

## The implementation of Clean Energy Package in Albania

- Albania has already **fully transposed** electricity market rules stemming from the **EU Third Energy Package** and has reached a good progress in their practical implementation through legislative developments, sectoral reforms, and gradual opening of the electricity market.
- Transmission and distribution system operators are **fully unbundled** and act independently from any market interests in electricity production and/or supply.
- Competitive **balancing and ancillary services market** is already in operation as organised by the transmission system operator OST sh.a pursuant to ERE's adopted market rules. Extending the scale of market-based electricity trading is expected to increase the so far limited liquidity thereof.
- All electricity consumers in Albania are eligible to choose and switch their supplier. Gradual opening of the electricity market scheduled by the CoM is expected to result in **full market opening** in 2024.
- Albanian **power exchange ALPEX**, established together with the transmission system operator of Kosovo, undergoes training and testing operations. ALPEX went live on 12 April 2023.
- Albania is getting ready for transposition and implementation of the **new electricity market design** elaborated under the **EU Clean Energy Package** and electricity network codes, which is due by the end of 2023.
- Albania's national legislation is **fully aligned** with Regulation (EC) No 714/2009 of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity. Provisions of the Regulation are domestically transposed via Law no. 43/2015, dated 30.04.2015, "On the Electricity Sector", the Electricity Market Model adopted by CoM Decision no. 519, dated 13.07.2016, (as amended) electricity market rules and network codes adopted by ERE, and other bylaws implementing Law no. 43/2015 as adopted by CoM, MIE, and ERE. Regulation (EC) No 714/2009 is repealed by Regulation (EU) 2019/943, full transposition is foreseen within 2024.
- Albania's national legislation is partially aligned with Directive (EU) 2019/944 of 5 June 2019 on common rules for the internal market for electricity. Partial alignment is ensured only within the regulatory scope of the Directive, which coincides with electricity market rules previously established by the EU Third Energy Package, inter alia, through Directive 2009/72/EC. New electricity market design introduced by the EU Clean Package and namely – Directive (EU) 2019/944 and Regulation (EU) 2019/943 – is yet to be transposed

and implemented. National transposition of the Directive in Albania will take place through amendments to Law no. 43/2015, dated 30.04.2015, “On the Electricity Sector”, the Electricity Market Model adopted by CoM Decision no. 519, dated 13.07.2016, electricity market rules and network codes adopted by ERE, and other bylaws implementing Law no. 43/2015 as adopted by CoM, MIE, and ERE. Major legislative developments are envisaged with regard to the necessary introduction of new electricity market concepts and segments, which currently remain missing in Albania, including energy storage, aggregation, active customers, citizen energy communities, etc. Directive (EU) 2019/944 full transposition is foreseen within 2024.

- Albania’s national legislation is partially aligned with Regulation (EU) 2019/943 of 5 June 2019 on common rules for the internal market for electricity. Partial alignment is ensured only within the regulatory scope of the Regulation, which coincides with electricity market rules previously established by the EU Third Energy Package, inter alia, through Regulation (EC) No 714/2009. New electricity market design introduced by the EU Clean Package and namely – Directive (EU) 2019/944 and Regulation (EU) 2019/943 – is yet to be transposed and implemented. National transposition of the Regulation in Albania will take place through amendments to Law no. 43/2015, dated 30.04.2015, “On the Electricity Sector”, the Electricity Market Model adopted by CoM Decision no. 519, dated 13.07.2016, electricity market rules and network codes adopted by ERE, and other bylaws implementing Law no. 43/2015 as adopted by CoM, MIE, and ERE. Major legislative developments are envisaged with regard to a thorough introduction of electricity network codes in Albania through ERE’s new decisions and amendments to existing network codes; as well as with regard to revised regulation of organised segments of the electricity market, including balancing responsibilities, capacity allocation and congestion management, forward capacity allocation, day-ahead and intraday rules, etc. Regulation (EU) 2019/943 full transposition is foreseen within 2024.
- Albania’s national legislation is fully aligned with “Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators”, “Regulation (EU) 2016/1388 of 17 August 2016 establishing a network code on demand connection”, and “Regulation (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules”. Respective regulatory regimes for grid connection are domestically transposed by:
  - ERE Board Decision no. 129, dated 04.06.2018, “On approval of the Network Code on requirements for grid connection of generators”;
  - ERE Board Decision no. 128, dated 04.06.2018, “On approval of the Network Code on requirements for grid connection of demand”;
  - ERE Board Decision no. 127, dated 04.06.2018, “On approval of the Network Code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules”.

Practical implementation of respective connection rules is ensured through the recast Transmission Code, as adopted by ERE in April 2022, **and new adjustments in the Distribution Code are currently in preparation by DSO.**

- Albania's national legislation is partially aligned with Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing. Provisions of the Regulation are partially transposed through the Electricity Balancing Market Rules adopted by ERE.
- Albania has partially transposed Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (REMIT). ERE approved the Regulation on Wholesale Energy Market Integrity and Transparency, which transposes integrity and transparency rules for wholesale electricity and natural gas markets under the so-called "REMIT Light" model as adapted and adopted for the Energy Community by decision of its Ministerial Council. The currently applicable version of "REMIT Light" model, takes into account that there are no central data collection by the Agency for the Cooperation of Energy Regulators (ACER), no reporting obligations, and the coordination of cross-border investigations is conducted by the Energy Community Regulatory Board (ECRB). The ERE's Regulation on REMIT aims at setting criteria that prohibit abusive practices that may occur and affect energy wholesale markets as well as improves the proper functioning of these markets considering their specific characteristics.
- Albania's national legislation is fully aligned with Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council. Provisions of the Regulation, as adopted by the Permanent High-Level Group of the Energy Community, are fully transposed into Albanian legislation through the Rules on Publication of Electricity Market Fundamental Data, as approved by ERE Board Decision no. 118, dated 27.07.2017.