



REPUBLIKA E SHQIPËRISË
**ENERGY REGULATORY AUTHORITY
BOARD**

DECISION

No. 45, Dated 27.02.2025

**ON
THE IMPLEMENTATION OF THE 15-MINUTE TIME INTERVAL IN THE
OPERATION OF BALANCING MARKET PROCESSES**

Based on article 16, point 5 of Law no.43/2015 “*On Power Sector*” as amended; as well as article 15 of the *Regulation for ERE Organization, Operation and Procedures*, approved with Energy Regulatory Authority (ERE) Board decision no. 96, dated 17.06.2016; ERE Board on their meeting dated 27.02.2025, after reviewing the report Protocol no. 1203, dated 25.02.2025, prepared by the Technical Directories “*On the implementation of the 15-minute time interval in the operation of balancing market processes*”,

Observed that:

- ERE Board with decision no. 106, dated 02.07.2020, approved the Albanian Electricity Balancing Market Rules. From the adoption of these rules until 1 April 2021, a “Dry Run” exercise period was carried out for the application of the rules in the balancing market, during which 1-hour resolution was used.
- ERE Board with decision no. 51, dated 02.04.2024 partially accepted the request of TSO company defining that the processes including the nominations and the respective calculations of the imbalances to be carried out with a time interval of 1 hour for until July 1, 2024.
- However, three of the four balancing service providers (KESH company, Devoll Hydropower/Statkraft and Ayen AS Energy) reported technical impossibility to implement the 15-minute resolution, requesting time for technological adaptation and regional harmonization. For this reason, ERE, with decision no. 148, dated 25.07.2024, postponed the legal effects of the initial decision until 1 March 2025, giving the parties time for the necessary technical and operational preparations. Following this decision-making, referring to the respective correspondence and hearing sessions, it results that:

1. Implementation of the Decision

- TSO company started testing for the implementation of the 15-minute interval on January 1, 2025 (TSO company official letter dated 17.10.2024). This process would be preceded by a technical presentation with the responsible balancing parties to ensure a successful transition in the operation of the Balancing Market.

2. The Reactions of Market Participants to the Implementation

- AREA Association, in its official letter dated 30.10.2024, emphasized that over 10 years of experience with HPPs and a one-year study with 60 producers revealed production forecasting errors ranging from 10% to 40%. The Association emphasized that the lack of a platform for measuring imbalances and grid outages hinders the accuracy of forecasts and increases costs.
- FTL company, with official letter dated 13.11.2024, clarified that the nomination and imbalance calculation processes will continue with one-hour intervals until March 2025, while the implementation of the 15-minute interval will begin thereafter.
- AAES, with official letter dated 27.11.2024, requested from ERE to postpone the implementation, arguing the lack of technical conditions for operation in this system. In addition to the lack of platforms for 15-minute energy management, concerns about higher supply prices and difficulties in cross-border trade, were the main reasons for this request.
- FTL company with official letter dated 10.01.2025, also requested the postponement of the implementation, emphasizing the increase in forecast errors and imbalance costs during the "Dry Run" tests.

3. Hearing sessions on the Implementation of the 15-Minute Interval

- On 30.01.2025, ERE organized a hearing session with TSO, OSHEE, KESH, AAES, AREA and FTL, where the technical and financial difficulties of implementing the 15-minute interval were discussed. AREA highlighted problems with forecasts, FTL reported increased costs and imbalances, while AAES raised concerns about the lack of experience and synchronization with ALPEX. ERE requested active participation in the tests and a final decision in a subsequent hearing session.
- On 17.02.2025, in the second session with the participation of KESH, DEVOLL HYDROPOWER and AYEN AS, KESH company requested the postponement of the implementation until the end of 2025 due to the necessary investments in SCADA systems. FTL company and AREA supported a postponement of up to 1 year, while DEVOLL HYDROPOWER confirmed readiness for implementation from 1 March 2025.
- Present at the meeting of 27.02.2025, the AREA representative reconfirmed the position previously expressed by AREA during the hearing session.

4. Harmonization with the European Regulatory Framework

- The correspondence to date, along with the hearing session held on February 17, 2025, confirmed that the TSO, electricity market participants (EU), and NEMOs are acting in a coordinated manner to align the energy balancing market with European regulations.
- Functional tests for market integration were completed on 31.01.2025.
- The second phase of testing began on 03.02.2025, while tests for market participants are scheduled to start on 07.04.2025.
- After a transitional period, the "Go Live" phase is scheduled for 11.06.2025, with the first energy delivery on 12.06.2025
- These measures aim to ensure compliance with European mechanisms and increase efficiency in the Albanian energy system.

- Alpex and TSO are currently part of the Albania-Kosovo-North Macedonia-Greece market coupling project, making the implementation of EU regulations for the operation of the joint European Day-Ahead market mandatory. In this context, Alpex platform must be technically prepared to enable the implementation of the 15-minute time interval in Day-Ahead market products, in accordance with the standards of the EU countries part of the SDACA system.
- It is evaluated that the extension of the legal effects of ERE decision no. 148, dated 25.07.2024, would enable TSO company and balancing market participants, especially DSOs, to carry out the necessary assessments and interventions for the transition to 15-minute resolution in the future. It is also estimated that TSO should be required to report monthly to ERE and conduct relevant tests with market participants, exchange operators and adjacent TSOs for the implementation of the 15-minute time interval.

For all of the above mentioned, ERE Board

Decided:

1. To extend the legal effects of ERE Board Decision No. 148, dated 25.07.2024, until 11.06.2025.
2. TSO company shall report every 15 (fifteen) days to ERE and conduct relevant tests with market participants, exchange operators and adjacent TSOs for the implementation of the 15-minute time interval.
3. Market Monitoring and Licensee Supervision Directory shall inform the interested parties about ERE Board decision.

This decision shall enter into force immediately.

Any party involved in this procedure may request the Energy Regulatory Authority (ERE) to review the Board's decision within seven (7) calendar days from the date of issuance, provided that new evidence is submitted that may lead the Board to reach a different conclusion; or material errors have been identified. This decision may be appealed before the Administrative Court of Tirana within thirty (30) calendar days from the date of its publication in the Official Gazette.

This decision shall be published in the Official Gazette

ERE CHAIRMAN

Petrit AHMETI