority, as well as the involvement of the Parliament as an accelerant between independent and government institutions for the settlement of the issues. Albgaz company certification, is very important in the framework of the implementation of Law no. 102/2015, "On Natural Gas Sector" as amended and for the participation of Albgaz company at ENTSO-G network (for the European Network of Natural Gas Transmission Operators).**

To handle the task defined above, ERE directed to Albgaz company informing that before ERE shall undetake the necessary steps provided even at the Parliament Resolution to access Energy Regulator Authority activity for 2019, it is necessary that Albgaz company shall inform the recently undertaken measures, to handle to the Ministry of Infrastructure and Energy, the issue established due to the failure to reflect the necessary amendments on Law no. 102/2015 "On Natural Gas Sector" as amended, that enable the fulfillment of the certification conditions of the company.

As follows ERE required to the Ministry of Infrastructure and Energy the information regarding the necessary steps undertaken by the Ministry that shall enable the reflection of the necessary legal amendments on Law no.102/2015 "On Natural Gas Sector" as amended and shall enable the fulfillment of the certification conditions of Albgaz company, as well as the amendments of Council of Minister's Decision to define the respective Ministry for Albgaz company separated from the ownership of other companies (such as Albpetrol).

Further, to handle and settle this issue, ERE required information from the Parliament regarding the modalities to access the Online Cross-institutional Platform of the Parliament, and then to follow up with the concrete proposals that shall give a settlement to this issue spead in time, also to fulfill the task left from the Resolution.

- **ERE shall continue its work to monitor and update the action plans regarding the customer protection according to the activity of the companies that are currently unbundled and shall follow the rigorous implementation of the findings and remarks performed during the monitoring focusing on the responsible settle of customer complaints and in a shortest time. Also shall be paid attention to the procedure about how the customer is notified for handling the complaint, to enable the information document for each complaining customer and for the result of the complaint by OSHEE, as a very important aspect of transparency and customer protection.**

With ERE Board Decision no. 217, dated. 15.12.2020 ERE decided to review the "Action plan of the electricity distribution operator 'OSHEE' company, to respect the rights of electricity supply customers", approved with ERE Board Decision no. 201, dated 03.09.2018. Based on the tasks issued from the Parliament Resolution, the situation related to effective unbundling of the Universal Service Supplier from the Distribution System Operator, is became necessary to update this action plan to reflect the above mentioned and improve the provisions regarding the tasks left at this action plan and about which the circumstances are amended due to the monitorings performed to the companies during 2019 and 2020 and the unbundling of the companies.

- **ERE shall continue its work for customer protection through periodic monitoring to enable further implementation of the quality of service, as well as the settlement of customer's complaints.**

To implement this task by ERE, DSO and FSHU are informed for the initiation of the monitoring with the object:

- The general conditions universal service of electricity supply contract for the end-use customers;
- The handling and the status of the complaints/requests of the users and the customers for the 2020 period;
- Implementation of the terms and procedures followed for the complaints send at ERE and other institutions during 2020;
- The terms and procedures for handling the requirements and complaints for new connections in the distribution system;
- Implementation of the regulation for standard criteria of the quality of supply service and safety performance to to the electricity distribution network.

In the framework of implementing the social distancing measures because of preventing the protection protocol for not spreading COVID-19 pandemic, it is followed with the submission of the documents regarding the monitoring subjects which are further monitored on site if necessary.

During 2020, due to the global pandemic and the undertaken of the measures by the Albanian Government to avoid the spread of Covid-19 virus, the spead of natural disaster status for a 4 months period in Albania, and continuation of the limitations not only for the activity of the institutions but

also for the free movement of the people, it was impossible on site monitoring of the licensee regarding the supervision of their activity to guarantee the rights of electricity customers. Notwithstanding the above, there was no lack of ERE control to the licensees on alternative ways of supervision from distance, by periodically requiring information regarding any aspect of the licensee activity that relates to the operations charged from the license and to guarantee electricity customer's rights.

Following the work for the supervision of the licensees regarding their obligations to respect the terms and procedures to guarantee the network access, ERE held a series of correspondences with the licensees for the protection of electricity customer's rights regarding the right for access to the network.

For this purpose, on the conditions of inability to exercise on site monitorings, ERE required from the DSO company, information and documentation regarding the procedures and terms for new connections in the distribution system; the applications registered at DSO company for the new connections in the Distribution System during 2020; the procedural terms followed by DSO company for the approval or refusal of each application for new connections in the Distribution System during 2020 on the basis of the sample (10 first applications registered for any calendar month) as well as the number of refused applications durign 2020 and the reasons of these refusals.

The above method was accessed as efficient to verify and observe the respect by the DSO company of the provisions of the Regulation for new connections and the modification of the existing ones at the distribution network, approved with ERE Board Decision no. 166 dated 10.10.2016, as amended with Decision no. 177 dated 08.11.2016.

- **Shall define the concrete terms for the DSO and the FSHU to set into operation as soon as possible the new invoicing system, at least for some pilot projects identified by the DSO itself which significantly facilitates the electricity meter reading, establishes new possibilities and options including the periodic reading for some months, as well as the termination of the consultations with the interest parties, where technical conditions of the company permit it, to provide the inclusion of the Standard contract for 2020 of this kind of approach for the metering system.**

To comply this task of the resolution, ERE required above all from the DSO and the FSHU to:

- submit at ERE a technical-economic analysis where are clearly submitted the benefits that this way of reading and invoicing shall bring, for each of the company (cost reduction, the efficiency and accurateness of the process);
- the problems that may issue from this process and their prevention as well as the expectations regarding the transparency improvement to the customers;
- the expected effects regarding the lowering of the number of debtors and the improvement of collection accounts;
- accurate evidence of the customers that shall be included in a project keeping into consideration the technical conditions allowed by the company;
- the way of notifying the customers which are subject to the pilot project;
- their invoicing approach which shall not be on the *reference value* item because it contradicts with the legislation in force;

- the provision of this approach of reading in the management system of the relations with the Customer;
- the report after the termination of the pilot project regarding the progress of the process;
- the reflection form of the power balance and the reconciliation with other market participants affected by this project;
- preparation of an information campaign to be realized at the areas where it is provided to be implemented the project where shall be evidenced the rights and obligations of the parties (providers of the service and the customers) as well as their opinion regarding this project;
- the evidence of the legal and by legal acts that shall be amended to make possible the implementation of the reading process for a couple of months;

Following the above mentioned, it is required from FSHU and DSO company to inform regarding the progress of the pilot project to commence the testing of the new invoicing system, in some areas identified by the DSO itself which may considerably facilitate the electricity meter reading and the reporting regarding

- the analysis regarding the data generated from the pilot project initiated on 2019.
- the analysis regarding the mutual relation of FSHU and DSO companies to guarantee a more accurate and right reading and invoicing process.
- the implementation results of the invoicing system supported on ERE Board decision no. 58/2020 as well as the comparable data regarding the number of registered complaints throughhout the duration of legal effects of this decision compared with the same period of a year before.

By the FSHU are submited at ERE the explanations regarding our request for information, on the impact of ERE Board decision no. 58/2020, on the number of the complaints submitted for settlement to the FSHU company.

By the FSHU and the DSO it is informed that: FSHU evidences that the submitted complaints from March to June 2020 period for the invoicing with the refering value according to ERE Board decision no. 58 dated 26.03.2020 regading the natural disaster situation, have been as follows:

- Reference value March 2020 Total – 1789
- Reference value April 2020 Total – 318
- Reference value May 2020 Total – 114

As seen even from the above mentioned data, the largest number of the registered complaints has been the same of the first month of the judicial effects of ERE Board decision no. 58/2020, which is assessed that such a fact happened due to the lack of information.

What was assessed that was missing on an analysis was:

- the number of the complaints found right and settled,
- object of many complaints submitted at the FSHU company during this period,
- terms to settle this complaints,
- information of electricity customers for the given solution,

- report of the complaints to implement ERE temporary decision no. 58/2020 with the total number of registered complaints at FSHU company.

Assessing that such an analysis is important to have a clear review of the implementation progress of the temporary ERE Board decision no. 58, dated 26.03.2020, as well of degree satisfaction of electricity customers with this practice of invoicing the electricity customers, ERE followed the correspondence to handle the above.

In the view of the above and based on; (i) Law no. 43/2015 "On Power Sector", as amended, (ii) Law no. 102/2015 "On Natural Gas Sector", as amended, (iii) Law no. 9902, dated. 17.4.2008 "On Customer Protection", as amended, (iv) Law no. 9887, dated. 10.03.2008, "On the protection of personal data", as amended, and the by-legal acts such as: (i) the Regulation on the General Conditions of Electricity Supply Service for End-use Customers, approved with ERE Board Decision no. 203, dated. 18.12.2017, (ii) the Rules on General Conditions of Natural Gas Supply Service for the End-use Customers, approved with ERE Board decision no. 161, dated. 09.07.2018, (iii) the General Conditions of the Universal Service of Electricity Supply Contract for End-use customers, approved with ERE Board Decision no. 15, dated. 10.01.2018, (iv) the Regulation in the Standard Criteria of Quality of Supply Service amd Security of Performance in the Electricity Distribution Network, approved with ERE Board Decision no. 181, dated. 10.11.2017, of the "Regulation on ERE organization, operation and procedures", approved with ERE Board Decision no. 96, dated. 03.09.2016, ERE with decision no. 218, dated 15.12.2020 decided: "To open the procedure for approving the standards of handling the electricity and natural gas customers complaints from the licensees at the supply activity".

This regulation is submitted for review and comments to the stakeholders, and ERE is waiting for the suggestions and recommendations of these parties for its final approval.

- **ERE shall promote the openinig of public discussion with all the stakeholders to draft the necessary legal proposals for using new technologies for the stations of loading electric vehicles including the regulation of charging this service.**

To handle this innovation within the meaning of using new technologies of transport vehicles, ERE performed a series of correspondences with the stakeholders to initiate the public discussion regarding the above.

For this purpose ERE is directed to Tirana Municipality to receive information regarding

- The current number of electric charging units for vehicles, set up by the Municipality of Tirana.
- The modalities of ensuring this service for public or private entities.
- Data regarding the number of (public, private entities) that use this technology, if available.
- Development plans of these units in the future.

Regarding this task of the resolution, ERE directed also to the Ministry of Infrastructure and Energy bringing into attention that the legal and regulator framework in Albania, does not currently handle the issue of tarif regulation of this service which in fact is on primary testing stage by Tirana Municipality and whether MIE has a plan to support these technologies, or the ministry has drafted the incentives for necessary interventions on "Power Sector Law", as amended which shall pave the way for the regulation of the user's category of this service and tariffing this service.

Also ERE required the opinion of the Albanian Taxi Union, Tirana Association, first class Taxi Association, as well as Univers Association, as a direct interest party on this undertaking requiring grom this last one mentioned information regarding:

- The number of entities providing this taxi service, with electric vehicles,
- The interest of the entities providing the taxi service, using this technology,
- The financial costs of using electricity from the undertakings benefiting from this technology compared to the average financial costs of entities that use fuels,
- Suggestions on the development of this technology in Albania.

To issue its opinion regarding the establishment of the regulator legal framework or the legal amendments of the effective legislation, which may establish the conditions of using new technologies for the loading stations of electric vehicles including tariff regulation for this service, ERE as a member of a series of international organizations and institutions which target the regulation and supervision of the power and natural gas sector, follows the meetings organized by this last one mentioned to update with the European regulatory legal framework of power sector or even to inform on European incentives on electricity area.

From the above ERE remains engaged by participating in different organized discussions or seminars regarding the policies in governmental level but even on the regulator role to support the new technologies, such as the loading stations of electric vehicles. ERE continued the communication with the interested parties as well as the Albanian Municipalities associations and with the DSO company, to receive information regarding the public interest shown to this operator to set up such units for the public or private service.

Also shall be followed with the study of these practices from the regulators of other countries with which ERE shall cooperate to draft and propose the respective settlements as follows.

- **ERE shall be pro-active having into consideration the preparation of the legal and regulatory framework of self-production electricity plants from solar and new acts approved by the European Union, which shall be transposed soon even at energy treaty countries, so even in our country. The European Union shall pay special attention to this category of customers/producers, increasing their interest for the operation of the electricity market. The promotion and absorbation of the investments for the electricity production plants from renewable resources, such as photovoltaic, aeolian or biomass plants respecting the environmental standards, shall bring gradual diversification of energy production, very necessary for the power system of the country, so ERE in cooperation with the other actors in the coutry shall pay special attention.**

ERE has been active in issuing its opinion regarding the Draft-methodologies proposed by MIE"On defining the electricity price produced from small renewable sources from solar with installed capacity up to 2MW", part of which have been the provisions regarding the tariffs and powers of electricity self-production plants.

Also even during the discussions with the interested parties for the draft amendments of Law no. 7/2017 "On the promotion of using energy from renewable sources initiated by MIE, part of which are provided to be the electricity self-production plants, ERE played an active role expressing its opinions during these meetings.

Also within this context it is required to the World Bank the help to finance a technical assistance which shall help above all to draft and implement the methodology of calculating the obligation the renewable sources part of which shall be the compensation scheme of self-production plants.

- **Shall cooperate for establishing the guarantee of origin market. The guarantee of origin is a document, which estimates to the customer that a part or all quantity issued to the customer from him is produced from the renewable sources. The establishment of such market shall increase the value of the investments performed in our country for the electricity production from renewable resources, as well as the opportunity of recognizing them at neighboring countries having into consideration the orientation of the policies on national level, but even those of European Union.**

Regarding the above recommendation, ERE with decision no. 229, dated. 20.12.2019, approved the "Regulation on issuing, transfering or cancellation of the guarantee of origin for electricity produced from the renewable resources".

Until now it is required and issued only one Guarantee of origin with ERE Board decision no. 132, dated 10.08.2020, by which it is set the qualification of the electricity production plant of "Banje HPP", in the ownership of DEVOLL HYDROPOWER company.

Following the compliance of the Parliament recommendation, ERE drafted and curently maintains the register where there are periodically registered all the licensees that shall be equipped with the Guarantee of Origin. On this register are reflected the data regarding: the name of the company, NUIS, the type of the plant, installed capacity, annual electricity production, the license number and series, ERE decision for licensing the company, ERE decision for the Guarantee of Origin and the validity term of the Guarantee of Origin.

Within this framework are held online meetings with Energy Community Secretariat in Vienna participants, the international organization of guarantee of origin standards, IREC, for the establishment of the register unified with the EU and Region standards of the Guarantee of Origin as well as the assistance that may be provided by the Secretariat of Vienna or IREC organization to draft a database for the Guarantee of Origin of the region countries, including Albania that the Guarantee of Origin shall be recognized on Region and EU countries.

Within this framework there has been the requests from the EU companies participants which are interested to recognize the Guarantee of Origin of Albanian producers and the receive of the practices for the countries which have overcome this process like Bulgaria and Croatia.

- **ERE shall cooperate with MIE to require KESH company to accelerate the proposal to its General Assembly to establish a guarantee fund and the way to manage it to ensure somehow the reduction of the hydrological risk in a dry year also having into consideration the amendments on the approved acts, shall consider the opportunity that the FTL company shall contribute to the hydrological risk management to guarantee the electricity supply of end-use customers.**

By ERE it is required the information to KESH company and MIE regarding the progress of the process regarding the measures undertaken for the establishment of a guarantee fund and the way to manage itto ensure somehow the reduction of hydrological risk in a dry year. Also the recent amendments at Council of Minister Decision no. 244 dated 30.03.2016, as amended on which ERE actively participated in drafting "On the conditions for imposing public service obligation, that shall be implemented to the licensees in power sector, which perform the electricity production, transmission, distribution and electricity supply" come regarding it.

This issue is discussed with the stakeholders and it is underlined even during the procedure on approving the Standard Contract for electricity sale-purchase between the electricity production KESH company, whose shares are fully/partially controlled by the state and the universal service supplier FSHU company, for the supply of the end use customers in compliance with Council of Minister Decision no. 244/2016 as amended. Shall be also underlined that until now by KESH company are not informed the undertaken measures regarding this.

- **Shall pay the appropriate attention to the recruitment of a professional and qualitative staff in order ERE shall be strengthened as an independent institution with sufficient capacity and expertise needed to confront the challenges of the sector and actively handling the deficiencies in the national electricity market, as underlined on EC progress-report.**

Recruitment of the staff necessary to complete the organizational chart with the sufficient expertise is carried out in a transitional way to the performance of the procedures for staff recruitment in conformity with the Law "On the Civil Servant" part of which is the staff of the Regulator.

Regarding the above it is proceded with the necessary amendments on the Regulation on the internal organization of ERE, which is approved with ERE Board Decision no. 199 dated. 27.11.2020 and shall be continued with the procedures to develop the competition to receive at work the employees according to the procedures of the civil servant legislation and the Public Administration Department.

- **Shall continue the work for the development of natural gas market and establish the facilities for the opening a natural gas market in our country, as an important condition to guarantee the long-term provision of natural gas supply and diversification of the resources in the country, as well as shall be in continuous coordination with the regulatory authorities of Italy and Greece to take decisions and issue the respective by-legal acts for TAP-AG project.**

Almost four years and a half from the initiation of the construction of Trans Adriatic Pipeline, this last one mentioned is fully completed. TAP Pipeline is filled with natural gas from the Greek-Turkish border to the terminal that takes the pipeline to the South of Italy. After the pipeline sustainability tests as well as for all of necessary and essential technical proofs to initiate the operation, the project initiated the successful operation on 15.11.2020. Shall be mentioned that Albania is connected with the international gas network.

Attached to this information are listed the acts regarding the natural gas sector, for which ERE initiated the procedure or there are approved.

- During 2020 it continued regarding the important and essential decisions for the on-time realization and the set into operation within the timeframe of the mayor TAP-AG project. During the last four months of 2020, it is carried out an intensive work regarding the approval of some essential decisions, from the authorities of the three countries where TAP AG project passes, according to the requests submitted from this last one mentioned.
- The approval of "the Regulatory Compliance Programme" proposed by TAP AG;
- Approval of the requirements regarding some additions at ERE Board Decision no. 105, dated 29.06.2020, "On the Compliance Officer of TAP AG, and the contract for Providing the Compliance Officer Services;
- Preliminary approval of the "Joint Opinion of the Electricity Regulators on the request of TAP AG to postpone the validity term of the Exemption Decision";

- The approval of Initial Capacity Allocation Mechanism (ICAM);
- Approval of all certification requirements for the guideline of the independent transmission operator (ITO) for TAP, which are officially submitted at Energy Community Secretariat in Vienna (confidential information) included at the fund"
- On some amendments at ERE Board Decision no. 179, dated 08.11.2017, "On the certification of Natural Gas Combined Operator" Albgaz company as amended.
- On initiating the procedure for approving the compliance program of the transmission system operator for natural gas, Albgaz company.
- On approving the Rules on monitoring the natural gas market, in Albania.
- On approving the "Natural gas metering code in Albania"
- On initiating the procedure to approve the "Conditions for the licensee charged with public service obligation for natural gas sector in Albania
- On initiating the procedure for approving the "Rules of using the Liquidified Natural Gas (LNG) plant".
- On initiating the procedure to approve the "Methodology of calculating the tariff for the regazification service from the LNG plants" in Albania.

- **ERE shall continue to be active on giving comments and opinions to liquidate the mutual obligations between public operators of the power sector and taking the measures to prevent their establishment on the future in the framework of Council of Minister Decision approved on 2019, also during the process to review the consultancy proposals, expected to be operational by MIE.**

The above issue continuously has been on ERE focus, and for this purpose as well as implementing the task left by the resolution, ERE continued its work to handle this issue with the parties included on this issue and the responsible parties to settle it. For this purpose ERE directed to KESH, TSO and OSHEE companies requiring the information regarding the progress on implementing the provisions of Council of Minister Decision no. 126 dated 11.02.2015 "On defining the amounts of liquidating, with compensation, the Obligations between budgetary and non budgetary institutions, financed by the budget, KESH company, OSHEE company and the Ministry of Finance, as well as Council of Minister Decision no. 253 dated 24.04.2019 "*On approving the financial consolidation plan of the public power sector*" regarding the recognition and liquidation of mutual arrears between them as well other operators of power sector.

Notwithstanding the above, ERE submited to the Ministry of Infrastructure and Energy the request for information on the process of reviewing the consultancy proposals as provided on the Resolution and is expected to be operational at MIE, regarding the liquidation of mutual obligations between the public operators of the power sector.

Within this framework by the Office for Implementing the Reform held at MIE, it is recently reported at the meeting of the Steering Committee held for the implementation of the reform program of the sector, where a special attention set to the process of finding the solutions for liquidating the mutual obligations between the operators and well as finding a solution for not creating them in the future.

On this committee where participate the representatives from the Ministry of Infrastructure and Energy, ERE, the French Bank for Development and the German Bank KFW, both Ministries engaged to draft a long-term action plan and to draft the contracts between the parties to recognize and liquidate the mutual obligations and to liquidate the obligations that the budgetary institutions

have to the FSHU company. The action plan is then expected to be approved by both Ministries or by the Council of Ministers.

Lastly, KESH company, informed ERE on the status of the mutual obligations until on 30.09.2020, between **TSO and KESH for electricity; OSHEE - KESH for the electricity; LOAN Obligations.**

On the other hand by the TSO company on date 26.10.2020 is informed the status of mutual obligations, between **KESH company** – **TSO company; OSHEE Group** – **TSO company; On the Loans.**

ERE with its decisions regarding the tariffs of the companies did not considered as excessive costs and justified for the mutual relation between them to the termination of their liquidation according to the respective Council of Minister Decision.

- **During 2020 with the approval by ERE of the strategy for critical infrastructures on power sector, shall be taken with special attention the implementation of this strategy in conformity with EU directive " On the safety of the system and information systems" .**

Regarding the above, ERE submitted to KESH, TSO and OSHEE companies the request for information on the measures taken for the implementation of this Strategy although the periodic report according to cybersecurity regulation provides an extensive report within January.

Also after the approval of the Regulation it is held a meeting with the National Authority for the Electronic Certification and Cyber Security (AKCESK) at the Council of Ministers for the cooperation in common areas and the extension of the regulation even for the areas regarding the natural gas facilities or the private production plants and their inclusion at the critical infrastructure list. On this meeting it was agreed to follow the cooperation between two institutions for common trainings, the establishment of common working groups and the exchange of the monitoring results and the reporting for the critical infrastructures of the sector that are covered by the regulation. As follows was discussed and shall be seen the opportunity to draft and sign the cooperation Memorandum between two institutions where are set the basis of this coordination on the future.

Also the active participation at the working groups held by the Energy Community Secretariat for cyber security at the regional countries followed during this period.

- **Shall define the concrete terms for the DSO on the complete termination of the study to access the electricity losses in the connection treaty from the generation unit to the connection point with the OSHEE company network. The process of reducing the losses in the network from the DSO company to reach the set targets shall be on ERE continuous attention and the periodic reports of the Regulator.**

ERE send to the DSO company the request for information for the concrete terms and complete termination of the "Study on accessing the electricity losses in the connection treaty from the generation unit to the connection point with the DSO company network".

The process of reducing the networks by the DSO company to reach the set targets, is on ERE continuous attention and the periodic report of the Regulator leaving the task for the completion of this study updated by the DSO company not later than 31.12.2020, a copy of the study is submitted by the end of December by the DSO and is on reviewing process by the ERE to issue the respective tasks.

- **ERE shall pay special attention to the follow up and prevention of the issues that may be from the implementation of the pilot project for the new invoicing system, requiring a technical-economic analysis where the companies shall clearly submit the benefits that**

may bring this way of reading and invoicing, such as the cost reduction, the efficiency and accuracy of the process, as well as the expectations regarding the improvement of transparency to the customers.

ERE required from the FSHU and the DSO above all;

- The submission of a technical – economic analysis where there are clearly submitted the benefits that may bring this way of reading and invoicing for each of the companies (that shall include the cost reduction, and accuracy of the process).
- The issues that may be from this process and their prevention, as well as the expectations regarding the transparency improvement to the customers and the expected effects to reduce the number of debtors and improve of the collective accounts.
- The accurate evidencing of the customers that shall be included at the project having into consideration that the technical conditions of the company allow it.
- The notification way of the customers which are subject or will be subject of the pilot project.
- Their invoicing method which shall not be on *reference value* item because it contradicts with the legislation in force.
- The provision of this reading approach on the Management system of the relations with the customer.
- Reporting at ERE after the termination of the pilot project regarding the progress of the process.
- The form of reflecting the power statements and the reconciliation with the other participants of the market that are affected by this project.
- Preparation of an informing campaign that shall be performed on the areas where it is provided to be implemented this project where shall be evidenced the rights and obligations of the parties (the providers of the service and the customers) as well as their opinion regarding this project.
- The evidence of the legal and by-legal acts that shall be amended to enable the implementation of the reading process for some months.
- The information regarding the progress of the pilot project for the commencement of the test for the new invoicing system, in some areas evidenced by the DSO itself, which may facilitate the electricity meter reading.
- Analysis regarding the data generated from the pilot project initiated by ERE on 2019.
- Analysis regarding the mutual agreement between FSHU and DSO company to guarantee an accurate and fair reading and invoicing process.
- The results of implementing the invoicing system based on ERE Board decision no. 58/2020 as well as comparable data regarding the number of the complaints registered during the duration of the legal effects of this decision, compared with the same period of last year.

Then ERE shall follow the discussion and communication with the DSO and the FSHU.

- **ERE shall follow up the cooperation with the respective structure of the FSHU to the final settlement, of the customer complaints issue, which are invoiced under "unmetered energy" and "economic damage" for the October 2008 — April 2011 period.**

During 2018 – 2019 period ERE carried out monitorings to supervise the progress of complaints handling, registered at OSHEE under "economic damage" and "unmetered energy" for the 2008 – 2011 period, to verify the implementation of ERE Board decision regarding the cancellation of this category of invoices for the electricity customers. From the correspondences with the FSHU, during 2020, there is not an accurate report regarding the systematizations, for the cases for which it is exercised the complaint during 2011 up to 2018 period.

As folows, having into consideration of the limitations dictated by the Government measures to protect from Covid – 19, ERE shall maintain continuous correspondence with the licensee and shall follow with the request for information regarding the electricity customer's complaints, which are invoiced under "unmeasured energy" and "economic damage" for the October 2008 – April 2011 period, requiring an assessment on the status and the number of customer contracts that have submitted a complaint at OSHEE regading the "economic damage" or "unmeasured energy" .

- **ERE, to settle the ownership issue of the electricity cabins shall make the respective proposals even for the legal amendments, if necessary, or issue recomendations for the respective institutions and require even the intervention of the Parliament through the online cross-institutional Platform, held by the Parliament, which is available to the independent institutions as a new means that aims to strengthen the authority of the independent institutions, as well as the inclusion of the Parliament as a catalizer between the independent and governmental institutions to settle the issues.**

ERE required from the DSO, the to find the necessary solutions that handle this issue, to be notified for their attitude regarding the efficient and longterm settle. The proposals for the interventions that are assessed necessary within the legal framework and within the meaning of the amendments on Law no. 43/2015 "On Power Sector", article 71/1 and that issue the best solution not only for the interest of the DSO company, as the responsible operator for the maintenance of these service units to guarantee the electricity supply but above all not violating the interests of the third parties on this process. The latest amendments on Law no. 43/2015 "On Power Sector" regarding the right of utilising the cabins in use (uzufrukt) by the DSO, in fact have issued a legal settlement that handle this issue observed in the last years.

- **Shall continue the work for the establishment of the joint electricity market Albania - Kosovo, as a necessary step for the establishment of the regional electricity market. The establishment of this market shall improve the electricity security of supply, for both countries, having into consideration the fact that out countries have complementary electricity production systems. Also the integrity of the markets significantly influence on the increase of electricity sale competition in the wholesale market and as consequence may bring the decrease of the electricity prices in the retail market.**

Regarding this point ERE continued its engagement as an active part of the working groups held for this purpose even during 2020. There are also organized meetings with the Steering Committee for the establishment of the electricity exchange, participants of the Committe are representatives from MIE, ERE TSO, KOSTT and USAID and IFC representatives as well as doners wich are engaged in financing the technical assistance for the establishment of the day ahead market and the operation of the power exchange.

ERE role has been very active at these working groups expressing also the will for closer cooperation in experts level for the follow up and the successful termination of this very important project.

Also ERE continues to be proactive by coordinating the process with the regional regulators mainly with Kosovo and the other transmission system operators and those of the market.

7. ERE ACTIVITY REGARDING THE DEVELOPMENT OF THE SECONDARY LEGISLATION AND OTHER LEGAL AMENDMENTS DURING 2020

7.1 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.

An important part of ERE activity is the draft of the secondary legislation, that constitutes the regulatory framework of power and natural gas sector. This framework is considerably completed by ERE and currently are in the draft process some important acts implementing Law no. 43/2015, "On Power Sector", as amended as well as Law 102/2015 "On Natural Gas sector", as amended.

With all the difficulties during 2020 due to the situation established from COVID – 19 pandemic, ERE has undertaken the necessary steps through online communication during 2020 within the institution, but also the communication with the parties and the other participants on power and natural gas sector, enabling the opportunity to be informed with the content of the documents, the possibility of consultation and hearing the stakeholders. Any document, which is on the preparation, processing and review process, is published on ERE official website to ensure access before the decision taking, to the stakeholders on these practices. With the finalization of these public consultation processes and with the stakeholders, ERE is expressed with a decision. The Board decisions during 2020 has been open for the public for the time they are not dictated as the result of the situation established by Covid-19 pandemic. From 11.03.2020 and as follows the Board meetings are held without the presence of the public but without limiting the rights of the interested persons for information, complaint and participation on the procedures.

During 2020, ERE took some important decisions regarding the review of bylegal acts of the power and natural gas process within the framework of adopting them with Law no. 43/2015 "On Power Sector", as amended, and Law no. 102/2015 "On Natural Gas Sector", as amended.

As follows are listed some important decisions regarding the draft or the amendment of these acts:

ERE DECISIONS OF 2020

1. **Decision no. 12, dated 23.01.2020, " On some amendments in the electricity sale-purchase contract between the company charged with public service obligation for the purchase of electricity produced by the priority producers"**

The contract for electricity sale-purchase between OSHEE company and the priority producers of electricity is approved with ERE Board Decision no. 101, of date 23.06.2016. This ERE decision has undergone some additions and amendments approved with Board Decisions no. 147, dated 30.09.2016, as well as decision no. 255 dated 24.12.2018. The Council of Ministers approved with

Council of Minister Decision no. 883, dated 27.12.2019 on some amendments and additions on Council of Minister Decision no. 244, dated 30.3.2016, "On approving the conditions for imposing public service obligation, that shall be implemented to the licensees on power sector, which exercise the electricity production, transmission, distribution and electricity supply activity", as amended. On article 11, point 2 of Council of Minister Decision no. 883, dated 27.12.2019, as above mentioned, it is sanctioned that: "*The public service obligation for the electricity purchase from energy renewable resources is imposed to the public company in the free market supply, in accordance with the legislation in force and the standard contract , approved by ERE*".

The amendments undergone are as follows,) Everywhere in the contract OSHEE company charged with the public service obligation for electricity sale-purchase from the energy renewable resources shall be replaced by the public company of supply in the free market. At the end of point 1, Article 10 the phrase "of OSHEE company" becomes "the Distribution System Operator DSO" as well as at the end of point 3, Article 13 it is added the phrase "with the Distribution System Operator". The legal effects of the contract amended by this decision, signed between the free market supplier and any electricity priority producer for the electricity sale-purchase, extends its effects from the date of entry into force of these amendments until the end of the term provided in the respective signed contracts.

2. **Decision no. 38, dated 27.02.2020, "On approving the methodology to set the natural gas sale tariff from the supplier of last resort".**

The purpose of this methodology, is to define the natural gas sale tariff supplied from the Supplier of Last Resort based on clear principles of calculating the costs regarding this service as well as the detail of the necessary data to define fair and transparent prices.

This methodology shall be implemented for the licensee charged with Supplier of Last Resort service on natural gas sector, defined in conformity with the definitions of articles 90 and 91 of Law no. 102/2015 "On Natural Gas Sector" as amended.

3. **Decision no. 40, dated 06.03.2020, "On approving the regulation for the requirements and procedures to designate the Nominated Electricity Market Operator (NEMO) as well as NEMO roles and responsibilities and the electricity transmission system operators in market coupling.**

The regulation shall define in details the requirements and the procedures on designating the nominated electricity market operator (NEMO) as well as NEMO roles and responsibilities of the electricity transmission system operators in the market coupling.

"Nominated Electricity Market Operator (NEMO)" shall mean a legal entity that has been designated by the Energy Regulator Authority to perform the task related to day-ahead and/or intraday market coupling according to this Regulation.

Nominated Electricity Market Operators shall act as market operators at the local or regional markets to perform in cooperation with the regional or local TSO the day-ahead and intraday market coupling. Their tasks shall include the receive of the orders from market participants, having overall

responsibility for matching and allocating orders according to dayahead and intraday market coupling results, to publish the prices and settling and clearing the contracts resulting from trading according to relevant participant agreements and regulations.

4. **Decision no. 68, dated 22.04.2020, "On approving the transmission network code of natural gas"**

"The Transmission Network Code" is drafted by Albgaz Company according to the provisions of Law No. 102/2015, of date 23/09/2015 "On Natural Gas Sector" as amended. The purpose of the Transmission Network Code for Natural Gas, is to provide a set of terms and standard conditions which are open and transparent for natural gas transport through the transport system in Albania and companies licensed by the Albanian Energy Regulator Authority (ERE). The drafting of the Albanian Network Code is based on TAP Network Code and has also integrated elements from other Codes and constitutes the first complete draft for Natural Gas Transmission System in Albania. Its content provides a clear explanation of the connection of the Transmission Network Code with other regulatory acts which contribute to the regulation for the functioning of the transmission system.

5. **Decision no. 73, dated 22.04.2020, "On approving the standard contract for the electricity sale-purchase between the electricity production company, whose shares are fully/partially controlled by the state and the Universal Service Supplier for the supply of the end – use customers"**

Standard contract for electricity sale – purchase between the electricity production company, whose shares are fully/partially controlled by the state, concretely KESH company and the universal service supplier (FSHU) company for the supply of the end-use customers. This contract (accompanied with its Annexes) regulates all the electricity sale-purchase agreement between the Parties herein and not only the scheduling and nomination (delivery and acceptance of electricity for January 1 – December 31 time period. Having into consideration the fact that the largest part of the electricity customers, is supplied from the Universal Service Supplier, this contract is one of the main elements to guarantee the electricity security of supply of the customers in our country.

6. **Decision no. 97, dated 15.06.2020, "On approving TAP network code"**

ERE Board together with the Italian (ARERA) and Greek (RAE) Reguators, with decision no.97 decided to approve TAP Network Code.

This Network Code is connected with TAP Transportation System where there are included the rules and procedures for the operation of TAP Transportation System, as well as are submitted on details the rights and obligations of the Shipper, the Registered Party and of the Trader/Supplier regarding the booking and using of Capacity Products. This Network Code is implemented for all the Registered Parties and the Traders/Suppliers and is an integral part of any Gas Transportation Agreement.

7. **Decision no. 106, dated 02.07.2020, " On aproving the Albanian Electricity Balancing Market Rules"**

The approval Albanian Electricity Balancing Market Rules aims to establish the establish the market based management of the Power System balancing, that is operated by the Transmission

System Operator, shall define the relations between the market participants, in the balancing market, shall enable clear balancing responsibilities for the market participants, shall describe the rights and responsibilities of the balancing service providers, shall establish a mechanism to define the price of the balancing service procured by the TSO as well as the mechanism for calculating the price of liquidating the disbalances and the financial obligations of the disbalances for the Balancing Responsible Parties and other issues regarding the balancing market operation. This very important document was created for establishing an efficient, transparent and non-discriminatory balancing mechanism that defines the balancing responsibilitues and promotes market participants to perform the balancing as well as provide balancing services.

8. **Decision no. 112 dated 09.07.2020 "On approving the Regulation for the standardized load profiles for specific customer categories, if the metering data, necessary to calculate the imbalances are not available".**

The Regulation on the standardized load profiles for specific customer categories, if the metering data, necessary to calculate the imbalances are not available, was drafted based on articles 16; 69, letter f; 86, point 6 of Law no. 43/2015 "On Power Sector" as amended. This Regulation shall ensure the implementation of the definitions of point 6 of article 86 and letter (f) of article 69 of Law no. 43/2015 "On Power Sector" amended and shall be applied in conformity with the obligations of Energy Community Treaty, that shall enable the openin of the retail electricity market in our country, when the customers require to switch the electricity supplier.

9. **Decision no. 126, dated 30.07.2020, "On approving the Regulation for the cyber security of critical infrastructure in power sector".**

The regulation for cyber security of critical infrastructure on the power sector shall define the rules and measures that shall be taken from the entities Licensed by ERE on Power Sector which are responsible to guarantee cybersecurity in critical infrastructures that they own and operate. Guarantee of cyber security in the power system ensures the uninterrupted supply with electricity for the customers in our country.

This regulation defines the obligation of the operators that operate critical infrastructures in the power sector to establish appropriate measures during the design, installation and network operation or the equipments used from them, to guarantee the security, availability, integrity and sustainability of the operations of the power system. The operators shall submit at ERE according to Annex no.2 and Annex no.3, the reports on each unplanned intervention, violation or incident in the scope of the security, availability and integrity of their electronic communication networks, as well as any intervention, damage that considerably impacts the networks operation and/or their service status.

10. **Decision no. 149, dated 10.09.2020, "On approving the Regulatory Compliance Program" submitted by TAP AG according to the "Final Joint Opinion" within the exemption procedure for TAP Pipeline.**

Implementing Directive 2009/73/EC of the European Parliament and of the Council dated 13 July 2009 (herein below: Directive 73/09), the Regulation 713/2009/CE of the European Parliament and of the Council dated 13 July 2009, Regulation 715/2009/CE of the European Parliament and of the

Council dated 13 July 2009, (herein below Regulation 715/09); Paragraph 4.10.2 of the Final Joint Opinion describes that in conformity of Article 36 (9) of the Gas Directive, the Exemption shall loose its effects 3 years from the approval if TAP construction has not commenced and 6 years from the approval when the infrastructure is not set into operation, until the Commission decides that any further delay shall be due to the main obstacles beyond the control of the person to whom it is issued the exemption.

11. Decision no. 162, dated 20.10.2020, "On approving the regulation on the procedures for notification and public consultation of the acts approved by Energy Regulator Authority."

The regulation on the procedures for the notification and public consultation of the acts approved by Energy Regulator Authority is a Regulation that shall be implemented for the rules and procedures of notifying the public consultation that shall be held by ERE on the decision making process which shall be subject to public consultation process. Despite it the object of this document it is provided that this Regulation shall define the rules on the organization process of notification and public consultation of the draft-acts that shall be approved by ERE, according to the provisions of Law no. 43/2015 "On Power Sector", as amended, Law no.102/2015 "On Natural Gas Sector" as amended as well as Law no. 07/2017 "On the promotion of using the energy from the renewable resources", Law no. 146/2014 "On the notification and public consultation". Regarding the obligation for the notification of public consultation. The regulation defines that ERE shall take the necessary measures, to establish the opportunity of public participation and all the interested parties to the public consultation notification process, including: the publication on ERE website of the draft-act and the justification report on the draft-act, the publication of the transparency program, according to Law no. 119/2014 "On the information right", of the annual plan regarding the decision proces of the normative acts, the issue of the information regarding the notification and public consultation process at all stages, initiating from the publication of the draft-act, the receive of the comments and reccommendations to improve it, organization of the public debates to the approval of the final act.

12. Decision no. 166, dated 22.10.2020, "On approving the General Conditions of the Standard Contract for natural gas supply of the end use customers that benefit from public service supply ".

The general conditions of the Standard Contract for natural gas supply of the end use customers that benefit from public service supply, is an important document which shall protect the parties in providing the natural gas supply service as a public service, in the framework of public service activity of natural gas supply for the end use customers and its object is the natural gas supply from the Licensed Supplier charged with public service obligation of supply, and the customer obligation to pay the consumed natural gas, in conformity with the terms and conditions provided on it.

13. Decision no. 197, dated 26.11.2020, "On approving the harmonized rules of capacities allocation for the interconnection for the coordinated auction office of south east europe (SEE CAO) for the borders Albania – Greece, Albania – Monte Negro and Albania – Kosovo".

During 2020 by ENTSO – E was realized the recognition of the control area of the Kosovo Transmission Operator (KOSTT). Within this context with the entry into force of the connection Agreement between KOSTT with ENTSO – E, Kosovo is recognized as an independent control area, where the cooperation with TSO company, based on the agreement for establishing the control block Albania – Kosovo, shall be operated within this block in conformity with ENTSO – E rules.

SEE CAO has prepared the respective amendments of the harmonized rules for capacities allocation of the SEE CAO interconnection, for their application on the conditions of including even KOSTR as a beneficiar of the SEE CAO services and submitted them to the transmission Operators affected by this amendment, to approve their approval by the respective National Regulator Authorities. The updated version of the "Harmonized rules of capacities allocation for the interconnection for the Coordinated Auction Office of Capacities interconnection for the South East Europe (SEE CAO) " that is currently effective it is approved with ERE Board Decision no. 154, dated 28.09.2017.

On this requirement there are approved the harmonized Rules of allocation, where resulted that there are added:

1. Specific annex for the Borders of the bidding areas enabled by SEE CAO for the harmonized allocation rules for the longterm transmission rights;

2. Annex 1 "The list of the bidding area where it is applied HAR including the information on the type of the long term transmission allocation rights;

3. The rules for the allocation of the explicit daily capacity at the border bidding areas provided by the SEE CAO;

4. Annex 1 "List of the bidding area where there are applied the auction rules"; It results that on the above mentioned documents there are added, respectively the borders: Kosovo (XK) KOSTT<>Albania (AL) TSO; Kosovo (XK) KOSTT <> Monte Negro (ME) CGES; Kosovo (XK) KOSTT<>North Macedonia (MK) MEPSO.

14. Decision no. 202, dated 02.12.2020, "On approving the Regulation on the procedures for the sale of surplus electricity in the unregulated market for the public supply company"

The regulation on the procedures of sale of the surplus electricity in the unregulated market for the public supply company, was drafted for defining the effective and practic procedures for the "Free Market Supplier" company for the trading in the unregulated market of the surpluses produced from electricity priority producers, in conformity with the conditions and procedures defined on this regulation to ensure the electricity sale with higher prices, the promotion of traders participation in the electricity sale process, ensure of transparency as well as equal opportunities for the traders and participants on electricity sale procedures and lastly its compliance with the effective legislation. The regulation on the procedures of sale of surpluses of electricity in the unregulated market for the public supply companies, that perform electricity trading and supply activity.

15. Decision no. 236, dated 15.12.2020, "On approving the code of ethics of ERE employees".

The internal regulation of ERE organization, operation and procedures, approved with ERE Board Decision no. 199/2020, shall generally define the issues respecting the norms and codes of ethics at work from ERE employees. This regulation shall serve as a regulatory code obligatory to be implemented by any structure of ERE. The main purpose of the regulation is to define the relations between ERE Board Members, ERE staff and the professional condact code that they shall implement. The provisions of this code shall identify the guidance principles of correctness, the behaviour of the Board members and ERE staff, regarding the values in the framework of public ethics, of impartiality, independence, confidentiality and transparency. The rules and principles defined on this Code are obligatory to be implemented by ERE employees, except the working possition level, the hierarchy and the operation that they exercise.

16. Decision no. 257, dated 21.12.2020, "On approving the DSO company Compliance Program "

The Compliance Program of the Distribution System Operator company (DSO company) shall target the avoidance of the discriminatory behaviour of the DSO company to the other participants in the electricity market, especially in favour of subsidiaries, and provides the mechanisms for its implementation, monitoring and reporting. The program shall define the specific obligations of DSO employees to comply this objective and fully transpose the requirements of 2009/72/EC Directive, in compliance with Article 72 of Power Sector Law. Also, the Compliance Program shall define the rights and obligations of the Comliance Officer to report any violation of the abovementioned legal provisions.

17. Decision no. 265, dated 28.12.2020, "On approving the Rules to monitor the natural gas market in Albania"

The rules for Monitoring the Natural Gas Electricity Market were drafted as a document based on Law no.102/2015 "On Natural Gas Sector", as amended, and shall define the approach and procedures for monitoring the operation of Natural Gas Market as well as defined activities of Transmission and Distribution Operators for the operation of Natural Gas Market in Albania. The monitoring and control of natural gas market operation shall be realized by ERE and shall target the increase of efficiency, competition and transparency of natural gas market, as well as the identification of the irregularities. The Rules to Monitor Natural Gas Market shall provide the obligations of the licensee in the transmission, distribution and supply activities of the supplier of last resort, to submit at ERE the data and necessary information regarding the safety quality of commercial services.

18. Decision no. 266, dated 28.12.2020, "On approving the Natural Gas Metering Code in Albania"

Natural Gas Metering Code is drafted in compliance with Law no. 102/2015 "On Natural Gas Sector", as amended and as a specific part of Natural Gas Transmission Code in Albania. This document shall define the technical requirements for the meters and metering installations at the transmission and/or distribution points of the customer and shall define the persons connected with this Code which are

retail and/or wholesale traders as well as the Transmission and Distribution System Operators, and/or Combined Operator of Natural Gas.

Legal acts for which ERE initiated the procedure and is in consultation process with the stakeholders are:

1. "On opening the procedure for approving the regulation to define the criteria of accessing and appointing the Supplier of Last Resort in Power Sector"
2. "On opening the procedure to review and approve the regulation on the procedures for granting the right of the exemption for the new infrastructure of natural gas".
3. "On opening the procedure to approve the standard license for the operation activity in natural gas storage facilities ".
4. "On opening the procedure to approve the Regulation for determining the criteria to exercise natural gas storage activity ".
5. Decision no. 218, dated 15.12.2020 "On opening the pocedure to approve the standards for handling the complaints of the customers of electricity and natural gas by the licensees in the supply activity".
6. "On opening the procedure to approve the regulation on the wholesale energy market integrity and transparency (REMIT)
7. "On opening the procedure to approve the compliance program of the transmission system operator for natural gas, "Albgaz" company"
8. "On opening the procedure to approve the "conditions for the licensee charged with public service obligation for the natural gas sector" in Albania
9. On opening the procedure to approve the "rules of operation of Liquefied Natural Gas (LNG) terminal" in Albania.
10. On opening the procedure to approve the "methodology to calculate regasification tariffs from LNG facilities" in Albania.
11. On opening the procedure to define the electricity purchase price produced from, wind and solar small renewable resources as well as the biodegradable part of the solid waste that utilise the industrial, urban and rural wastes for 2020.
12. On opening the procedure to approve the methodology for the calculation of the renewable energy obligation and the procedure for compensation of priority producers of electricity."

During 2021, ERE shall continue the work to review or update the secondary legislation approved implementing Law no. 43/2015 "On Power Sector" as amended, Law no. 102/2015 "On Natural Gas Sector" as amended as well as Law no. 07/2017 "On the promotion of energy renewable resources".

7.2 Legal processes on which ERE has been a party during 2020

7.2.1 ERE as a defendant party in court processes.

ERE has been a defendant party in court processes during 2020.

1. **Administrative Court Tirana,** it has terminated the administrative case Act no. 5858, dated 30.12.2019, with litigants: Plaintiff: "Wonder" company; defendant: Energy Regulator Authority

(ERE); Third Party: The Ministry of Infrastructure and Energy (MIE), the Ministry of Agriculture and Rural Development (MBZHR), "Energo-Sas" company; Object: Abrogation of ERE Board Decision no. 171, dated 07.11.2019. The information of the Plaintiff to be equipped with the electricity production license regarding Sasaj Hydro power plant. The obligation of the defendants ERE to equip the Plaintiff with the respective license.

The court decided to refuse the lawsuit. "Wonder" company filed the complaint at the Administrative Court of Apeal in Tirana. Due to the chaotic situation at all court system levels amd as consequence the restrictions dictated by Covid – 19 pandemic, from this court there is not a notification to decide the date of the process.

2. **Elbasan District Court**, it has terminated the civil case act no. 1881, with litigants: Plaintiff: M. E. (its legal successor), defendant: L. H., Energy Regulator Authority and the Ministry of Infrastructure and Energy, A. E., "Amal" company, object: absolute invalidity of the contract.
   The court decided to refuse the Lawsuit.
3. **Administrative Court Tirana**, terminated the case act no. 5731, dated 16.12.2019, with litigants: Plaintiff: "Albtek Energy" company; Defendants: Energy Regulator Authority; Third Party: the Ministry of Infrastructure and Energy; Object: The obligation of Energy Regulator Authority, to define the electricity sale price introduced in the network, of the "Albtek Energy" company, from the introduction in the market of this energy.
   The court accepted the lawsuit. ERE filed a complaint to the Administrative Court of Apeal in Tirana. Due to the chaotic situation at all levels of the court system as consequence of the restrictions dictated by Covid – 19 pandemic, from this court thare are not notifications yet for the drawn or to decide the date of the process.
4. **Administrative Court of Apeal – Tirana**, terminated the case Registration no. 388/113, dated 22.10.2019, with litigants: Plaintiff: Anlo Oil company & Gas company.; Defendants: the Energy Regulator Authority; Third person: "Albgaz" company; Object: The abrogation of ERE Board Decision no. 60, dated 15.04.2019 of the Energy Regulator Authority. The court decided to adjucate the case. Currently the case is terminated as no recourse has been exercised from the parties.
5. **Administrative Court Tirana,** case act no. 2404, dated, 11.06.2020 with litigants: Plaintiff**:** "DEVY" company, Defendants: Energy Regulator Authority (ERE), **Third party:** Concession Company "MP-HEC" company VAT no. K93826001D, registered on date 26.02.2009 address Durrës, Rrashbull, private house downstairs the wine cellar; **Object** 1. The abrogation of ERE Board Decision no. 37, dated 27.02.2020; 2. Abrogation of ERE Board Decision no. 10, dated 20.01.2020; 3. Abrogation of ERE Board Decision no. 187, dated 25.11.2019. Currently this legal case is on judgement stage of Tirana Administrative Court.
6. **Administrative Court of Tirana,** Administrative case act no. 34346, dated, 17.09.2020, with litigants: **Plaintiff:** "MP-HEC" company, **Defendant:** 1. Energy Regulator Authority, 2. Distribution System Operator, (DSO) company, Object: **1- Amendment of point 1 of the administrative act** ERE Board Decision no.89 dated 22.5.2020, published on the Official Gazette no.109/2020 point 3 of it; The refusal of "MP – HEC" company request, to review Decision no. 74, dated 22.4.2020, "On some amendments on ERE Board Decision no. 187, dated 25.11.2019, "On licensing "MP-HEC" company", partially accepting the request of "MP-HEC" company, ERE protocol no. 656/1 dated **28.04.2020** "The review of ERE Board Decision no. 74 dated, 22.04.2020 "Approving some amendments on ERE Board Decision no. 187, dated 25.11.2019". **Abrogating Point 1, letter "b"**, **2 – Observing Absolute Invalidity** of the amendments of Decision no. 187 dated 25.11.2019, published at the Official Gazette no 176/2019.**3-** Observing

Absolute Invalidity of the Administrative Act Order no.4057/2 dated 16.07.2020 of the DSO. 4 – Solidarity payment of the damage caused from the defendant of the amount 30 000 EUR to the date of filling the lawsuit with the obligation of the defendants to pay the expected damage if it shall be increased by the illegal actions of the defendants. This legal case is under administrative stage by the court investigation.

7. **Administrative Court of Tirana** the Administrative Case Act no. 4266, dated, 02.11.2020 with litigants: **Plaintiff:** Besim Pasha, Hasan Pasha, Hazis Lala, Abdi Toci, Sherif Koleci, Sail Koleci, Avni Koleci, Dhimiter Koleci, **Defendant:** - Energy Regulator Authority, Rr. "Viktor Eftimiu", Tiranë. - "Seka Hydropower" company, commercial company NUIS L32116020A, represented from the administrator Mr. Sokol Muceku. **Object:** Abrogation of ERE Board Decision no.146, dated.10.09.2020, "On licensing "Seka Hydropower" company, in electricity production activitz from "Sekë" HPP with installed capacity 12667 kW and "Zais" HPP with installed capacity 2295 kW, total installed capacity 14962 kW". This court case is under administration stage of court investigation.
8. **Plaintiff : AREA** – **Albanian Renewable Energy Association,** with headquarters in Tirana, Rruga e Elbasanit, Vila Nr. *71,* Tiranë, registered at the Tirana Court with Decision no. 3538 dated 25.03.2013 VAT No. L32218451U, represented by the Chairwoman Mrs. Anita Shushku, citizen from New Zeland, born in Shkodra (Albania), on date 24.04.1965, residential address Rrugën Nikolla Tupe, Pall. 2/1, Ap. 19 Tirana, passport number L13048425; Phone number: 0692085594; Email info©areasso.org. **Defendant: Council of Ministers in the Republic of Albania** Bulevardi "Dëshmorët e Kombit", Tiranë; Energy Regulator Authority (ERE), Address: Blvd "Bajram Çurri, Rr. Viktor Eftemiu 1023 Tiranë. **Third Party: the Ministry of Infrastructure and Energy,** Rruga "Abdi Toptani", Nr. 1, Tiranë, **Object,** 1. Abrogation of Council of Minister Decision no. 396, dated 13.05.2020 *"On some amendments on Decision no. 687, dated 22.11.2017, of the Council of Ministers,"On approving the methodology for defining the annual price of electricity purchase, that shall be paid to existing priority producers,* 2. Abrogation of ERE Board Decision no. 94 dated 08.06.2020 *"On the applicable price for the existing priority producers, for 2020, implementing the amendments approved with Council of Minister's Decision no. 396 dated 13.05.2020",* 3. Taking the suspension measure of ERE Board Decision no. 94 datë 08.06.2020 until the termination of reviewing the court case. This court case is under preparatory stage.

7.2.2 Court processes on which ERE has been a party within the framework of implemeting the legal competences

Throughhout 2020, ERE participated as a third party in court processes:

1. **Administrative Court of Tirana**, initiated the judgement of the administrative case Act no. 3109, with the litigants: Plaintiff: A.M.; Defendants: Electricity Distribution Operator, Third party: the Energy Regulatory Authority, Object: Tax invoice invalidity. The court process terminated with the Decision to announce substantive incompetence.
2. **Tirana District Court**, initiated the judgement of the civil case Basic.Register Numer. 13412 year 2020, litigants : Plaintiff: A. R.; I Defendant OSHEE - FSHU company, Third party: Energy Regulator Authority; Object: Partial invalidity of executive titles "Tax Invoice for the Sale of electricity",

3. **Administrative Court of Vlora:** Administrative case: Act no. 1101 **Plaintiff**: MP HEC company **Defendants**: **1.** Shkumbin – Seman Water Basin Administration Office; **2.** Distribution System Operator (DSO) company, Tirana, with **objec**t: **1.** Compensation for the non-contractual damage to this moment on the amount 25 000 Euro, and the damage that shall be created to the taken of the final decision that settles the case. **2.** Obligation of the Seman – Fier Water Basin Administration Office, to issue the Administrative Act "Written conformation for the tactical approval of the Final approval of the water flow, of the improved project of "NICE HPP" for the installed capacity 2.27 MW". **3.** Taken of the safety measure for the lawsuit, putting the parties in a position before resolving the conflict. **4.** The suspension of implementing the Minutes "dis-installation of the metering system" dated 17.07.2020 hour *16:50* issued on implementing Order No.4057/2 dated 16.07.2020 of DSO company, by obliging the DSO to reconnect the Nice HPP plant with the state Electricity distribution network, 35 KV Lozhan and the installation of the meter. This case is in the stage of continuing the judgement at the preparatory hearings. ERE on this legal process is as the secondary intervener.
4. **Tirana District Court** – Court Case plaintiff: "SELISHTE" company, Defendant "Albanian Power Corporation" (KESH) company, object: liquidating the amount. The court decided to refuse the Claim.
5. **Tirana District Court:** Court Case with Plaintiff: "OSHEE" company, Defendant: "TSO" company, third party: the Albanian Energy Regulator Authority and Ionian Refining & Trading Company (IRTC), object: Damage compensation. This court case is on the preparatory stage.
6. **Tirana District Court** – Court case with Plaintiff: A.R **Defendant: OSHEE - Fshu company** Bulevardi "Gjergj Fishta", building no. 88, h. 1, administrative unit no. 7, 1023 Tirana Albania **third party: Ere – Legal and Customer Protection Directory** address: Blv "Bajram Curri", rr. Viktor Eftimiu 1023 Tiranë. E-mail erealb@ere.gov.al, **Object: "***Partial invalidity of executive titles "tax invoice of electricity sale" for the invoicing period, April 2019 and in continuation, invoiced on the amount 14 ALL/KWH* To announce the invalidity of the unfair condition, for the price incerease 14 ALL/KWH *obligation of the FSHU company, to acnowledge the price 7.6 ALL/KWH for the contract customers, contract no*/102000 the cancellation of the respective invoices for the price 14 ALL /KWH and the issue of the corrected invoices with the price 7.6 ALL /KWH. Obligation of FSHU company, to convert the differences on ALL amount according to the invoices for the price 14 ALL/kwh, togerther with the overdue payments. This court case is pending to define the date of the preparatory session from Tirana District Court.
7. **Administrative Court of Tirana**, case court Plaintiff: A. R, son of Perlatit, born on 05.02.1969, **Defendants**: Electricity Distribution Operator company (OSHEE), the Commissioner for the Information Right and Protection of Personal Data, **third party:** ERE, **objec**t: 1. The obligation of the defendant, Electricity Distribution Operator (OSHEE) shall issue to the plaintiff the information regarding: if "ALBTEK ENERGY" company shall produce electricity, and if the electricity produced is introduced in the distribution network.. 2. Compensation for the non-ownership damage on the 300 000 ALL amount. 3. The issuance of the Decision with temporary execution in relation to the search in point 1 of the object of the lawsuit. 4. Reimbursement of court expenses. On this court process it is amended the court body and we are waiting for the continuation of the court process from the Administrative Court of Tirana.
8. **Tirana District Court** – The court issue with the party Basic.Register Numer 13206/2020.Plaintiff: Bell company **DEFENDANTS:** the Universal Service Supplier (FSHU) company; the Electricity Distribution Operator (OSHEE company) **THIRD PARTY: Energy**

Regulator Authority (ERE), OBJECT: Damage compensation. This court case is on the preparatory stage of Court review.

9. **Civil Court of Apeal in the court process** No.2861, the act with the litigants: **Applicant:** S.L; **Stakeholder:** the Energy Regulator Authority (ERE), Electricity Distribution Operator (OSHEE) company **Object:** Dublicate issuance of the execution order. The issue terminated with the acceptance of the request from the requesting party.
10. **Korca District Court**, in the court process with litigants: **plaintiff**: MTC ENERGY company, **defendants**: Distribution System Operator (OSHEE) company, **third party:** ALBSIG company, State Technical and Industrial Inspectorate (ISHTI), Energy Regulator Authority (ERE), **object**: 1.Compensation for non contractual damage on the amount 98.000 Eur. 2. Compensation for the contractual damage on the amount of 318626000 ALL, that corresponds to not-generated electricity 4138000 kwh. 3. Requesting the missing profit. This court process is still on the preliminary stage of the judicial investigation.

7.2.3 ERE as a as a respondent party in court processes.

During 2020, ERE participated as a defendant party in 1 court process:
Administrative Court – Tirana, the administrative case Act no. 31159-01771-80. It is filled a lawsuit with litigants: Plaintiff: Energy Regulator Authority; defendants: Commissioner for Protection from Discrimination; Third party: OSHEE company, Council of Ministers, the Ministry of Finance and Economy, the Ministry of Infrastructure and Energy, and the Minisrz of Health and Social Protection; Object: Absolutely invalidation of Commissioner for Protection from Discrimination decisions no. 33 dated 07.04.2020 and no. 34 dated 07.04.2020.

The court decided to reject the Claim. ERE has appealed to the Administrative Court of Appeal in Tirana. Due to the chaotic situation at all the levels of the judicial system as a result of the coercion dictated by the Covid-19 pandemic, this Court has not yet been notified of the draw or defining the date for the process.

7.3 Held of the hearing sessions at ERE

On 2020 due to the situation established from Covid- 19 pandemic, supported on (i) Decision dated 09.03.2020 of the of the Interim Committee for the Spread of new Coronavirus Infection, (ii) the Normative Act of the Council of Ministers no.2 dated 11.03.2020 “On the prevention and fight to infections and infectious diseases", (iii) Normative Act of the Council of Ministers no.3 dated. 15.03.2020 “On taking special administrative measures during the infection period caused by Covid – 19 ”, iv) Normative Act of the Council of Ministers no .8, dated 24.03.2020 “ On some additions and amendments to the normative act no. 3, dated 15.03.2020, of the Council of Ministers, “On taking special administrative measures during the infection period caused by COVID - 19”, v) Council of Minister’s Decision no. 243, dated 24.03.2020 by which it is decided “ On natural disaster declaration” in Albania due to the epidemic caused by COVID – 19, with Order no.53, dated 11.03.2020 “On exercising ERE activity and the held of the meetings or the hearing sessions” as amended, it is suspended the held of the hearing sessions at ERE premises.

Until on 11.03.2020, there are held 26 hearing sessions, organized by ERE, from which 3 hearing sessions are held within the framework of settling the disputes between the licensed operators on

power and natural gas sectors, 18 (eighteen) hearing sessions with the interested parties to draft ore review the by-legal acts or the administrative acts implementing Law no. 43/2015 “On Power Sector”, and the one on Natural Gas Sector, 1 (one) session regarding the customer complaints to OSHEE company for electricity invoicing and 4 (four) sessions with the licensees mainly to complete the documentation.

8. ERE ACTIVITY REGARDING CUSTOMER PROTECTION AND STANDARTS SUPERVISION.

Implementation and Supervision of the most effective measures for the guarantee and protection of electricity or natural gas customers, occupies a special place on ERE activity, to meet the obligations provided on Law no. 43/2015 "On Power Sector" as amended and Law no. 102/2015 “On Natural Gas Sector”, as amended. The organizational chart of Settling the Disputes and Complaints of ERE, the Directory of Customer Protection, Standards and Performance mainly supports its work on the main principles consisting on handling through the issue of the reccomendations from the licensees or the settling all the complaints and direct conflicts arising from the relations between the licensees or the licensees and the customers.
ERE activity, aims to guarantee and strengthen the protection of customer’s interest on individual aspect, but even to guarantee their right of information as a very important aspect of their rights guaranteed from the effective legislation. Despite the suppervision of the relation between the customers and the licensees, shall guarantee the right of the customers but without avoiding the obligations foreseen for them, ERE focus is the indirect protection of customer’s right in general from the abuses of the mainstakeholders in the electricity market.
Constant supervision of the licensee activity shall guarantee the avoidance of the above. Through periodic monitoring as in the classical forms of on-site observation but also through documentary supervision of the licensees activity, ERE has supervised the services provided by the licensees to electricity customers, regarding the quality of this service and their equal and non-discriminatory handling.

ERE priority in settling the disputes between the electricity customers and the licensees, remains among its main activities that come as obligation of implementing the provisions of article 24 of Law No. 43/2015 “On Power Sector” as amended and article 98 of Law No. 102/2015 “On Natural Gas Sector”. Even during 2020 ERE continued its activity regarding customer protection, with the drafting and approval of the by-legal acts implementing Law No. 43/2015 “On Power Sector” as amended, Law No. 102/2015 “On Natural Gas Sector”, as well as monitoring the implementation from the “General Conditions of the Electricity Supply Service for the End Use Customers” and the by-legal acts such as “Regulation on the standard criteria of the supply quality service and the security performance of the Electricity Distribution Network”, the Regulation on the quality of supply and safety performance of the electricity transmission system network, the Update of the Action Plan for the Electricity Distribution Operator OSHEE company, today FSHU company to respect the rights of electricity supply customers, (etc).

To make efficient the receipt of information process from the electricity customers but even their awareness about the processes of electricity market operation, ERE has prepared orientation

information which are published on ERE official website. These information relates to the rights of customers, the supply conditions from the supplier of last resort, the procedures and terms of handling the complaints, the control of the electricity meter, the process of termination of the electricity contract (temporary / permanent), the process of concluding a new electricity contract, information regarding the effective legal framework for the vulnerable customers, the data regarding the quality of service, etc.

Customer Protection.

An important part of work of the ERE organizational chart to settle the complaints and the disputes, of electricity customers and licensess, relates to the handle of the complaints registered at ERE for settlement or for orientation.
Throughhout 2020, at ERE are registered 165 complaints of Electricity customers while during 2019 were submitted and handled 183 complaints. A part of these complaints were registered repeatedly, because it resulted that from the licensee to whom it is submitted the complaint, it is not handled on time or the customer is not satisfied with his response. The object of the submitted complaints mainly consisted on the violation of the general conditions of the "Electricity Universal Service of Supply Contract for the End use Customers", approved with ERE Board decision no. 15, dated 10.01.2018 on which are defined the mutual obligations of the parties on the contract. ERE refering to Law no.43/2015 "On Power Sector" as amended as well as the by-legal acts, such as "Electricity Universal Service of Supply Contract for the End-use Customers"; the "Regulation for Handling the Complaints Submitted from the Customers and for Settling the Disputes between the Licensees on Power and Natural Gas Sectors" and the "Rules on ERE Organization, Operation and Procedures, has handled and analysed the electricity customer's complaints submitting them to FSHU company accompanying them with the respective guidelines. Except of the above mentioned, at ERE there are still complaints regarding the claimed violations from the Customers for the legal framework before the entry into force of Law no. 43/2015 "On Power Sector"

8.1 Complaints handled by ERE during 2020.

From the administered data there are observed that the "overinvoicing" complaints occupy the main place for handling the complaints, followed by "unmeasured electricity" and "mettering out of technical conditions" complaints. There are also evidenced the complaints regarding the failure to meet the right for " new connection" in the distribution system; change of tariff; metering testing; refering value; change of the contract data etc.
The complaints for "unmeasured electricity", during 2020 result to be 44.

It is noticed that often these complaints are carried over the years and include electricity invoices, which came as a result of controls exercised by "CEZ Shpërndarje" company, during the period 2011-2013, where it is noticed that in most of the submitted cases, the minutes kept for observing the unauthorized interventions in the metering system were performed not in the presence of the customer, on collective boxes of electricity meters as well as cases where more than one invoice was issued, within 1 (one) year, which contains "unmeasured electricity".

On the figure as follows are reflected the complaints handled by ERE for 2020 and are evidenced the changes in percentage of the same categories of complaints compared to 2019.

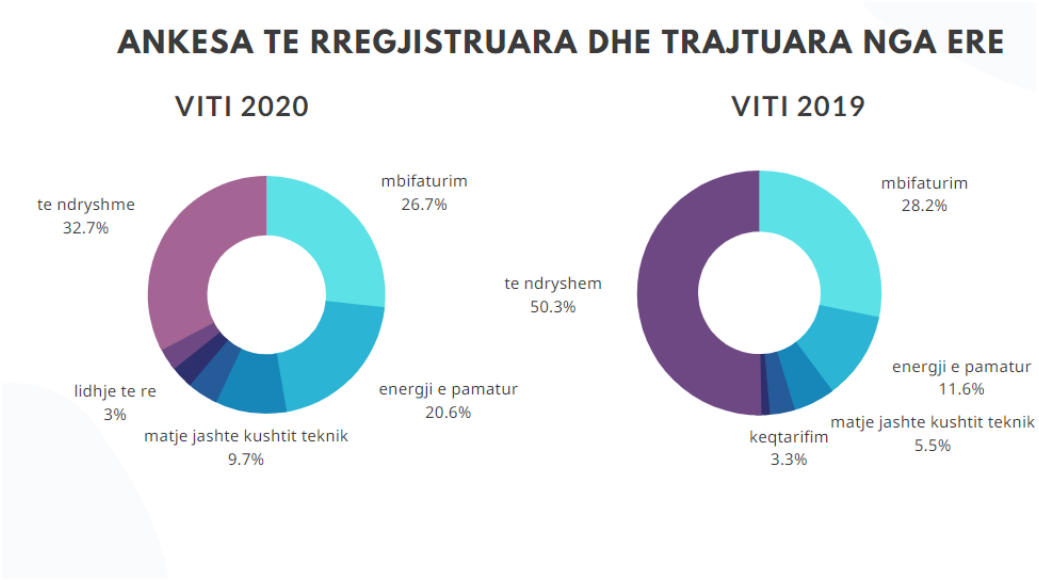


Figure 92 The complaints registered and handled by ERE

Analysing the above figure it is evidenced according to the object of the complaint, the specific weight occupied by each category of complaints that are submitted to FSHU from ERE, as follows for 2020;

- 44 complaints for “over-invoicing”,
- 34 complaints for “economic damage”/ “unmeasured electricity”,
- 16 complaints for “mettering out of technical conditions”
- 7 complaints for “bad-invoicing”,
- 5 complaints for “new connection”,
- 5 complaints for “aforfe invoicing”,
- 54 different complaints,

Regardless the way to settle all the complaints sent by ERE, it results that in some cases the Supply company "FSHU", has not informed ERE about the settlement issued and in some cases not even the customer, despite the fact that there was made a correction in the system when was observed the mistake.

There are also evidenced complains mainly for “Reference value”, “request for information; “tariff change”; “metering testing”; compensation for burns; contract amendment; request for taking the measures to ensure electricity supply; the request to postpone the metering panel.

Complaints for electricity over – invoicing.

From the statistical data of the ERE it is concluded that most of the complaints are occupied by complaints with the object of "overcharging" of electricity, accounting for a total of 44 complaints, or about 26.7% of the total number of complaints registered with the ERE.

Complaints regarding the over-invoicing of electricity are caused by various issues like: failure to reconcile the status of the meter with the real status of the meter, human errors by the invoicing persons, delays on issuing the data for new meters in the system. These issues increase the financial weight charged to customers lowering the collection level. For all of these complaints ERE required from FSHU company, the verification of the practices and procedures regarding the performed invoices together with the respective corrections that shall be realized implementing the terms defined for handling the complaints.

Complaint for unmettered Energy / Economic Damage.

The complaints for unmettered energy / economic damage occupy the second place of the total of complaints handled by ERE 34 complaints or about 20.6 % of total complaints registered at ERE. These complaints are electricity invoices, which are carried out as consequence of the controlls performed by "CEZ Shpërndarje" company, during 2011 – 2013 period, where it is notified that the kept minutes for observing unauthorized interventions in the metering system are performed not in the presence of the customer, at collective boxes of the electricity meters.

ERE implementing Board Decision no. 90, forwarded these issues this issue to former "CEZ Shpëndarje" company, some times where there are evidenced the complaints of electricity customers which are invoiced as "unmetered electricity" and "economic damage" and required the immediate cancellation of these invoices.

Complaints for aforfe invoicing

During 2020 there are observed complaints for electricity "aforfe invoicing" handled by ERE. There are submitted and handled only 5 (five) complaints or about 3 % of total complaints registered at ERE.

Electricity invoicing for metering out of technical conditions

During 2020 were identified a relatively small number of complaints "metering out of technical conditions" compared to 2019 where there were 10 complaints, while during 2020 were identified 16 complaints or about 9.7% of the total complaints handled by ERE. This invoicing is performed to identify that the electricity meters are out of their accuracy level at metering or due to their damage.

Complaints for bad-invoicing

During 2020 there are identified about 7 complaints or about 4.2 % of the total complaints registered at ERE. These complaints mainly consist on tariff change for supply services category as well as the electricity supply in MV and for the metering points at LV.

Different complaints/requests

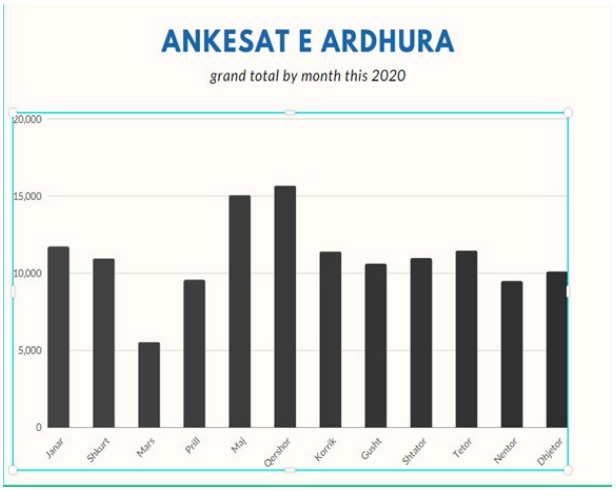
At the group of the complaints classified as “different” are included the complaints of: fictitious invoicing, reference value, request for information, compensation, transformer movement, additional power, respond request from the FSHU company etc, or following FSHU company communication through ERE. At this group there are identified about 54 (fifty four) complaints which occupy 32.7 % of the total complaints registered at ERE, and it results that in general this category of complaints is generated due to the delays from FSHU company for handling the complaints mainly submitted at the company, or due to the lack of information by the electricity customers. Regarding these issues ERE handled them and send to OSHEE company the accompanying official letters, where it required the case by case verification of the issues. Regarding the complaints registered at the FSHU company from all the sources, directly at the customer care centers, from ERE, e-albania platform, or through other institutions, ERE required information to the FSHU company regarding not only the total number of these registered complaints but even of the complaints handled on time, those for which it is given a solution and are taken the necessary measures for correcting them by the FSHU as well as the unhandled complaints or those handled beyond the deadline.

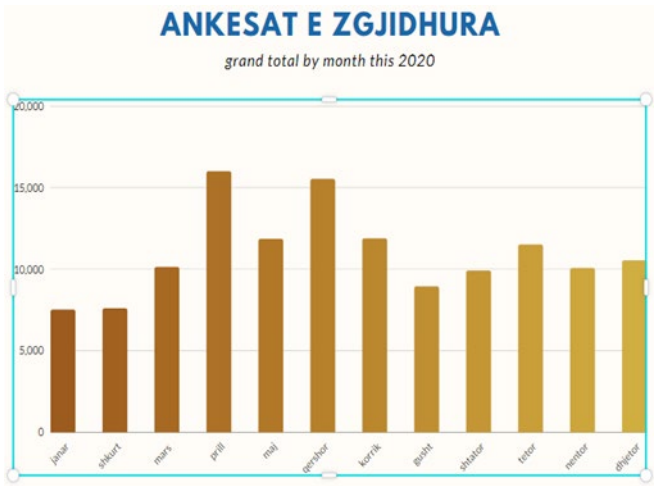
During 2020, due to the global pandemic and the measures taken by the Albanian government to avoid the spread of the Covid - 19 virus, the declaration of the state of natural disaster for a 4 months period in Albania, the continuation of restrictions not only in the activity of institutions but also the free movement of people, has been impossible for on-site monitoring of the licensees regarding the supervision of their activity to guarantee the rights of energy customers. Notwithstanding the above, there has been no lack of ERE control over the licensee, with alternative ways of surveillance from distance, periodically requesting information regarding every aspect of the licensee's activity related to the exercise of the functions assigned by the license and to guarantee the rights of energy customers.

To monitor the performance of FSHU company, regarding the implementation of the obligations arising from the law and the by-laws issued on its implementation, in order to obtain an overview on the status of protection of electricity customer’s rights regarding the supply of electricity, in exceptional conditions for both ERE and the Universal Service Supplier, during the pandemic which continues to impact Albania, there was accessed important the reporting from the FSHU company, of the status to meet the rights of electricity customers and the implementation of liabilities to electricity supply customers. For this purpose ERE required from FSHU company the total number of the complaints registered at FSHU company, for 01.01.2020 to 31.12.2020 period (from all the sources) as well as the total Number of the complaints for which it is given a solution/response and the customer is notified by one of the forms provided from the effective legislation.

During 2019, it resulted that the total number of the complaints submitted at the FSHU from all sources was 132438, from which 123,366 of them were settled, resulting to the settlement level of total complaints in 93.2%. This value for 2020 is submitted to 132307 of complaints from which resulted that by FSHU company are settled 131326 of them, resulting to the settlement level of complaint s for 2020 in 99 %.

Grand Total of the Complaints for 2020 period





Received Complaints **Settled complaints**

The figure on the left, submits the number of the complaints at FSHU company in total during 12 months. Within these figures, it is found the sum by collecting all types of complaints during the months of 2020, such as: payment for complaints / credits; complaints about invoicing, quality of service, complaints about meters; change of contract data. May and June are the months when it is registered the highest number of the complaints, respectively 15,032 and 15,647 of complaints in total. During March 5,505 that is the beginning of the spread of COVID – 19 pandemic and the start of the limitations/restrictions in all of the Albanian Republic.

According to the data reported from the FSHU, reflected even on the right figure, is observed that the months with the highest number of settled complaints during 2020 are April and June, which are the months with the highest number of registered complaints. June is the month that registers a relatively high number of complaints but also high settling of them. The alternative approaches of registering the complaints at the FSHU mainly electronically during the pandemic period, generated a large

number of requests/complaints, due to the facilitation to immediately handle them through this approach, not having the need to adress to the customer care centers.

At the diagramme on the left, there are presented five types of complaints illustrated in the Chart form where it is counted the Grand Total of the complaints for each registered issue from all sources and settled from FSHU during 2020. It is presented in percentage for the type of complaint. Also FSHU company reports at ERE the percentage of the complaints handled during 2020 for each issue even their Grand Total. The complaints for Payments/credits according to the reported figures is about 57% settled complaints. The complaints for Invoicing are settled for all the revenues or otherwise 100% of the level.

Type of the complaints (% of the Delivered complaints)

Only 15% settled for the Quality of Service or 477 from 3119. A low figure having into consideration that the Quality of Service is a delicate issue that is directly related to the customer. Regarding the issues for the Metterings, it is passed the registered figure, 114% this percentage is higher for the settled complaints compared with those received due to the registered complaints at the end of 2019 and settled on the first months of 2020. The issue regarding the amendment of the contract data is a very positive percentage 94%. The Grand Total of FSHU company reached to manage and settle about 99% of these complaints during 2020 or about 131,326 cases.

Year 2020 submitted big challenges especially for the distribution system operator but even for the universal service supplier FSHU company, regarding the maintenance of the work in pandemic conditions, and the increase of household customers that received the electricity supply service for a longer time than the average of other years, due to restrictions on free movement. On the other hand, the work of the abomementioned operators was hampered during 2020 also due to the increase on the number of infected employees and the real and objective impossibility of the DSO to perform the process of reading electricity meters according to the provisions of the effective legal framework.
On these circumstances ERE found it necessary to intervene through a temporary mitigation mechanism. With decision no. 58 dated 26.03.2020 “On defining the electricity invoicing method, during the period of implementing Council of Ministers normative act no.8, dated, 24.03.2020 “On some additions and changes in the Council of Ministers normative act no.3, dated 15.03.2020, “On taking specific Administrative measures during the period of infection caused by Covid-19”, as amended and also council of ministers decision no.243, dated 24.03.2020 “on natural disaster declaration”

The above mentioned decision established the conditions for the DSO company in the circumstances of restrictions on free movement but also in order to protect its employees, to read the meters once in 3 months, invoicing during the duration of the legal effects of this decision, the consumption of electricity of the same month of the previous year. On the last month of the duration of this decision, DSO company proceeded with the meter reading and the issuance of the corrective invoice referring to the real measurement data.

Correct implementation of this decision, remained on ERE attention, which required from the FSHU company (since the customer relation is directly regulated with the FSHU that is generated on the customer invoice, while the meter reading is performed by the DSO), the information regarding the number of the complaints registered throughhout the extension of the legal effects of ERE Board decision no.58/2020.

The largest number of the registered complaints was on the first month of the initiation of the legal effects of ERE Board decision no. 58/2020, we consider that it has occurred as a result of the lack of information, for which in point 10 of the above decision was provided: *DSO shall take all measures to publish this decision on the company's website and on the electronic and written media as far as possible.*

Regarding the above mentioned, ERE observed that on the official website of DSO company it is published the announcement regarding the above, and also OSHEE group or DSO company representatives in the following days, participated on the visual media to inform the public about the above. The publications regarding the above were observed even by a series of written medias immediately after ERE decision. Regarding the above it results that from DSO company are made the best efforts to inform the electricity customers regarding the temporaty ERE decision.

Following the data analysis of the complaints registered to the FSHU for the invoicing with the refering value according to decision no. 58 dated 26.03.2020, it resulted that the number had a significant decrease, with 114 registered complaints on June.

There was also a significant decrease in the number of customers invoiced with reference value throughhout the duration of ERE decision no. 58/2020 from 369,743 in March to 21,602 in June, which in itself constitutes approximately 1.7% of the total customer base.

During the *invoicing* process implementing ERE Decision no. 58/2020 it resulted that there are implemented the points defined at the decision taking into consideration the typology of the customers as defined on the decision, as well as taking the measures that 90% of the invoiced customers “with the substitutional reference value” during March 2020 shall be systemised and balanced the consumed energy within April – May 2020. ERE continued the supervising work regarding the protection of electricity customers rights, and especially for the impact that may have had to the satisfaction level of the customers the effect of this decision.

ERE has taken all the necessary measures to protect the electricity customers interest even during natural disaster situation, by setting available to the customers who wished to make a complaint at ERE e-mail address, physical mail at ERE facilities to deposit the complaint in order to protect not only customers but also ERE employees from facing the risk of spreading the epidemic. Although only one complaint was registered at ERE for invoicing with reference value according to ERE decision no. 58/2020, ERE required from FSHU company the detailed information regarding the number of the complaints found appropriate and settled, the terms of settling these complaints, informing the electricity customers for the given solution, as well as reporting the complaints to

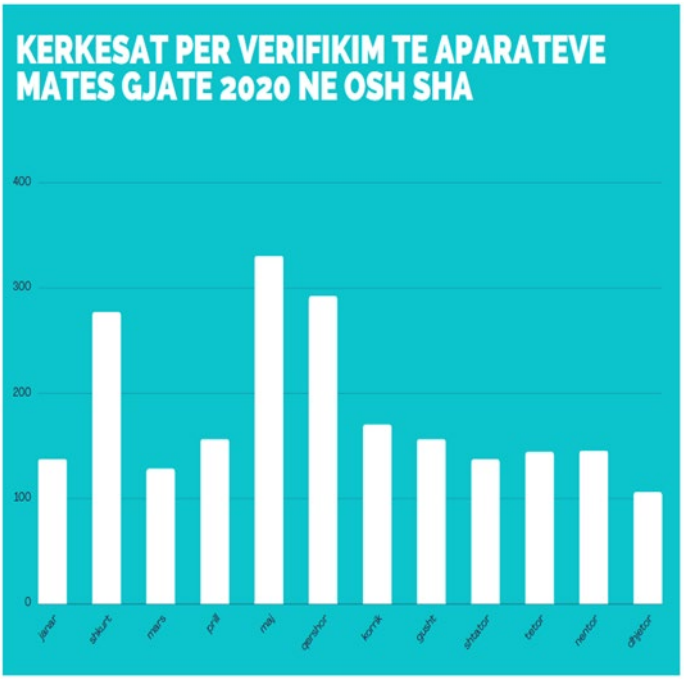
implement the ERE temporary decision no. 58/2020 with the total number of the registered complaints at the FSHU company.

With ERE Board Decision no. 217, dated 15.12.2020, ERE decided to review "the measures plan for the electricity distribution operator 'OSHEE' company, to respect the rights of electricity supply customers", approved with ERE Board decision no. 201, dated 03.09.2018. Based on the obligations left from the Assembly Resolution, the situation that relates with the effective unbundling of the Universal Service Supplier from the Distribution System Operator, there is the need to update this action plan to reflect the abovementioned and improve the update of those provisions that relate with the duties left in this plan for which ERE is informed that there are changed due to the monitorings performed to the company during 2019 and 2020.

The focus of ERE work has been even the *protection of the electricity customer's rights that have benefit or shall benefit from the supply service from the Supplier of Last Resort* .

For this purpose ERE required from the FSHU company, that during 2020 performed the function of the Supplier of Last Resort, regarding the undertaken measures to comply with the provisions of the Rules for the conditions of supply service from the supplier of last resort, and the contractual conditions of electricity supply, approved with ERE Board Decision no. 247, dated 11.12.2018, regarding the terms of ensuring the service as well as the protection of electricity customer's rights that require to receive the service on the conditions of supply from the supplier of last resort, the compliance of the obligation to inform the customers that may receive the supply service from the Supplier of Last Resort, through the publication of this information even with brochures or electronically. By the FSHU company it is informed that to the applicants that have submitted the request for new connection it is provided the opportunity to sign an electricity supply agreement within the terms and conditions defined on the *Rules for the supply conditions from the supplier of last resort and the contractual conditions for the electricity supply service*, approved with ERE Board decision no. 247, dated 11.12.2018. For the customers which are interested to sign an electricity supply contract from the Supplier of Last Resort it is provided all the necessary information at any Customer Care Center of FSHU company. There are taken the measures that this detailed information to be published to the OSHEE official website, at the FSHU official website, which is actually on re-construction process.

The licensee that perform public interest activities like DSO and FSHU companies have especially been on ERE focus. Above all ERE send to DSO company that implementing Article 12 point 1 of the "Regulation on the procedures of submitting a request, its review and notification terms when the customer suspects on the accuracy of the data of the electricity metering equipment *shall submit at ERE the 4-months information regarding the requests of the customers to verify the accuracy of the electricity metering equipment"*.
By the DSO company it is notified that during 2020 there are made 2175 verifications of the metering equipment, with the request of Electricity customers, marking the largest number of the requests for march-june verification.



Complaints for metering devices verification during 2020 at DSO company

As seen from the figure, during may, june period had a significant increase on the number of electricity customer's requests for the meter verification, where shall be assessed that it was as consequence of the customer's need/request accumulation for the verification of the metering equipment during march-april period, a time where Albania has been on the conditions of natural disaster situation and quarantine.

ERE, paid and continues to pay a special attention to the supervisión of the licensee activity regarding the guarantee of the electricity customers rights, and especially the to ensure an uninterrupted electricity supply service and within the quality of service standards. According to DSO reports, the disconnections only on LV grid affect a small number of customers and the DSO established all the opportunities through the Callcenter communication system for the notification and minimization the repair time. On DSO oficial website there are provided in a geographic map the schemes and telefone numbers of the notification, the communciation with the customers to the connection of electricity. To ensure a clear and detailed overview regarding the above, ERE required from FSHU compand and the DSO company the information retated to the:

- Number of registered reports on the telefone service of the FSHU company (call center) during 2020 for the electriciy interruption.
- Number of the registered reports on the telefone service of the FSHU company (call center) during 2019 for the electricity interruption.
- The data categorized for the type of interventions found about which it is reported (planned, unplanned ones, for technical defects, etc) as well as the procedure followed for on-time handling of them.

The purpose of an analysis on the above mentioned data, is the assesment of a clear overview regarding the qualitative changes of disconnected electricity supply service and lowering the number of unplanned interruptions. Currently there do not result any information from the FSHU regarding what is required.

Special attention shall be paid by ERE and the update of the legal framework that regulates the relation of the customer with the supplier but even guarantees the electricity supply service according to the standards. ERE repeatedly required even during 2020 from the DSO that not only implementing law no. 43/2015 "On Power Sector", as amended but even the Guideline no. 3, dated 20.06.2019,

"*On approving the procedure to facilitate the authorisation for the connection to the distribution system of small renewable projects for the electricity self-producers from solar*" the distribution and transmission network operators shall jointly undertake the measures to propose for approval at ERE of the *amendments on the Distribution and Metering Code, which are currently effective, the approved ones before the entry into force of the current law*.

- *During 2020 there are also approved a series of acts that aim to specifically regulate the spectrum of the rights and obligations of electricity customers such as:*
  The regulation for the standardized load profiles for specific customer categories, if the metering data, necessary for the calculation of the imbalances, are not available, approved with ERE Board decision no.112, dated, 09.07.2020.
  This regulation defined the Criteria to define the standard load profiles applied for any End-use customer's category for which the metering of real consumption in time-frames is not available.

- Another act that protects the rights and obligations of electricity and natural gas customers, is the *standards for handling the complaints of electricity and natural gas customers from the licensees in the supply activity*, for which it is initiated the procedure with ERE decision no.218, dated 15.12.2020. The Purpose of the Standards for Handling the Complaints of Electricity Customers from the Licensees in Electricity Supply Activity (as follows the Standards) shall be the ensurance of a right and effective process for handling the complaints of electricity and natural gas customers and increase the customer's reliability and satisfaction for the provided service from the licensees.

- *Approving the Metering Indicators for the Quality of Supply and Performance of Transmission Network Safety for 2021,* with ERE Board decision no.255, dated 21.12.2020. The regulation for the quality of supply and performance of network safety in the electricity transmission system, shall specify the quality indicators of electricity supply as well as the performance regarding the network safety of the Transmission Network System (TSO), according to Law no.43/2015 "On Power Sector". With the entry into force of the standards approved with the above mentioned ERE Board Decision, the TSO which is charged of the Public Service Obligation shall comply the quality of supply standards specified on the Transmission Network Code and this Regulation shall take the necessary measures to maintain and apply these Quality of Supply Standards and Network Safety Performance.

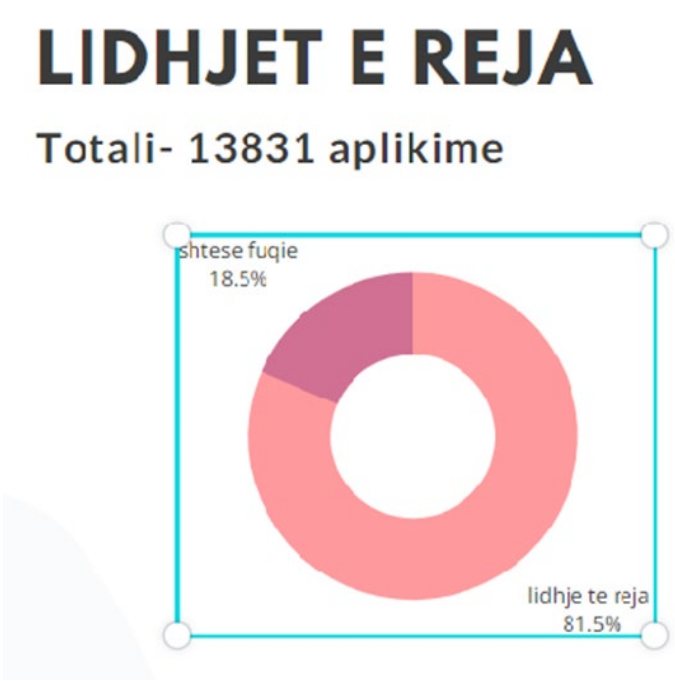
- *The general conditions of the natural gas standard supply contract for end-use customers that benefit from the public service of supply",* approved with ERE Board decision no. 166 dated 22.10.2020. The approval of this act consists on regulating the provision of natural gas supply service as a public service, in the framework of public service activity for natural gas supply for the end-use customers.

- *The Natural Gas Metering Code*", approved with ERE Board decision no. 266 dated, 28.12.2020. The Metering Code shall define the technical construction requirements and utilization requirements for the Natural Gas metering system, that shall be suitable for the metering, collecting the data, registering them and implementation of the respective procedures according to the Market Rules and Agreements between the Parties

- "*The Methodology on Defining the Natural Gas Sale Tariff from the Supplier of Last Resort*". The purpose of this methodology, is to define the natural gas sale tariff supplied from the Supplier of Last Resort, based on clear principles of costs calculation regarding this service and detailing the necessary data for setting fair and transparent prices.

The right for network access

Implementing supervision activity on the licensee, ERE continued a series of correspondences with the licensee, to protect the rights of electricity customers regarding the access to the network.
For this purpose, on the conditions of the inability to exercise on site monitoring, ERE required from the DSO company, the information and documentation regarding the procedures and terms for new connections in the Distribution System throughhout 2020. The procedural terms followed by the DSO for approval or refusal of each application regarding the new connections in the Distribution System during 2020 according to the sample (the first 10 applications registered for any calendar month) as well as the number of refused applications during 2020 and the reasons for these refusals.
The above approach was accessed efficient to verify and ascertain that the DSO shall met the provisions of the Regulation on new connection procedure and the modification of the existing ones in the distribution network, approved with ERE Board decision no.166, dated 10.10.2016, as amended with ERE Board decison no.177, dated 08.11.2016.



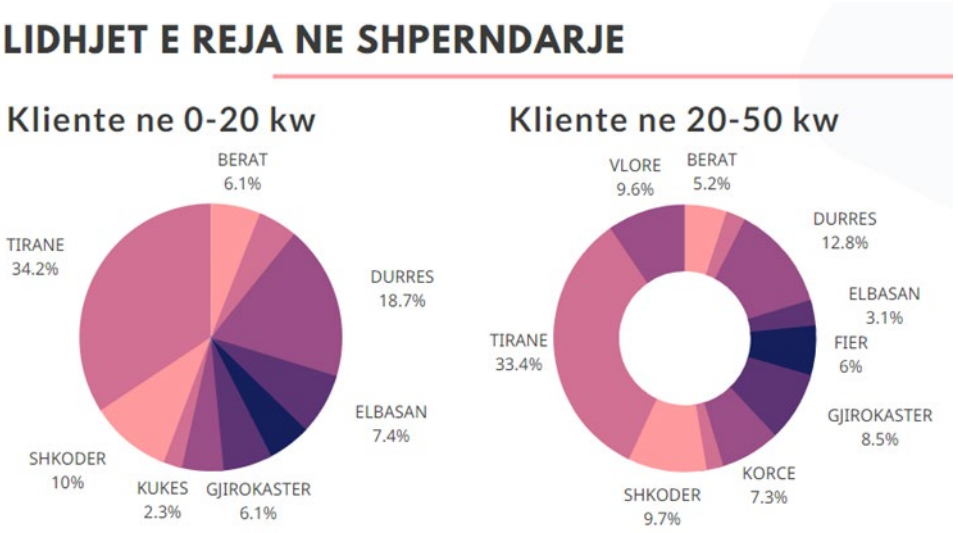
From the DSO report regarding the above, it resulted that the registered applications in total for 2020 for new connection and additional power according to the power categorizations shall be as follows:

On the registered data there result three types of powers: 0 – 20 kw; 20 – 50 kw; and over 50 kw that comply with the type of the New connection and Additional Power request. The grand total enabled for New connections and Additional Power reached 13831 applications. From these applications the total for new connections is 11267 applications or about 81.5 % of the total applications, on the other hand there are 2564 applications for Additional Power or 18.5% of all applications.

New Connections

The total of the applications for 2020 is 13831 is spread on 11 regions. Mainly in Tirana with a Grand Total of 4388 applications or otherwise 31% of the applications for all types of powers. The last listed is Kukës with 288 applications or only 2% of the Total.

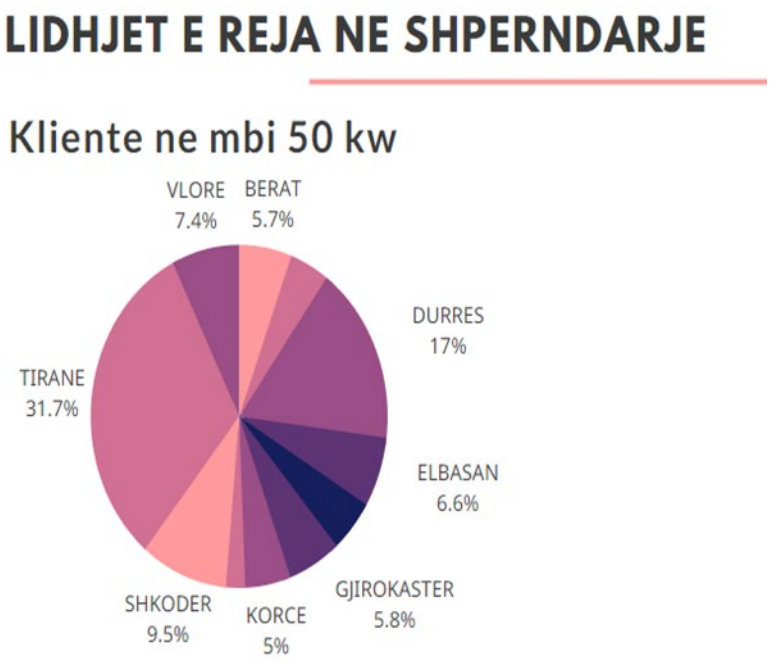
Allocated in capacity, there are reported 12265 applications for 0-20 kw capacity, otherwise 89% of the total applications from all the regions are concentrated on this category. Tirana has the biggest number of the applications for the category with about 3892, while Kukës has 263. At the category 20–50 kw there are registered 968 applications that constitute on 7% of the applications in total. Tirana constitutes over 30% of the applications for this category.



New Connections in Distribution

Regarding the number of the applications for over 50 kw capacity, the figure is small in 11 regions, 598 registered applications or only 4%. It result 173 applications in Tirana for this category more than others and only 5 in Kukës that constitute less.

For the procedural terms followed according to the sample (10 first applications are registered for any calendar month) are calculated the averages of the 3 categories for 11 regions of Albania and also the average of the Grand Total. For the 0 – 20 kw category it results an average 12.89 on



New connections in Distribution

the basis of the sample for 10 first applications registered for any calendar month of the followed procedural term. For the category 20-50 kW there is reported a figure of about 18.08 and 48.02 for the category over 50 kw. The average of the Grand Total is 26.33.

On the calculated time frame have influenced the factors as follows: the time to fulfill the documentation from the customer (when there is observed lack of documentation); the absence of the customer at the facility, during the technical update; the payment of the customer which shall be

within a term of five days; the duration to terminate the works from the constructions from the customer (termination of the facility, the extension of the line etc).

At the Regulation for new connections on the distribution system approved with ERE Board Decision no. 166, dated 10.10.2016, as amended with ERE Board decision no.177, dated 08.11.2016, it is provided that, the term to implement the new connection shall be: i. not more than 20 working days for installed capacity up to 10 kw ii. not more than 20 working days 20 working days for installed capacity 10 – 20 kw. iii. not more than 20 working days for installed capacity 20-50 kw and iv. not more than 60 working days for installed capacity over 50 kw. From the reporting on the basis of the sample submitted from DSO company it results the graph as follows.

LLOJI I LIDHJES	AFATI LIGJOR	GJENDJA
0-20 Kw	20 dite	12.89 dite
20-50 kw	20 dite	18.08 dite
mbi 50 kw	60 dite	48.02 dite

Type of the Connection, Legal term, Status

There are reported about 1032 refused applications for the 11 Albanian regions, 32% or 332 refused applications belong to Tirana the largest number. Only 20 of applications to Kukës country that constitutes the lowest number of applications and their refusal. The first category of, 0-20 kw capacity constitutes to the largest number of refused applications, also the largest number of customers connected for this capacity. 900 refused applications or 87% of the Grand Total of these refused applications during 2020. There are reported 272 or 30% of refusals for this capacity for Tirana customers, less at Kukësit country 2% or 16 refused applications. At the category 20-50 kw are listed 70 refusals, 30 in Tirana, followed by Shkodra with 10 refused applications 10 refused in Durrës, no one in Berat and Elbasan. Over 50 kw are 62 refusals where 24 are reported in Tirana, more than from the other regions.

The reasons for the refused applications during 2020 resulted from the Lack of Documentation, Failure of payment for a long period, debt customer, uncompleted facility, ownership issues. They are unbundled on three types of Capacities and the total Amount named Grand Total.

Following the work to monitor the licensees regarding their obligations to implement the License Conditions for the Transmission service, a very important part to exercise the activity by the TSO company is the implementation of the conditions and terms provided on the Regulation on the procedures for new connections and the modification of the existing ones on the transmission network, approved with ERE Board Decision no. 87, dated 20.04.2018. For this purpose ERE required from TSO company detailed information regarding:

- The applications registered at the TSO company for the New Connections on the Transmission System during 2020.

- The procedural terms followed for the approval or refusal of each application for new connection in the Transmission System during 2020.
- In case of refusal the reasons for that refusal
- Number of the generation units that are set into operation during 2020.

TSO company with its official letter listed the registered applicants to the TSO for new connections in the transmission system during 2020. On the attached table are marked the terms for the application date for the application companies and the return of the response from TSO company, as required by us. One of the requests raised by ERE relates with the cases of refusal and the reasons regarding them, but during 2020 are evidenced no refusals by TSO company.

Regarding the procedures for new connections, as well as the application status for connection to the transmission network, for the January – December 2020 period there were a series of applications for the possibility of connecting the electricity production plants at different areas of the power system, where TSO company reports 18 applications in total where: "Hybrid Generators" 1 application and are realized 2 connection agreements; Solar Generators 7 applications and no one connection agreement; for the Aeolian type of Generators there result 10 applications and no connection agreement;

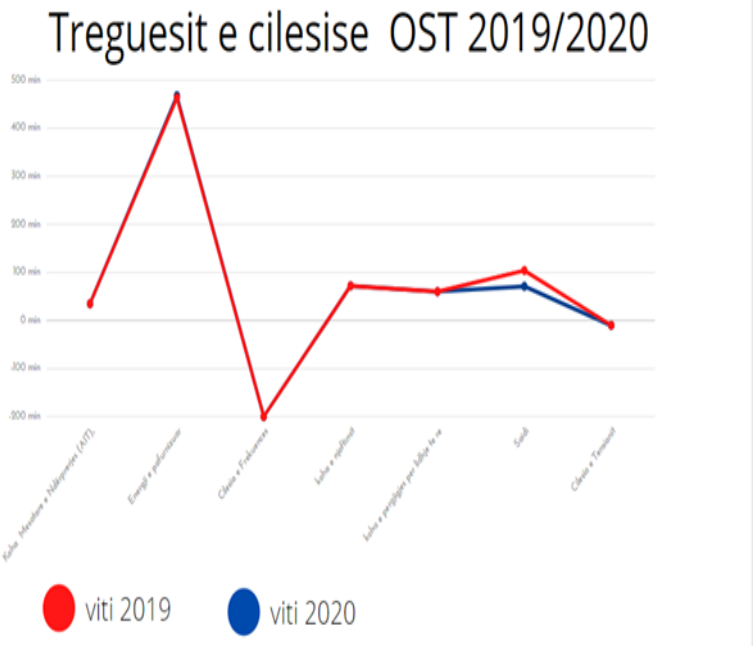
Regarding the legal deadline for the response (60 calendar days) according to the Regulation on the procedures for the new connections and the modification of the existing ones with the transmission network, TSO company complied the timeframes in 100% measure of the reviewed cases during 2020.
The assessments of the TSO company to approve or refuse the applications for the january – december 2020 period are as follows: the only application or 5.6% of the total, the response is withdrawn from the applicant himself. 22.2% of the requests are approved by the TSO, while 72.2% of the requests are assessed as Preliminary Opinion.
While for the generation units issue which are set into operation during 2020, mentioned at the request of ERE, TSO company informed for the two generation sources in operation during january – december 2020 period, which are hybride plants connected on the transmission network 110 kV: Egnatia HPP connected on 110 kV Librazhd- Prrenjas connection, Seka and Zais HPP-s, connected on 110/20kV Prellë Substation.

8.2 Quality of Service on the electricity transmission and distribution network.

For a clear overview of the Transmission System activity, ERE required from the TSO company information regarding the Metering Indicators for the Supply Quality, including the data for the, Average Interruption Time (AIT), Energy not Supplied (ENS), Frequency Quality (FQ), the Periods for the Notification of the Planned Interruptions in the Transmission System, the Index for the average duration of the interruption (SAIDI), Voltage Quality (VQ), as well as the registered Complaints at the TSO for the Quality of Voltage.
By the TSO it is submitted the report which is submitted below in a table form, evidencing the amendments from 2017 to 2020.

Parameters of the Quality of Supply	Performance for the first 3 months of 2020	Performance for the second 3 months of 2020	Performance for the third 3 months of 2020	Performance for the forth 3 months of 2020	KPI 2020	KPI 2019	KPI 2018	KPI 2017
a) Average Interruption Time (AIT)	8 min	8.5 min	1.89 min	15.6 min	35 min	35 min	32 min	40 min
b) Unsupplied energy (ENS)	118.943 MWh	96.384 MWh	24.624 MWh	223.58 MWh	463.53 MWh	467.87 MWh	420.22 MWh	527.79 MWh
c) Frequency Quality (FQ)	Within range +/- 200mHz	Within range +/- 200mHz	Within range +/- 200mHz	Within range +/- 200mHz	Within range +/- 200mHz	Within range +/- 200mHz	Within range +/- 200mHz	Within range +/- 200mHz
d) Notification period of the planned interruptions in the transmission system	72	72	72	72	72	72	72	72
e) Necessary time to respond to new connections	N/A	35 days	45 days	30 days	60 days	60 days	60 days	**60 days**
f) SAIDI	13 Min	21 min	6 min	31 min	71 min	104 min	83.5 min	92 min
g) Voltage Quality (VQ)	within range - 10%, +5 %	within range - 10%, +5 %	within range - 10%, +5 %	within range - 10%, +5 %	within range - 10%, +5 %	within range - 10%, +5 %	within range - 10%, +5 %	within range - 10%, +5 %
h) Percentage of the complaints for the quality of voltage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

What is evidenced from the above table and the analysed data of the parameters it results that for 2020 the quality parameters connected with the , the index for the average duration of the interruption, the unsupplied energy remain on the same norms, while it results a slight decrease of the index for the average duration of the interruption (SAIDI) from 104 min to 71 min, that results to a improvement on 21 % measure as submitted at the graph on the right. From the DSO there are submitted at ERE the periodic reports regarding the indicators for the quality of service of electricity distribution which results as follows.

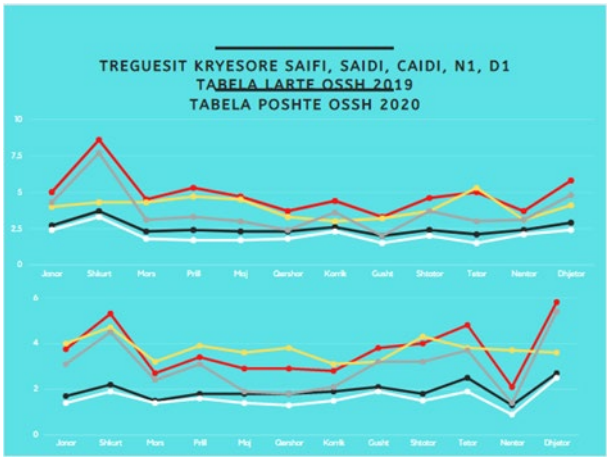


Quality indicators TSO 2019/2020

On the following table are submitted the results of the indicators for the electricity supply continuation of the DSO company customers during 2020.

Krahasim i Performances se OSSH ne TL+TM 2019-2020 Lidhur me Treguesit Kryesore SAIFI, SAIDI, CAIDI dhe N1, D1										
	SAIFI		SAIDI		CAIDI		N1		D1	
	Nr. i Konsumatoreve te prekur nga nderprerjet/ Nr. Konsumatoreve Gjithsej		Nr. i oreve te nderprerjeve gjithsej / Nr. Konsumatoreve Gjithsej		Nr. i oreve te nderprerjeve gjithsej /Nr. Kons. Te prekur nga nderprejet		Nr. total i nderprerjeve te paplanifikuara per nje klient te prekur		Kohezgjatja totale per nje klient te prekur nga nderprerjet e paplanifikuara	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Janar	2.7	1.7	5.0	3.75	4.0	4.0	2.4	1.4	4.3	3.1
Shkurt	3.7	2.2	8.6	5.3	4.3	4.7	3.3	1.9	7.7	4.5
Mars	2.3	1.5	4.5	2.7	4.3	3.2	1.8	1.4	3.1	2.4
Prill	2.4	1.8	5.3	3.4	4.7	3.9	1.7	1.6	3.3	3.1
Maj	2.3	1.8	4.7	2.9	4.5	3.6	1.7	1.4	3.0	1.9
Qershor	2.3	1.8	3.7	2.9	3.3	3.8	1.8	1.3	2.4	1.8
Korrik	2.6	1.9	4.4	2.8	3.0	3.1	2.3	1.5	3.6	2.1
Gusht	2.0	2.1	3.3	3.8	3.2	3.2	1.5	1.9	2.0	3.2
Shtator	2.4	1.8	4.6	4.0	3.7	4.3	2.0	1.5	3.7	3.2
Tetor	2.1	2.5	5.0	4.8	5.3	3.8	1.5	1.9	3.0	3.7
Nentor	2.4	1.3	3.7	2.1	3.1	3.7	2.1	0.9	3.1	1.4
Dhjetor	2.9	2.7	5.9	5.8	4.1	3.6	2.4	2.5	4.8	5.4
GRAND TOTAL	**30**	**23**	**59**	**44**	**48**	**45**	**24**	**19**	**44**	**36**

These indicators are reviewed separately according to the urban and rural areas. Refering to the performance indicators of the DSO company, it is observed that the distribution network for this period is improved, but the number and the duration of the defects at Rural areas continues to be high.



Main Indicators SAIDI, SAIFI, CAIDI, N1, D1

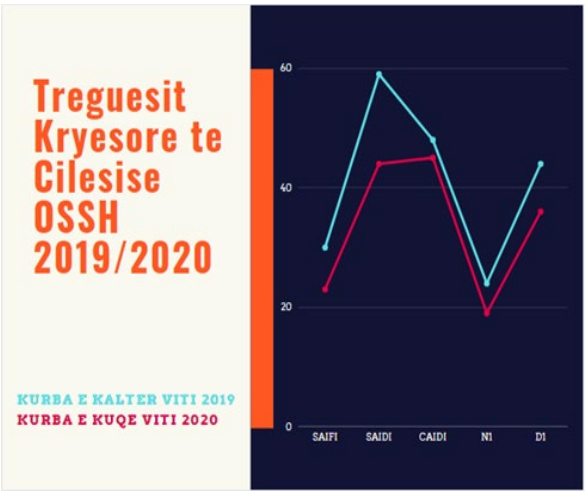
As seen from the above, compared with the same period of the previous year, based on SAIDI and SAIFI, and CAIDI data it result that these indicators are improved, taking into consideration the impact of COVID-19 pandemic as well as its consequences during 2020 .

The table on the left, is a visual analysis of the Main Indicators for the Quality of Service from the DSO during the last two years 2019, 2020. There are taken five indicators which are: SAIFI (the black curve); SAIDI (the red curve); CAIDI (yellow curve); N1 (white curve); and D1 (grey curve).

During the latest 12 months there has been a decrease of the curve of each indicator reported from the DSO, compared to those of the 12 months of 2019. Otherwise, this decrease on the specific values is seen as a improvement of the parameters.

Main Quality Indicators DSO 2019/2020

The table on the right, submits the compared graph of the Grand Total of the Main Indicators of service Quality from the Distribution System Operator for the two recent years 2019 and 2020. At the graph are listed the Indicators (SAIDI, SAIFI, CAIDI, N1 and D1) which leave space for improvement. The electricity interruption coefficient per customer during a year or SAIFI had a total decrease of 30 during 2019 to 23 in 2020 or otherwise 23% less, clearly this index is improved. The average interruption duration coefficient per customer or SAIDI is decreased with about 25% compared to 2019, that means these interruptions are decreasing and are more controlled than the previous year. Also CAIDI, is decreased with 6% of the total figure from 2019 to 2020.



The total number of the unplanned interruptions for an affected or notified customer N1 is decreased from 24 minutes during 2019, to 19 during 2020 where it is notified the decrease of 20%. Finally, the total duration for a customer affected from the unplanned interruptions (N1) is decreased with 18% in total or otherwise, there are 8 minutes less of the unplanned interruption from 2019 to 2020.

The DSO company as the only distribution system operator at the core of its work has the task: a- to ensure a correct registration of the electricity interruptions caused in the distribution system, to have performance indicators in terms of supply continuity. Indicators should be reliable, comparable and easily verifiable so that the information is accurate for customers and other stakeholders regarding the continuity of supply b – to improve the continuation of the supply service in national level and lower the differences between different supply areas; c- to limit the number and duration of annual interruptions that the customers experience, by ensuring a defined reimbursement in case of exceeding the specific standards defined on this regulation; OSHEE shall perform the registration of the interruptions; long or short ones, through the available methods, through the registration system of service continuation, operating for all the LV and MV electricity distribution lines and OSHEE shall keep the register of the interruptions for all types of interruptions mentioned above, which shall contain a- the origin of the interruption; b- the cause of the interruption; c- the number of customers in LV included in the interruption; d- duration of the interruption for each customer in LV included in the interruption; e- the number of customers in MV included in the interruption, according to the categories; f- duration of the interruption for any customer in MV, included in the interruption according to the categories; g- number of customers in LV, included in the interruption according to the categories; h- duration of the interruption for the LV customers, included in the interruption and their number, in connection to the reconnection, according to the categories; i- the date, hour, and minute for the initiation and termination of the interruption, for all customers included in the

interruption. j – any electricity supply interruption of the customer, in the distribution system, which lasts more than 10 minutes, shall be considered a long interruption, which is registered and used for the calculation of performance indicators SAIDI and SAIFI.
By ERE it is supervised even the performance of the DSO regarding the obligation for the notification of the planned electricity interruptions. Regarding the above it results that on OSHEE official website but even on the social media are published during 2020 about 485 notifications for planned interuptions, overhauls in the distribution system while for 2019 resulted about 572 planned interruptions of electricity.

9. ERE INTERNATIONAL ACTIVITIES

9.1 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 2020, with the extended limitations by the pandemic, ERE has worked with a high intensity through online platforms. Setting up these priorities, ERE has collaborated in intensifying the multilateral relations with international organisations like Energy Secretariat in Vienna, ECRB, 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 in these activities was high 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.

9.2 Active Participation as a Member.

- ERE is a member of ECRB the Regulatory Steering Board of Energy Treaty Countries and takes active participation in the working groups set up by the latter, chairing one of the 4 working groups set up by them.
- ERE is 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 and Prices.
- ERE is a member of the Regulators Association for the Mediteranean Countries (MEDREG) for electricity, where during 2020 ERE Chairman held the vice President of MEDREG post, and at the assembly held on November was elected as the President of the Organization for a two years term. 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 meetings.

- 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 full right member at South – South-East Gas Regional Initiative (GRI SSE).
- Also ERE is a full right member of OME (Energy Observer for Mediteranean and Europe).
- As a full right member of the Balkan Advisory Forum, which includes the Regulators of Montenegro, Northern Macedonia, Greece, Serbia, Bosnia and Bulgaria, ERE staff participated at the meetings of the working groups of this Forum as well as the draft of reports that serve the regulator and stakeholders. The forum serves to exchange experiences between these regulators through the establishment of working groups in areas of common interest.
- For 2020 ERE continued to maintain a fruitful cooperation with USAID and NARUC in the joint project, supported by USAID and NARUC regarding the draft of cyber strategy, or the action plan to implement the standards of the distribution system operator quality.
  ERE also participated at USAID & NARUC project related to the draft of 10-year transmission network development plans in Southeast Europe as well as the organized workshop on cyber security issues.
- 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 for delicate issues. Also the draft decisions taken by ERE and the draft regulations drafted by us are send for consulting to Vienna Secretariat or are realized meetings with them to have a better understanding of the issue and we are assisted by Vienna Secretariat in drafting the secondary legislation in the framework of the new laws. ERE has regularly and actively followed the ECRB working group meetings for customer issues, for electricity and its regional market, renewable resources, statistics, electricity, efficiency, security of supply, REMIT, natural gas, gas platform. To realize a better work and high results, ERE held joint meetings with Vienna Secretariat regarding the implementation of the third legislative package in the framework of the secondary legislation which has been on drafting and approval process by the Board and regarding the Network Codes implementation, the approval of which comes as an obligation deriving from Energy Community Treaty and ENTSO-E.

9.3 ERE Bilateral Relations

During 2019 are further intensified even the bilateral relations with the Italian Regulator (ARERA) and the Greek one (RAE). This cooperation has made possible on time realization of three regulators joint decisions regarding TAP project which commenced the operation by the end of 2020.

Another regional initiative is undertaken during 2020, on CEI support (Central European Initiative) and the Italian regulator ARERA, following the second phase of KEP (Know-How Exchange Program) Project “CEI support to strengthen the energy regulator autorities in Western Balcans”,

whose object is the extend the know - how practices for the electricity market coupling initiatives between the EU members in the Western Balcans countries.

10. ENERGY REGULATOR AUTHORITY ORGANISATIONAL CHART AND ADMINISTRATION OF HUMAN RESOURCES

Implementing Law no. 43/2015 “On Power Sector” as amended, article 9 point 1, defines that ERE is the Regulatory institution of Power and Natural Gas Sector in Albania which is governed by the Board of Commissioners. ERE Board of Commissioners is composed of the Chairman and four Board members which are appointed by the Asembly.

With Decision no. 78, dated 29.04.2020, ERE Board decided to approve ERE organisational chart, defining that the maximum number of ERE employees is 63, which are organized as follows:

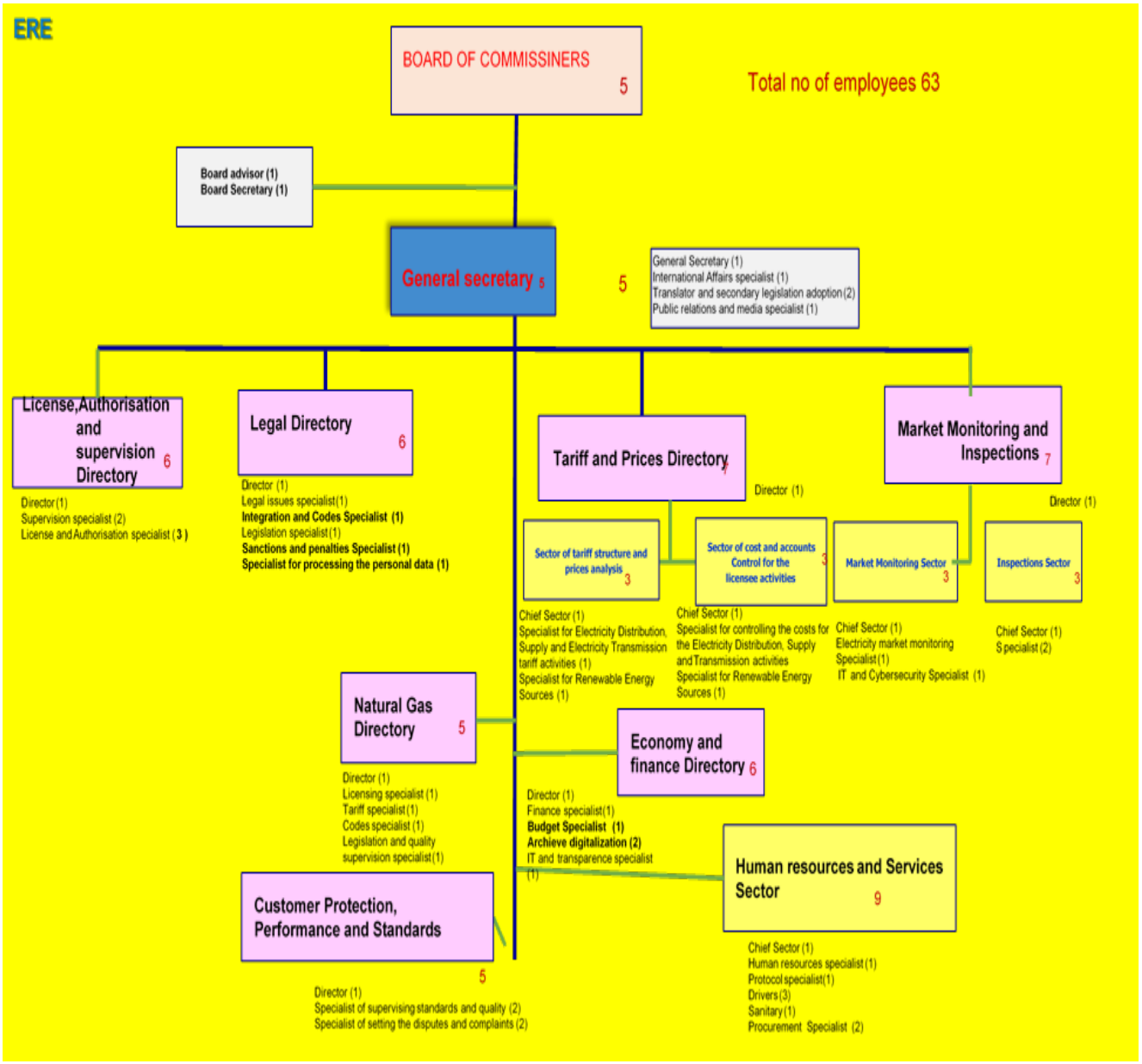


Figure 93. Organisational Chart of Energy Regulatory Authority, approved with ERE Board Decision no. 78, dated 28.04.2020.

In addition to the Board of Commissioners, which is the decision-making body, ERE is organized with the Secretary General, 7 Directories and human resources and services sector.

The new ERE organisational chart is based on a clear division, with the necessary capacities, to fulfill the tasks and responsibilities related to the ERE regulation areas implementing the effective legislation, such as: Consumer Protection, Draft and approval of the By-laws, Development of Natural Gas Market, Market Monitoring, Quality Standards, the impose of the Tariffs and Prices in Regulated Market Segments, Licensing, Modification, Renewal and issue of the Authorization for the operations in the activities identified at the respective laws, Institutional Relations within and outside the country, Planification for drafting the Budget, Human Resources Development.

This organisational chart takes into consideration the latest developments in the power sector such as:

- Implementation of the integrity and transparency regulation for the wholesale electricity markets (REMIT), in conformity with the obligations deriving from Energy Community Treaty, regarding

the draft of the regulation as well as its monitoring by the market operators beginning from the registration of the parties to the maintenance of the data or receiving the indications to perform investigations for the cases of not implementing this regulation.

- The certification and supervision of the Nominated Operator for Electricity, according to the Regulation approved by ERE Board Decision no. 40 dated 06.03.2020.
- The approval and monitoring of implementation from the network operators of the critical infrastructures strategy, which requires the engagement and inclusion of a dedicated staff with experience in the information systems to cope with this task.
- Transposition of regulations and codes for the adopt of the by - laws, object of approval by ERE as well as processing the personal data of the licensees, according to the legislation on personal data protection.
- Supervision of the quality standards of the Transmission and Distribution System Operators operation and the new role of the customers according to the provisions of the new legislative package as self-producer.
- Digitization of the ERE archive, taking into account that the digitalization is not performed since the establishment of the Regulatory Authority and will serve to the creation of a digital archive, which can be accessed at any time and will serve more to increase ERE transparency.

Regarding the Human Resources area, during 2020 it is strictly implemented Law No. 9367 dated 07.04.2005 ”On preventing the conflict of interest in exercising the public functions” as amended with Law no.86/2012 dated 18.09.2012, as amended with Law no.44/2014 dated 24.04.2014 and law no.9049, dated 10.04.2003 ”On the declaration and control of the assets, financial obligations of the elected persons and some public officials” as amended with law No.85/2012 dated 18.09.2012 and Law no.45, dated 24.04.2014 as well as law no.42/2017 dated 06.04.2017.

Are completed the declarations of the periodic/annual private interests from the employees subject of this obligation, according to the time frames provided by the Law.

It is also held regular communication with the High Inspectorate of Declaration and Audit of Assets and Conflict of Interest (ILDKPKI) implementing the notifications send from this Institution.

Implementing ERE Board Decision No. 52 dated 02.04.2019, it is implemented Law no. 9584 dated 11.07.2006, " On salaries, bonuses and structures of the constitutional and other independent institutions established by Law” as well as ERE Board Decision no. 187, dated 08.03.2017 ”On approving the structure and the wages level for the civil employees/employees, the deputy minister and the employees of the cabinets, at the primeministry, the ministry of lines, president administration, the parliament, the central election commission, general prosecutor office, some independent institutions, institutions on the dependence of the council of ministers, the prime minister, institutions depending of the ministry of lines and the prefect administration” as well as Decision no. 202, dated 15.03.2017 “On some additions and amendments to decision no. 717, dated 23.06.2009 of the Council of Ministers "On the salaries of support staff of budgetary institutions and employees of some budgetary institutions" as amended.

Following Law no. 43/2015, dated 30.04.2015 “On Power Sector” as amended, for the selection, appointment, and promotion on duty of ERE staff, are implemented 6he procedures of Law no. 152/2013 “On the civil servant” as well as all the secondary acts issued on its operation.

11. ADMINISTRATION OF ERE FINANCIAL RESOURCES DURING 2019

In the area of finance and administration are correcctly implemented the respective legal and by-legal acts for the administration of ERE finances, including Law no. 43/2015, dated 30.04.2015 "On Power Sector", as amended, Law no.9643, dated 20.11.2006 on "Public Procurements", as amended, Law no. 9228, dated 29.04.2004 "On accounting and the financial statements", as well as Order no.64 dated 22.07.2014 "On the announcement of the national improved accounting standards and their obligatory implementation".

Even during 2020 it is strictly implemented Law no. 9367 dated 07.04.2005 "On preventing the conflict of interest in performing the political functions" as amended with Law no.86/2012 dated 18.09.2012, as amended with Law no.44/2014 dated 24.04.2014 and law no.9049, dated 10.04.2003 "On the declaration and control of the assets, financial obligations of the elected persons and some public employees" as amended with law No.85/2012 dated 18.09.2012 and Law no.45, dated 24.04.2014 as well as law no.42/2017 dated 06.04.2017.

Are completed the declarations of the periodic/annual private interests from the employees subject of this obligation, according to the time frames provided by the Law and there is no penalty for our officials subject to this Law.

In all cases are implemented the procedures and the time-frames regarding the procurement of the public funds, in conformity with the Procurements Law and other by-legal acts.

It has followed the inventarization of the asset that ERE administers. Regarding the monetary funds, they are ensured in conformity with the respective laws of power and natural gas sectors and comprise of the application payments for the licenses/modifications/renewals and of the regulatory payments that ERE set to the licensees.

Above the main items of ERE we could mention:

- Staff payments, social and health security payments, income taxes, about which our institution liquidified all the obligations even from the electronic system" Real time obligations to which we are not debtors or with fines.
- Publications to inform the public opinion are realized implementing Law no. 43/2015, dated 30.4.2015 "On Power Sector" and no.102/2015 'On Natural Gas Sector'.
- Payment to liquidate the services such as water, electricity, telephone for which our institution is not a debtor, necessary service expenses to maintain the work as well as and the deppreciation of the fixed tangible assets, etc.
- The payments to comply the engagements as a member country in a series of important international organizations of the power sector such as MEDREG, ERRA, IGU, CEER.

Even for 2020 ERE economic-financial activity implementing the provisions of article 17 of Law no.43/2015, is audited by licensed accounting experts registered and licensed for this activity according to the law no.10091, of date 05.03.2009 "On legal auditing, organization of the accounting experts profession registered accounting experts and accredited accountants". Annex 1 of this report submits the respective report of the accounting experts regarding financial progress of ERE during 2020 as well as Annex 2 submits the performance report, which are immediaely submitted after their approval from the independent audits.

ERE Budget is approved with Decision no.81, dated 29.03.2021. It takes into consideration the requirements for ERE operation durign 2021.

In details this budget is submitted on the following table.

BUDGET FOR 2020

No,	Name	Amount
I	**COHERENT EXPENSES**	**235,586,800**
	Staff wages	150,600,000
	Other operational expenses and expenses for third party services	19,500,000
	Depreciation Expenses	6,000,000
II	**INVESTMENTS**	**5,460,000**
	Total of the expected expenses for 2021	**241,046,800**

ANNEX 1 Audit Report of Financial Statements

ANNEX 2 Performance Report