



REPUBLIKA E SHQIPËRISË

**ENERGY REGULATOR AUTHORITY  
BOARD**

**DECISION**

**No. 02, Dated 22.01.2024**

**ON**

**OPENING THE PROCEDURE TO APPROVE THE “METHODOLOGY  
FOR CONGESTION INCOME DISTRIBUTION BETWEEN ALBANIA AND  
KOSOVO”**

Based on article 16 of law no.43/2015 “On Power Sector” as amended; point 3.5 of Council of Ministers Decision no. 519, dated 13.07.2016 “*On the approval of the electricity market model*” as amended; article 3, point 8 of the *Regulation on the requirements and procedures for designation of Nominated Electricity Market Operator (NEMO) as well as the roles and responsibilities of NEMO and the Electricity Transmission System Operator in market coupling*, approved with ERE Board decision no.40, dated 06.03.2020; articles 15 and 19 of the *Regulation for ERE Organization, Operation and Procedures* approved with ERE Board decision no.96, dated 17.06.2016; as well as the *Framework agreement on market coupling between Albania and Kosovo electricity markets*, dated 21.10.2021, signed between the Energy Regulator Authority (ERE), Energy Regulatory Office of Kosovo (ERO), Transmission System Operator (TSO) company and Transmission System Market Operator of Kosovo (KOSTT) company; ERE Board on their meeting dated 22.01.2024, after reviewing the report Protocol no.175, dated 17.01.2024 prepared by the Working Group “On opening the procedure to approve the “*Methodology for congestion income distribution between Albania and Kosovo and the backup procedures for the Albania-Kosovo electricity day ahead market coupling*”

**Observed that:**

- Pursuant to Article 6.4, subsection (h) of the Framework Agreement, the Regulators shall approve, among other things, the *Methodology for congestion income distribution*, proposed by NEMO, TSO and KOSTT.
- TSO Company with official letter Protocol no. 6250, dated 06.12.2023, protocolled at ERE with Protocol no. 2070/1, dated 07.12.2023, submitted at ERE the "Proposal for the approval of the “*Methodology for congestion income distribution between Albania and Kosovo*”.

- This methodology was drafted in accordance with law no. 43/2015 "On Power Sector" as amended, ensuring the follow-up of transparent, non-discriminatory, competitive procedures, increasing the integration of the domestic market and ensuring the electricity supply.
- This Methodology aims to regulate the way of congestion income distribution for (I) Bidding areas of Albania and Kosovo and interconnectors between Albania and Kosovo where congestion incomes are collected, (II) Congestion incomes that come from the allocation of capacities based on the coordinated NTC approach and (III) Congestion incomes that come from the allocation of capacities in the day-ahead timeframe.
- The “*Methodology for congestion income distribution between Albania and Kosovo*” has meanwhile been approved by the Energy Regulatory Office of the Republic of Kosovo with ERO board decision V\_1767 \_2023, dated September 21, 2023.
- The drafted act is structured in two parts, where the first part of the methodology defines the purpose and object, the legal basis on which this methodology was drafted, definitions and interpretations, as well as the process and calculation of congestion income. In the second part of the methodology, the principles for congestion income distribution, the publication of data, the implementation of the methodology and the language used in it, are defined.
- The methodology for Congestion Income Distribution CID aims to regulate the way of congestion income distribution for:
  - The bidding areas of Albania and Kosovo and the interconnectors between Albania and Kosovo where congestion incomes are collected;
  - Congestion incomes resulting from capacity allocation based on the coordinated NTC approach;
  - Congestion incomes that come from the allocation of capacities in the day-ahead timeframe.
- In this methodology, the principles for Congestion Income Distribution are determined, where TSO and KOSTT shall receive their share of net border income based on a 50%-50% sharing key, obliging them to publish the required information for the transparency of the Congestion Income Distribution, for each fragment of the Market Time Unit and at least on a monthly basis.

For all of the above mentioned, ERE Board

**Decided:**

1. To open the procedure to approve the *Methodology for congestion income distribution between Albania and Kosovo*.
2. Tariff and Prices Directory shall inform the interested parties about ERE Board decision.

This decision enters immediately into force.

Any party involved in this procedure may request from ERE, - within 7 calendar days from the date of the decision, to review the board decision if it has provided new evidence that could lead the board to obtain a decision different from the previous one or for material errors ascertained. This decision can be appealed in the Administrative Court of Tirana, within 30 calendar days from the day of publication in the Official Gazette.

This decision shall be published on the Official Gazette.

**ERE CHAIRMAN**

**Petrit AHMETI**