

Ministry of Infrastructure and Energy
National Agency of Natural Resources

Renewable Energy Coordination Group

***7th Meeting, Vienna, 12
March 2019***

Albania Progress report in the
promotion of RES 2016-2017



Policy

- Development of domestic energy sources, leading to a regional integrated and diversified energy system based on market principles, able to meet demand for energy and for sustainable development of the economy, ensuring security and quality of supply, safety, environmental protection and climate action, and increased welfare at minimum social cost.
- **Renewable Energy Sources (RES):** Assumes that Albania meets its Energy Community Treaty commitments of reaching a 38% renewable energy target in 2020 by implementing the Albanian National Renewable Energy Action Plan.
- Respect Directive 2009/28/EC

Platform

- Introducing RES in a Competitive Platform (Market)
- Restore PPA for concession agreements on SHPP (2020)
- Promote RES technology
- CfD for the ready Electricity Market Liberalization
- FiT for 2 MW installation PV and 3 MW Wind,
- Auction scheme for large Installation (more than 2 MWp pv)
- Net metering scheme on rooftop PV installation
- Guaranty of Origin ERE obligation for RES

Strategy

- Government will ensure that the levels of all renewable energy sources generating electricity offered to the market are manageable within the framework of other electricity sources and the evolving market.
- There is already extensive experience in commissioning small scale hydro projects through concession agreements. Such hydro projects are therefore likely to continue to be the main source of renewable energy projects, building on this experience. However, for solar and wind projects there is little previous experience. The Government has defined the first step the FiT for solar, wind in order to promote the best site and in the same time help to reach the respective targets
- The development of a regional market is likely to lead to greater variation in prices over the day, season (winter-summer) and the benefits of by optimizing the utilization of scale hydro projects with small solar photovoltaic and wind power plants to help balance intermittent solar and wind power will increase significantly benefits and the tariff policy should recognize this.

Legislation

- Law No. 43/2015 "On Power Sector", which was approved by the Albanian Parliament in April 2015;
- New Market Model for the Albanian electricity sector, which was approved by the Council of Ministers Decision no. 519, dated 13.07.2016;
- Decision of ERE no.214, dated 28.12.2017 "On approval of Albanian Electricity Market Rules and Participation Agreement in the Day Ahead Market";
- Law No. 124/2015 "On Energy Efficiency", which was approved in November 2015;
- Law No. 7/2017 "On Renewable Energy Sources", which was approved by the Albanian Parliament in February 2017.
- Decision of Council of Ministers no. 822, date 7.10.2015, On the approval of the rules and procedures for the construction of new generation capacities of electricity, not subject to concession".
- Decision of Council of Ministers no 369, date 26.4.2017 "On approving the methodology for determining the purchase price of electricity produced by small renewable energy sources from sun and wind"
- Decision of ERE no. 120, dated 27.07.2017 "on the determination of prices of electricity produced by small plant PV with installed capacities up to 2 MW and by wind with capacity installed to 3 MW"

Administrative Institutions on RES

MIE is responsible

- Evaluation and reviewing application form:
- HPP and SHPP (concession agreements)
- Pre authorizations and final authorization for the production electricity by RES
- Development auction scheme for large electricity production by PV and Wind farm and others types of Res application.

AKBN is responsible:

- Monitoring the implementation of the National Renewable Energy Action Plan
- Promotion of RES
- Registering the energy balance of all priority energy producers

Support schemes

- Support schemes for new and existing small hydropower plants with a capacity of up to 15 MW are in force since 2007.
- Under the 2017 RES Law, the main promotional measure is a specific form of a feed-in tariff termed contract for difference. The CfD can be characterised as a sliding feed-in-premium system, meaning that renewable energy producers will sell the electricity in the market and receive the variable difference between the auction price and the electricity market price (reference price) as a support measure.
- Power plants below 2 MW which are not subject to the Concession Law are granted an authorization by the Ministry in charge of energy. The Renewable Energy Law provides that the Government shall approve simplified procedures on issuing the necessary authorizations for producers of renewable energy.

RES Data (The sectorial (electricity, heating and cooling, and transport))

	2017	2016
RES-H&C (%)	24.87%	33.83%
RES-E (%)	90.68%	85.97%
RES-T (%)	13.4%	8.6%
Overall RES share (%)	34.57%	37.09%
Of which from cooperation mechanism (%)	0	0
Surplus for cooperation mechanism (%)	0	0

Table for the renewable energy contribution of each sector to final energy consumption (ktoe)

	2017	2016
(A) Gross final consumption of RES for heating and cooling	181.4	205.5
(B) Gross final consumption of electricity from RES	580.0	572.1
(C) Gross final consumption of energy from RES in transport	87.9	92
(D) Gross total RES consumption	761.5	777.6
(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)	761.5	777.6

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Table for total actual contribution (installed capacity, gross electricity generation)

	2017		2016	
	MW	GWh	MW	GWh
Hydro:	2,047	4,525	1913	7,782
non pumped				
<1MW	23.979	53.56	21.75	75.26
1MW–10 MW	252.981	571.10	225.42	1486.09
>10MW	1770.04	3900.51	1665.83	6220.65
pumped				
mixed				
Geothermal				
Solar:				
photovoltaic				
concentrated solar power				
Tide, wave, ocean				
Wind:				
onshore				
offshore				
Biomass:				
solid biomass				
biogas				
bioliquids				
TOTAL	2,047	4,525	1913	7,782
of which in CHP				

Table for Total actual contribution (final energy consumption)

	2017	2016
Geothermal (excluding low temperature geothermal heat in heat pump applications)	0	0
Solar	13.20	12.75
Biomass:		
solid biomass	168	188
biogas	0	0
bioliquids	0	0
Renewable energy from heat pumps:		
- of which aerothermal		
- of which geothermal		
- of which hydrothermal		
TOTAL	181.20	200.75
Of which DH		
Of which biomass in households		

	2017	2016
Bioethanol/ bio-ETBE	0	0
Of which Biofuels Article 21.2		
Of which imported		
Biodiesel (ktoe)	87.9	92
Of which Biofuels Article 21.2		
Of which imported		
Hydrogen from renewables		
Renewable electricity		
Of which road transport		
Of which non-road transport		
Others (as biogas, vegetable oils, etc.) – please specify	87.9	92
Of which Biofuels Article 21.2		
TOTAL	87.9	92

Table for Support schemes for renewable energy

RES support schemes year n (2017)		Per unit support	Total (M€)*	
[(sub) category of specific technology or fuel]				
Instrument (provide data as relevant)	Obligation/quota (%)			
	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	50.35(Euro/MWh)	23.75
		Feed-in tariff solar PV up to 2MW	100 (Euro/MWh)	
		Feed-in tariff Wind up to 2MW	76 (Euro/MWh)	
		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

Table for Biomass supply for energy use

	Amount of domestic raw material (*)		Primary energy in domestic raw material (ktoe)	
	2017 Year n-1	2016 Year n-2	2017 Year n-1	2016 Year n-2
Biomass supply for heating and electricity:				
Direct supply of wood biomass from forests and other wooded land energy generation (fellings etc.)**	961493	1075956	168	188
Indirect supply of wood biomass (residues and co-products from wood industry etc.)**	40062.21	57231.73	7	10
Energy crops (grasses, etc.) and short rotation trees (please specify)	0	0	0	0
Agricultural by-products / processed residues and fishery by-products **	68678.07	68678.07	12	12

Main energy indicators and targets for the National Energy Strategy

	2020	2025	2030
RES (GWH)	8717	9640	10733
RES (ktoe/Meuro)	0.28	0.28	0.29
RES Reduces GHG (Thousands Metric Tons)	5011	5728	6721
RES Target (%)	38	38	38

Thank you

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