



REPUBLIC OF ALBANIA
MINISTRY OF INFRASTRUCTURE AND ENERGY
NATIONAL AGENCY OF NATURAL RESOURCES

Albania - Renewable Energy Progress Reports 2020-2021

Tirana 2023

Introduction

The Law No 7/2017 of 2.02.2017 “*On promotion of the use of energy from renewable sources*”, is partially aligned with the Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC.

The Ministry of Infrastructure and Energy in collaboration with Energy Community Secretariat has reviewed the Law in force in order to achieve alignment with the EU acquis and has taken the initiative to propose the adoption of a new law in the field of energy from renewable sources in order to repeal Law No. 7/2017 “*For promoting the use of energy from renewable sources*”. The new Law is initiated with the aim to transpose the new Directive 2018/2001 of the European Parliament and Council of December 11, 2018 “*On the promotion of the use of energy from renewable sources*”, amended by subsequent acts dated 05/18/2022 and consolidated on 06/07/2022. The new law is approved with the Decision of Council of Ministers No.387 date 27.12.2022, and it is in process of approval by the Parliament.

The review of this policy also comes as a result of the necessity of adjusting the legislative framework for energy from renewable sources, based on the various recommendations of international organizations, such as: the European Commission, the European Parliament and the Council, as a result of the various problems encountered in practice during the provision of renewable or non-renewable energy sources in an effort to meet the country's energy supply needs, taking into consideration the approach of the last decades in climate and environmental protection and the real risk of insufficient non-renewable sources to meet the needs for energy supply, as well as, finally, considering the global energy crisis also caused by international political factors.

The draft law defines the legal framework for promoting the use of energy produced from renewable sources, also defines binding national objectives and reporting obligations for the contribution of energy from renewable energy sources to the final gross energy consumption, rules for information, statistics, certification, for cooperation mechanisms, for support, rules related to access and operation of networks for renewable energy sources and their connection to the electricity grid, rules for granting, transferring and canceling Guarantees of Origin for energy produced by renewable sources, as well as rules for the integration of self-consumers from renewable energy and energy communities in the electricity sector.

The purpose of the draft law is to create incentive policies to increase the use of renewable energy sources in Albania and to protect them as provided for in the directive 2018/2001 (RED II). The special purpose of this draft law is also to make consumers aware of the great benefit that the use of energy from renewable sources brings to the environment and to their health and, for this reason, this draft law aims to promote and encourage the use of energy from renewable resources. The Renewables Law removes the support schemes in the form of administratively set feed-in tariffs for small renewable generation units up to 2 MW, eolic plants up to 3 MW (only demonstrative projects). Support to Priority Producers shall be granted through competitive process, market based support scheme.

The support for the generation of electricity from renewable sources may take the form of Power Purchase Agreement, A Contract for Difference; or A Contract for Premium. The Ministry may decide that the competitive process is technology-neutral or technology-specific based on (The longer-term potential of a particular technology; The need to achieve diversification of resources; Network constraints and grid stability; System integration costs;)

Align the Albanian legislation with the EU acquis, by transposing the specific directive (EU) 2018/2001, which contains the basic legal regulatory framework for the member states on energy from renewable sources.

- To improve the current regulatory framework in the field of environment and energy from renewable sources.
- To promote the increase in the use of energy from renewable sources to ensure sustainable development in the Republic of Albania, being in accordance with the obligations under the Energy Community Treaty.
- To reduce the import of fossil fuels, the emission of greenhouse gases and protect the environment, in accordance with the international obligations of the Republic of Albania, within the framework of international agreements and treaties.
- Promote the development of renewable electricity and its regional integration as well as facilitate the participation of electricity from renewable sources in it.
- To increase the diversification of energy sources and the security of energy supply in the Republic of Albania.
- Promote the development of rural and isolated areas by improving their energy supply.

In compliance with the National Energy Strategy, and referring to the recommendation of the EU Recommendation 2018/01/MC-EnC requesting Contracting Parties to produce their NECPs in accordance with the Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (hereafter referred to as Governance Regulation). The Policy Guidelines PG 03/2018 of June 2018 on the development of National Energy and Climate Plans under Recommendation 2018/01/MC-EnC provide a good overview of the scope, required content and the timeline of the NECP process for the Contracting Parties of the Energy Community, the National Plan for Energy and Climate (PKEK) 2020 - 2030 was approved, by decision of the Council of Ministers no. 872, dated 29.12.2021. During the period January - April 2022, the draft of the PKEK was revised based on the recommendations of the EnC. In the revised document, it is aimed to reduce final energy consumption by 9.4% compared to 8.4% in the previous version, the share of renewable energy in final energy consumption has increased to 59.4% compared to 54, 4%, while GHG emissions remain at 18.7%.

GHG emission savings (Reduction relat. WEM)	- 18.70%	
GHG emissions [kt CO2eq] as projected with additional measures for 2030		
Demand		4833
Transformation		250.8
Non Energy		5139
		More details see chapter 5, Table 36

Energy Efficiency (Final Energy Consumption reduction relat. WEM)	- 8.40%	
Final energy consumption [ktoe] as projected with additional measures for 2030		
Residential		348.9
Services		195.2
Industry		542.4
Transport		1003.4
Agriculture Forestry		110.5
Fisheries		56
Non energy		70.6

Renewable energy share in final energy demand	54.40%	
RES shares of final energy demand [Percent] as projected with additional measures for 2030.		
* Values over 100% are due to electricity exports.		
RES- Electricity	178.1 %*	More details see chapter 5, Table 40
RES-Transport	34.60%	

		More details see chapter 5, Table 41
	RES-Heating&Cooling	16.60%
		More details see chapter 5, Table 42

Albania proceeded with the implementation of auctions for renewable energy projects and drafted amendments to the existing legislation to provide clarity on the support scheme. Although the electricity sector is almost completely renewable in Albania, additional efforts are needed, in heating and cooling as well as in the transport sector, to reach the overall renewables target.

Support schemes are awarded, based on Decision of the Council of Ministers No 349 of 12.06.2018 “*On the approval of support measures for the promotion of the use of electricity from renewable sources of sun and wind, as well as procedures for selecting projects for their benefit*”, for the promotion of the use of electricity from renewable sources of sun and wind, through a competitive, open, transparent and non-discriminatory process that provides credibility to participants and guarantees the provision of these measures to entities that provide the best conditions for as regards the price of energy, technology used and the way of building the plant.

Photovoltaic Plant of Karavasta

Based on the Decision of Council of Ministers No 349 of 12.06.2018 and the objectives of the former National Consolidated Renewable Energy Action Plan (NCREAP) 2019 – 2021, the Ministry of Infrastructure and Energy completed the bidding procedure for selecting the developer of the project for the construction of a photovoltaic plant in Remas – Karavasta (close to Lushnja area) with an installed capacity of 140 MW, where 70 MW, as part of the support measures (for this capacity there will be a PPA for 15 years) and 70 MW which will not be part of the Support Measures. The winning bidder offered a price of 24.89 euro/MWh, for 15 years. The winner was announced in May 2020. Furthermore, in 2020 was signed the Project Agreement and PPA which is under implementation. The bidder in accordance with the permits received has started with the construction phase.

Photovoltaic Plant of Spitalla

The Ministry of Infrastructure and Energy also completed the bidding procedure for the construction of Spitalla PV Plant during November 2020, with an installed capacity of 100 MW (70 MW, as part of Support Measures and an additional of 30 MW which are not part of Support Measures) in the area of Spitalla, Durres district. The winner offered the price of 29.89 Euro/MWh. The Project Agreement and PPA which are under implementation were signed in

June 2021. The bidder is in process of collecting the permits in accordance with the Contracts signed.

Additional photovoltaic and wind generators

The Ministry of Infrastructure and Energy has announced a competitive procedure for wind electricity generators with an installed capacity from 10 MW to 75 MW. Through this bidding procedure, the Ministry will select projects with a total capacity of 100 MW which will benefit from support measures. The contracting authority may later decide to increase the total tendered capacity up to 150 MW. Potential bidders should identify and propose suitable locations for the design, financing, construction, and operation of the eolic parks. The winners of the auction are selected partially. The process is ongoing. The winner will be selected in 2023.

1. RES progress report according to model report EC

Below, the questions are answered according to Model Report of the EC, by using the provided questions and table structure.

Sectoral and overall shares and actual consumption of energy from renewable sources in 2019-2020

Reference: Article 22 (1)a of Directive 2009/28/EC

The data for the overall share of renewables in the energy consumption of Albania can be found in the table below.

Table 1: The sectorial (electricity, heating and cooling, and transport) and overall shares of energy from renewable sources¹

	2021	2020
RES-H&C ² (%)	21.20%	25.12%
RES-E ³ (%)	94.42%	99.97%
RES-T ⁴ (%)	0%	0%
Overall RES share ⁵ (%)	41.39%	45.01%
<i>Of which from cooperation mechanism⁶ (%)</i>	0	0
<i>Surplus for cooperation mechanism⁷ (%)</i>	0	0

Data: EUROSTAT (Energy balances and SHARES tool for Albania, 2020 and 2021)

Note: Albania energy balances for 2020 and 2021 are published and confirmed by Eurostat with SHARES tool.

Table 1a: Calculation table for the renewable energy contribution of each sector to final energy consumption (ktoe)⁸

	2021	2020
(A) Gross final consumption of RES for heating and cooling	161.59	175.90
(B) Gross final consumption of electricity from RES	573.21	572.43
(C) Gross final consumption of energy from RES in transport	127.12	115.00

¹ Facilitates comparison with Table 3 and Table 4a of the NREAPs.

² Share of renewable energy in heating and cooling: gross final consumption of energy from renewable sources for heating and cooling (as defined in Articles 5(1)b) and 5(4) of Directive 2009/28/EC divided by gross final consumption of energy for heating and cooling. The same methodology as in Table 3 of NREAPs applies.

³ Share of renewable energy in electricity: gross final consumption of electricity from renewable sources for electricity (as defined in Articles 5(1) a) and 5(3) of Directive 2009/28/EC divided by total gross final consumption of electricity. The same methodology as in Table 3 of NREAPs applies.

⁴ Share of renewable energy in transport: final energy from renewable sources consumed in transport (cf. Article 5(1)c) and 5(5) of Directive 2009/28/EC divided by the consumption in transport of 1) petrol; 2) diesel; 3) biofuels used in road and rail transport and 4) electricity in land transport (as reflected in row 3 of Table 1). The same methodology as in Table 3 of NREAPs applies.

⁵ Share of renewable energy in gross final energy consumption. The same methodology as in Table 3 of NREAPs applies.

⁶ In percentage point of overall RES share.

⁷ In percentage point of overall RES share.

⁸ Facilitates comparison with Table 4a of the NREAPs

(D) Gross total RES consumption ⁹	844.76	828.30
(E) Transfer of RES <u>to</u> other Contracting Parties or Member States	0	0
(F) Transfer of RES <u>from</u> other Contracting Parties and 3rd countries	0	0
(G) RES consumption adjusted for target (D)-(E)+(F)	844.76	828.3

Table 1b: Total actual contribution (installed capacity, gross electricity generation) from each renewable energy technology in [Albania] to meet the binding 2020 targets and the indicative interim trajectory for the shares of energy from renewable resources in electricity¹⁰

	2021		2020	
	MW	GWh	MW	GWh
Hydro ¹¹ :	2507	8921.94	2387.00	5280.90
non pumped				
<1MW	39.66	101.23	46.8	71
1MW–10 MW	447.28	1079.37	340	680
>10MW	2120	7371.88	2000.2	4530
pumped				
mixed ¹²				
Geothermal				
Solar:	23	40.77	21	32.27
photovoltaic	23	40.77	21	32.27
concentrated solar power				
Tide, wave, ocean				
Wind:				
onshore				
offshore				
Biomass ¹³ :				
solid biomass				
biogas				
bioliquids				
TOTAL	2530.00	8962.71	2404.08	5313.17
of which in CHP				

Table 1c: Total actual contribution (final energy consumption¹⁴) from each renewable energy technology in [Albania] to meet the binding 2020 targets and the indicative interim trajectory for the shares of energy from renewable resources in heating and cooling (ktoe)¹⁵

	2021	2020
Geothermal (excluding low temperature geothermal heat in heat pump applications)	0	0
Solar	13.59	13.46
Biomass ¹⁶ :		
solid biomass	145.52	160
biogas	0	0

⁹According to Art.5 (1) of Directive 2009/28/EC gas, electricity and hydrogen from renewable energy sources shall only be considered once. No double counting is allowed.

¹⁰ Facilitates comparison with Table 10a of the NREAPs.

¹¹ Normalised in accordance with Directive 2009/28/EC and Eurostat methodology.

¹² In accordance with new Eurostat methodology.

¹³ Take into account only those complying with applicable sustainability criteria, cf. Article 5(1) of Directive 2009/28/EC last subparagraph.

¹⁴ Direct use and district heat as defined in Article 5.4 of Directive 2009/28/EC.

¹⁵ Facilitates comparison with Table 11 of the NREAPs.

¹⁶ Take into account only those complying with applicable sustainability criteria, cf. Article 5(1) last subparagraph of Directive 2009/28/EC.

<i>bioliquids</i>	0	0
Renewable energy from heat pumps: - of which aerothermal - of which geothermal - of which hydrothermal		
TOTAL	159.11	173.46
<i>Of which DH</i> ¹⁷		
<i>Of which biomass in households</i> ¹⁸		

Table 1d: Total actual contribution from each renewable energy technology in [Albania] to meet the binding 2020 targets and the indicative interim trajectory for the shares of energy from renewable resources in the transport sector (ktoe)^{19, 20}

	0	0
Bioethanol/ bio-ETBE		
<i>Of which Biofuels</i> ²¹ Article 21.2		
<i>Of which imported</i> ²²	120	115
Biodiesel (ktoe)		
<i>Of which Biofuels</i> ²³ Article 21.2		
<i>Of which imported</i> ²⁴		
Hydrogen from renewables		
Renewable electricity		
<i>Of which road transport</i>		
<i>Of which non-road transport</i>	120	115
Others (as biogas, vegetable oils, etc.) – please specify		
<i>Of which Biofuels</i> ²⁵ Article 21.2	120	115
TOTAL	0	0

2. Measures taken in the preceding 2 years and/or planned at national level to promote the growth of energy from renewable sources taking into account the indicative trajectory for achieving the national RES targets as outlined in your National Renewable Energy Action Plan. (Article 22(1) a) of Directive 2009/28/EC)

Table 2: Overview of all policies and measures

Measure name and reference	Type of measure	Expected results	Targeted group and /or activity	Existing or planned	Starting date/Completion
MEASURES REGARDING PRIMARY LEGISLATION					
The new law in the on the promotion of energy from renewable sources in order	Regulatory	The new draft-Law is initiated with the aim to transpose the new Directive	MIE, Investors and market operators	Planned	2023

¹⁷ District heating and / or cooling from total renewable heating and cooling consumption (RES- DH).

¹⁸ From the total renewable heating and cooling consumption.

¹⁹ For biofuels take into account only those compliant with the sustainability criteria, cf. Article 5(1) last subparagraph.

²⁰ Facilitates comparison with Table 12 of the NREAPs.

²¹ Biofuels that are included in Article 21(2) of Directive 2009/28/EC.

²² From the whole amount of bioethanol / bio-ETBE.

²³ Biofuels that are included in Article 21(2) of Directive 2009/28/EC.

²⁴ From the whole amount of biodiesel.

²⁵ Biofuels that are included in Article 21(2) of Directive 2009/28/EC.

to repeal Law No. 7/2017 " <i>For promoting the use of energy from renewable sources</i> ".		2018/2001 of the European Parliament and Council of December 11, 2018 " <i>On the promotion of the use of energy from renewable sources</i> ", amended			
Draft Law on Biofuels	Administrative	Use of biofuels for transport	MIE, Distributors and End Users	new	To be completed in 2023
MEASURES REGARDING LEGAL AND REGULATORY FRAMEWORK					
	Regulatory			Existing	Completed

The National Plan for Energy and Climate (PKEK) 2020 - 2030 was approved, by decision of the Council of Ministers no. 872, dated 29.12.2021		The setup of targets for RES up to 2030	MIE, Investors and Market Operators		29.11.2021
Draft Act for Supporting "Contracts for difference"	Regulatory	Request of the Law 7/2017 RESs to be integrated into the power system according to the liberalized market rules.	MIE, Investors	New	The provision will continue beyond 2023 until the market is established.
Draft Act for "Guarantees of Origin" of RES	Regulators and Financials	To exchange RESs to reach the targets in other places they can invest. Request of the Law 7/2017	MIE, ERE, Investors	New	To be completed in December 2023
Draft Act for rules of "Network Access" and "Connection to Network"	Regulatory	Request of the Law 7/2017 Energy produced (ktoe)	MIE, ERE, OSHEE, Investors	New	To be completed December 2023
Biofuels Sustainability Criteria	Administrative	Use of biofuels for transport	MIE, Distributors and End Users	New	To be completed in 2023
Criteria for biofuels verification	Administrative	Energy Savings and Produced Energy (ktoe)	Investors and end-users (industrial)	New	To be completed in January 2023
Studies to identify the RES- Heating & Cooling indicator at the national level	Administrative	Energy identified as RES-Heating & Cooling. Important statistical information	Public or private buildings that are new or existing	New	To be completed January 2023
MEASURES WITH FINANCIAL EFFECTS TO PROMOTE RES					

Receiver's obligation (Operator) to buy energy produced from small HPPs.	Financial	Produced energy (ktoe)	RES Investors, OSSH	Existing	For new projects, the measure will continue beyond 2023
Long-term agreements to purchase energy produced by the current energy produces from RES	Legal Finance Regulatory	Produced energy (ktoe)	RES Investors, OSHEE KESH, OST	Existing	Depending on the existing contracts PPA
Fiscal Supporting policy for the promotion of diversified RES systems (HPP, PV and Eolic)	Finance	Produced energy (ktoe)	RES Investors, OSHEE, KESH, OST	Existing	PPA Contract
Mandatory purchase of energy through CfD in the market of energy from RES	Legal finance Regulatory	Produced energy (ktoe)	RES Investors, OSHEE, KESH, State Aid	Planned	2020-2023
The obligations who introduce in the market, for transport reasons, liquid combustibles originating from oil, to provide fuel for the motors with oil and diesel, which are mixed with biofuels according to the percentages determined in the existing law for biofuels.	Financial	Production and use of biofuels (ktoe)	Investors MIE/MB/MM and the Offices of the assessment of sustainability criteria	Planned	2020-2023
Zero level of the excise tax for clean biodiesel until 2023	Financial	Identical	Trading investors and public administration	Existing	2020-2023
The supervision of biofuels quality from the Technical State Inspectorate and the Offices of the assessment of sustainability criteria	Administrative	Use of biofuels for transport	Distributors and final users	Planned	2020-2023
The approval of the policies and measures for the increase of solar energy in buildings for water heating	Administrative	Energy produced from NUED systems	Public or private buildings constructed from the beginning or the existing ones	Existing	2020-2023

Financing through the grants from RES Fund for the heating and cooling projects in agriculture sector using biomass.	Financial	Energy produced from biomass	Agricultural sector	Planned	2020-2023
Firewood processing	Financial	Thermal energy	Environment sector	Planned	2020-2023

* Indicate if the measure is (predominantly) regulatory, financial or soft (i.e. information campaign).

**Is the expected result behavioural change, installed capacity (MW; t/year), energy generated (ktoe)?

***Who are the targeted persons: investors, end users, public administration, planners, architects, installers, etc? or what is the targeted activity / sector: biofuel production, energetic use of animal manure, etc.)?

**** Does this measure replace or complement measures contained in Table 5 of the NREAP?

2.a Please describe the progress made in evaluating and improving administrative procedures to remove regulatory and non-regulatory barriers to the development of renewable energy. (Article 22(1) e) of Directive 2009/28/EC).

A list of the existing legislation and if possible, the regional legislation on the procedures of authorization, certification and licensing and territorial planning applied to plants and their power transmission and distribution to the network infrastructure.

Relevant applicable legislation in the energy sector

- Law No. 7/2017 On renewable energy sources provides: Access to the grids, Article 12, Connection to the grids Article 13, and Cost for grid system connection and capacity expansion (Article 14).

RES Law is to facilitate the harnessing of Albania's significant renewable energy resources, in particular in the area of hydroelectric plants, biomass and biofuel resources. Through the Energy Community, Albania has set a binding target of 38% of its gross final energy consumption to be fulfilled from renewable energy by 2020, which is an ambitious target compared to 33.1% in 2014, mostly due to the increase of final energy consumption. Specifically, the RES Law will introduce a renewable energy support scheme for electricity based on Contracts for Difference ("CfDs"), which takes into account the creation of a competitive day-ahead electricity market.

- Law no. 43/2015, dated 30.04.2015 "On power sector" sets out the main principles for the energy sector development, including RES power plants and the transmission and distribution networks. Law transposes the EU Directive 2009/72 on electricity and repealing the previous law on electricity (Law no. 40/2015, dated 22.05.2003). This law also includes the requirements and criteria for granting a license to carry out an activity in energy sector. The law also includes a number of specific provisions regulating the construction of a direct line or of a commercial interconnection line.

The Energy Strategy addresses new laws, regulations and institutional reforms currently underway in Albania, including incentives for EE and RES, electricity tariff reform, market development and integration with EU and regional markets.

Specific applicable legislation in the sector of RES

- Law no. 9876, dated 14.02.2008 amended "On production, transport and trade of bio-fuels and other renewable fuels for transport", as amended, sets out the legal framework for granting permits for the production, wholesale and retail of bio-fuels and other renewable fuels, for the purpose of transport.

2.b Please describe the measures in ensuring the transmission and distribution of electricity produced from renewable energy sources and in improving the framework or rules for bearing and sharing of costs related to grid connections and grid reinforcements. (Article 22(1) f) of Directive 2009/28/EC).

The law on power sector (Article 29) provides for that operators of transmission and distribution system ensure access to the network for all clients and users of the system, on transparent and non-discriminatory basis and at ERE approved and published tariffs. The same article foresees that producers who produce energy from renewable sources, have priority access to the grids.

The new law on renewable energies (article 12/13) provides for that transmission and distribution of electricity produced from renewable energy resources are guaranteed, except in emergency situations defined in the law on energy sector or in the transmission and distribution codes. In the course of the dispatch of power generation plants, the Transmission System Operator will attach priority to power generation installations to the extent that allows safe operation of the national electricity system and based on transparent and non-discriminatory criteria.

Currently, all existing producers of electricity in Albania rely on hydropower, therefore no priority is attached to the generating installations. Furthermore, the transmission system operation is carried out by an independent operator of the transmission system that dispatches the producers based on market rules. As for producers connected to the distribution network, existing legislation guarantees their access to the network, unless there is a security problem with the functioning of the network.

3. Please describe the support schemes and other measures currently in place that are applied to promote energy from renewable sources and report on any developments in the measures used with respect to those set out in your National Renewable Energy Action Plan. (Article 22(1) b) of Directive 2009/28/EC).

Support schemes for new and existing small hydropower plants with a capacity of up to 15 MW are in force since 2007. The Albanian government has recently passed a resolution in July ("**DCM 349/2018 on RES Support Schemes**"), designating the means for promoting the use of energy generated from solar and wind power plants and which stipulates the procedures for electing the eligible projects to benefit from such means.

According to the 2017 RES Law, *feed-in-premium tariffs* for renewables with over 2 MW of installed capacity should be granted through a competitive auction process, on non-discriminatory, clear and transparent basis. Notably, the CfD will not apply to small RES facilities (i.e. projects with an installed capacity up to 2MW and 3MW in solar and wind energy respectively), as these projects are supported by separate measures.

It is suggested that **Table 3** is used to provide more detailed information on the support schemes in place and the support levels applied to various renewable energy technologies. Contracting Parties are encouraged to provide information on the methodology used to determine the level and design of support schemes for renewable energy.

Table 3: Support schemes for renewable energy

RES support schemes year n (2021)		Per unit support	Total (M€)*
[(sub) category of specific technology or fuel]			
Instrument	Obligation/quota (%)		

(provide data as relevant)	Penalty/Buy out option/ Buy out price (€/unit)			
	Average certificate price			
	Tax exemption/refund			
	Investment subsidies (capital grants or loans) (€/unit)			
	Production incentives			
		Feed-in tariff Hydropower up to 15MW	60.18 (Euro/MWh)	27 (M€)
		Feed-in tariff solar PV up to 2MW	97.21 (Euro/MWh)	3.5 (M€)
		Feed-in tariff Wind up to 3MW	75.64 (Euro/MWh)	1 (M€)
		Feed-in premiums		
		Tendering		
Total annual estimated support in the electricity sector				
Total annual estimated support in the heating sector				
Total annual estimated support in the transport sector				
* The quantity of energy supported by the per unit support gives an indication of the effectiveness of the support for each type of technology				

In this regard, the policies for addressing the support schemes or the subsidy mechanisms are mainly oriented to promotion of the electricity production from RES. This policy is in compliance with the national target of reaching 38% of gross final energy consumption from RES by 2020.

Law 7/2017 “On promoting the use of energy from renewable sources (RES)” provides for the establishment of two types of financial support for RES-E:

- **The "Feed-in-Tariff"**, this is the legal financial support scheme for the purchase price of the energy produced by RES with limited generating capacity up to 2 MW for PV plants and up to 3 MW for wind farms. These projects are approved by the Minister according to the procedures of DCM 822/2015, as amended “*On the approval of the rules and procedures for construction of the new electricity production capacities, which are not object of concession*” amended . The methodology approved by DCM 369, dated 26.4.2017 “*On the approval of the methodology for the determining the price of the purchase of the electricity produced from small renewable sources from the sun and wind*”, provides the approval from ERE of the fixed price that the producer will sell to OSHEE for 15 years.
- **“Contract for difference”**, the contract for difference support is based on a variable remuneration, calculated as the difference between the price at which the renewable energy producer is declared the winner in the competitive bidding process (fixed price) and the electricity market price (reference price), for with installed generating capacity over 2 MW for PV plants and over 3 MW for wind farms.

The methodology of support schemes, according to the capacity of the RES plant, is approved by DCM 369/2017 based on the law no. 7/2017 “For the promotion of the using of the energy from the renewable sources (RES)”.

- For PV plants of a capacity of up to 2MW there are applied the support schemes with adjusted feed-in tariff (FiT). For the year 2017 the price has been 100 €/ MWh. For the year 2018 and on this price has been revised at 71.2 Euro/MWh. For the year 2021 the price is 97.21 (Euro/MWh).
- For the installed capacities of above 2MW the auction support scheme is applied based on CfD (Contracts for Difference) which proved to be attractive for the interested investors. This scheme has

proved to be successful and the experience gained shall serve as a base to orient the pricing policies of such technologies in the future.

- For the wind energy plants of a capacity up to 3MW the support schemes are based on an adjusted feed-in-tariff (FiT). For 2017 the price has been set at 76 €/MWh and there is no other decision from the ERE for 2018-2020. For the installed capacities over 3MW the auction support scheme must be applied which and being provided through a CfD. An auction for wind capacity has been launched in the second quarter of 2021.
- For small hydropower plants up to 15 MW, the regulator is setting a FiT price each year promote the RES energy production capacities /works, as a direct commitment to subsidize clean energy, versus imports which are considered as energy of fossil origin as a mechanism to reach the target of 38% of net contribution of RES to the final consumption by end of 2020.

According to the OSHEE, the data for the year 2019 the electricity being produced from PV plants represents approximately 0.43% of the total domestic production or 0.29% of the total electricity consumption for this year. In 2019 there is no contribution from the wind farms despite a considerable number of permissions being approved (the 2019 is the first year the other sources of renewables are contributing to the net domestic production of electricity).

3.1. Please provide the information on how supported electricity is allocated to final customers for purposes of Article 3 (6) of Directive 2003/54/EC. (Article 22(1)b of Directive 2009/28/EC).

The Renewable Energy Law also obliges the network operators to connect with priority all renewable energy producers to the closest point of the grid. As regards connection costs, the Renewable Energy Law provides that these shall be borne by the producer, except for the cases when the connection cost is borne by the grid operator or through private investments, pursuant to the provisions of the Power Sector Law.

"Feed in Tariff"

Establishment of FiT tariff "Feed-in-Tariff", which consists of a financial support for producers with priority electricity, through the purchase of electricity, at a fixed price, for a period of 15 years;

"feed-in-tariff" Tariff, photovoltaic power generation plants, with installed capacity up to 2MW (71.2 Euro/MWh). Wind power plants with installed capacity up to 3MW (76 Euro/ MWh) and HPP up to 15 MW (50.36 Euro/MWh).

"Contract for difference"

The contract for difference support is based on a variable remuneration, calculated as the difference between the price at which the renewable energy producer is declared the winner in the competitive bidding process (fixed price) and the electricity market price (reference price).

4. Please provide information on how, where applicable, the support schemes have been structured to take into account RES applications that give additional benefits, but may also have higher costs, including biofuels made from wastes, residues, non-food cellulosic material, and lingo-cellulosic material?) (Article 22 (1)c of Directive 2009/28/EC).

Financial support might be classified in different ways. Such examples are: financial support for investment, capital grants, loans with low interest, the exclusion from the taxes or their reduction, tax reimbursement, tendering schemes, obligations for renewable tariffs with or without green certificates

(tradable green certificates), promoting tariffs (feed in), promoting rewards, voluntary schemes. Support schemes for the promotion of renewable energy sources have so far been structured primarily to enable production and provide grid access for renewable electricity, not for secondary purposes or benefits.

Financial support for bio-fuels used for transport is provided through the exclusion from the taxes. Pursuant to article 10 of law on bio fuels, from the period when the law enters into force and until 2018, the excise tax for these products will be zero.

The project supports the implementation of activities in the area of RERS promotion process:

1. Encouraging the concept of community energy based on RES and
2. Support to the implementation of the second RES auction.

In practice, none of the schemes has been implemented, thus causing further delays in implementing the new legislation, mainly for the following reasons:

Finally, the actual implementation of the 2017 RES Law will highly depend on the real willingness of the Albanian government to promote RES.

5. Please provide information on the functioning of the system of guarantees of origin for electricity and heating and cooling from RES, and the measures taken to ensure reliability and protection against fraud of the system. (Article 22(1)d of Directive 2009/28/EC).

Currently in Albania there is still no market for warranties/certificates of origin (e.g. as part of the sales of energy green certificates (produced from renewable sources). Detailed promotions of the guarantee/certificate of origin under the law on RES are set out in Articles 16, 17 and 18.

Referred of *the law on RES*, ERE will supervise the issuance, transfer and cancellation of guarantees of origin in accordance with the provisions of the regulation issued under paragraph 9 of this article.

Guarantees of origin are issued based on comprehensive data and correct information to certify the origin of electricity supplied by the manufacturer and certified measurement data from network system operator. Guarantees of origin are issued only if the producer provides all the information required under paragraph (2) of the Article 16 of *the law on RES*.

Any use of the guarantee of origin is made within 12 months of production of the corresponding energy unit. The guarantee of origin is canceled after use.

6. Please describe the developments in the preceding 2 years in the availability and use of biomass resources for energy purposes. (Article 22(1) g of Directive 2009/28/EC).

Biomass is one of the most *used* sources of energy in Albania – mainly in the form of firewood, combined in some cases with shrubs and waste of the plans from the agricultural sector. Albania current use of woody biomass exceeds annual forest growth increment by 46%. Thinning of forests should be promoted to facilitate the growth of high value wood, and increase biomass supply with the resulting residue. Change in structure of use of woody biomass is needed to ensure sustainability.

In Albania, current biomass use relies mainly on high-value stem wood—structure of the use should be a move toward more use of forest residues (logging residues, thinning). The potential for energy crops should be further explored and would require concentrated effort for years to bring to markets. In Albania, 18% of agricultural land is not currently used. Supply infrastructure and biomass fuel markets

need to be developed. In Albania, the density of forest road networks is lowest in the W-B (82% below optimum). An annual investment into forest logistics infrastructure of approximately EUR 1.7 M through next 15 years would be needed. For the markets, development of biomass logistics and trade centers would be key.

The remains which have fallen by the trees and the woods of poor quality are mainly used. The waste of biomass from agriculture is not used widely and usually it is destroyed right in the spot. The use of bio-gas is not developed, despite the available resources. It is important to consider that the majority of the heating equipments which are used – the stoves and the chimneys – are old and inefficient, with heat loss up to 40-50%.

The heating through the radiators with high efficiency for the local systems is underdeveloped. The assessments of the updated energy strategy indicate a considerable potential for extraction and exploitation of biomass in Albania from forestry, agriculture and livestock (for bio-gas production).

Table 4: Biomass supply for energy use

	Amount of domestic raw material (*)		Primary energy in domestic raw material (ktoe)		Amount of imported raw material from EU (*)		Primary energy in amount of imported raw material from EU (ktoe)		Amount of imported raw material from non EU(*)		Primary energy in amount of imported raw material from non EU (ktoe)	
	2021 Year n-1	2020 Year n-2	2021 Year n-1	2020 Year n-2	2021 Year n-1	2020 Year n-2	2021 Year n-1	2020 Year n-2	2021 Year n-1	2020 Year n-2	2021 Year n-1	2020 Year n-2
Biomass supply for heating and electricity:												
Direct supply of wood biomass from forests and other wooded land energy generation (fillings etc.)**	829860.103	915707.7	145	160								
Indirect supply of wood biomass (residues and co-products from wood industry etc.)**	33400	30046.66	8.34	7.5								
Energy crops (grasses, etc.) and short rotation trees (please specify)	0	0	0	0								
Agricultural by-products /processed residues and fishery by-products **	73987.34	70967.34	12.93	12.4								
Biomass from waste (municipal, industrial etc.) **	0	0	0	0								
Others (please specify)	0	0	0	0								
Biomass supply for transport:												
Common arable crops for biofuels (please specify main types)	0	0	0	0								
Energy crops (grasses, etc.) and short rotation trees for biofuels (please specify main types)	0	0	0	0								
Others (please specify)	0	0	0	0								

* Amount of raw material if possible in m³ for biomass from forestry and in tones for biomass from agriculture and fishery and biomass from waste

** The definition of this biomass category should be understood in line with table 7 of part 4.6.1 of Commission Decision C (2009) 5174 final establishing a template for National Renewable Energy Action Plans under Directive 2009/28/EC

Table 4a. Current domestic agricultural land use for production of crops dedicated to energy production (ha)

Land use	Surface (ha)	
	2021 Year n-1	2020 Year n-2
1. Land used for common arable crops (wheat, sugar beet etc.) and oil seeds (rapeseed, sunflower etc.) (Please specify main types)	0	0
2. Land used for short rotation trees (willows, poplars). (Please specify main types)	0	0
3. Land used for other energy crops such as grasses (reed canary grass, switch grass, Miscanthus), sorghum. (Please specify main types)	0	0

7. Please provide information on any changes in commodity prices and land use within your Contracting Party in the preceding 2 years associated with increased use of biomass and other forms of energy from renewable sources? Please provide where available references to relevant documentation on these impacts in your country. (Article 22(1) h) of Directive 2009/28/EC).

There was no evidence of an increase in commodity prices as a result of the use of biomass and other forms of energy from renewable sources.

8. Please describe the development and share of biofuels made from wastes, residues, non-food cellulosic material, and lingo cellulosic material. (Article 22(1) i) of Directive 2009/28/EC).

Table 5: Production and consumption of Art.21(2) biofuels (Ktoe)

Article 21(2) biofuels ²⁶	2021 Year n-1	2020 Year n-2
Production – Fuel type X (biodiesel) (ktoe)	115	115
Consumption – Fuel type X (biodiesel)	115	115
Total production Art.21.2.biofuels	115	115
Total consumption Art.21.2. biofuels	115	115
% share of 21.2. fuels from total RES-T	5.7.0%	6.0%

9. Please provide information on the estimated impacts of the production of biofuels and bioliquids on biodiversity, water resources, water quality and soil quality within your country in the preceding 2 years. Please provide information on how these impacts were assessed, with references to relevant documentation on these impacts within your country. (Article 22 (1) j) of Directive 2009/28/EC).

Currently no information on estimated impacts of the production of biofuels.

10. Please estimate the net greenhouse gas emission savings due to the use of energy from renewable sources (Article 22 (1) k) of Directive 2009/28/EC).

For the calculation of net greenhouse gas emission savings from the use of renewable energy, the following methodology is suggested:

- *For biofuels: In accordance with Article 22(2) of Directive 2009/28/EC.*
- *For electricity and heat it is suggested to use the EU wide fossil fuel comparators for electricity and heat as set out in the report on sustainability requirements for the use of solid and gaseous biomass*

²⁶ Biofuels made from wastes, residues, non-food cellulosic material, and lignocellulose material.

sources in electricity, heating and cooling²⁷, if no later estimates are available. If a Contracting Party chooses not to use the suggested methodology for estimating the net greenhouse gas emission savings, please describe what other methodology has been used to estimate these savings.

Albania has ratified both the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol with the status of a Non-Annex 1 Party. In the International Climate Change talks Albania has associated with European Union positions and within the restrictions of being a Non Annex I party committed to implement 'National Appropriate Mitigation Actions' - NAMAs.

Albania's contribution to the global greenhouse gas emissions is relatively low, estimated at an average of 9.4 million ton/year of CO₂ eqv. This is because over 95 percent of Albania's electricity is produced from hydro sources and high energy intensity industries are no longer operating. This would also mean that Albania's greenhouse gas emissions allows to have a smooth trend of achieving 2 tons of greenhouse gas emissions per capita by 2050, which can be taken as a target for global contraction and convergence of greenhouse gas emissions.

The contribution of renewable energy sources in the reduction of emissions of greenhouse gases, has been made, so-called avoided CO₂ emissions due to the use of renewable energy instead of fossil fuels. The avoided emissions are determined in a manner that the amount of electricity from renewable energy sources, the amount of renewable energy for heating and cooling and renewable energy in the transport, is replaced by fossil fuels and their respective CO₂ emissions.

Table 6: Estimated GHG emission savings from the use of renewable energy (t CO₂eqv)

Environmental aspects	2021 Year n-1	2020 Year n-2
Total estimated net GHG emission saving from using renewable energy²⁸	8741336	8570961
- Estimated net GHG saving from the use of renewable electricity	3076554	1822232
- Estimated net GHG saving from the use of renewable energy in heating and cooling	4865508	5297583
- Estimated net GHG saving from the use of renewable energy in transport	799274.4	624926

11. Please report on (for the preceding 2 years) and estimate (for the following years up to 2020) the excess/deficit production of energy from renewable sources compared to the indicative trajectory which could be transferred to/imported from other Contracting Parties, Member States and/or third countries, as well as estimated potential for joint projects until 2020. (Article 22 (1) l, m) of Directive 2009/28/EC).

Table 7: Actual and estimated excess and/or deficit (-) production of renewable energy compared to the indicative trajectory which could be transferred to/from other Contracting Parties, Member States and/or third countries in [Contracting Party] (ktoe)^{29, 30}

	2013 Year n-2	2014 Year n-1	2015	2016	2017	2018	2019	2020	2021
Actual/estimated excess or deficit production (Please distinguish per type of renewable energy and per origin/destination of import/export)	deficit (-)	deficit (-)	deficit (-)	deficit (-)	deficit (-)				

²⁷ Report available on: http://ec.europa.eu/energy/renewables/transparency_platform/doc/2010_report/com_2010_0011_3_report.pdf.

²⁸ The contribution of gas, electricity and hydrogen from renewable energy sources should be reported depending on the final use (electricity, heating and cooling or transport) and only be counted once towards the total estimated net GHG savings.

²⁹ Please use actual figures to report on the excess production in the two years preceding submission of the report, and estimates for the following years up 2020. In each report Contracting Party may correct the data of the previous reports.

³⁰ When filling in the table, for deficit production please mark the shortage of production using negative numbers (e.g. -x ktoe).

There is no planned transfer to/from other Contracting Parties, Member States and/or third countries.

11.1. Please provide details of statistical transfers, joint projects and joint support scheme decision rules. If a Contracting Party decided to implement Article 8 and/or 9 of the Ministerial Council Decision it should report on the measures taken to arrange for an independent external audit, in accordance with Article 13 of Ministerial Council Decision.

There is no planned use of statistical transfers or participation in joint projects and joint support scheme decision rules.

12. Please provide information on how the share for biodegradable waste in waste used for producing energy has been estimated, and what steps have been taken to improve and verify such estimates. (Article 22(1)(n) of Directive 2009/28/EC).

No information.