

**Fourth Annual Report
under the Energy Efficiency Directive**

ALBANIA

Prepared by: AGENCY FOR ENERGY EFFICIENCY

June 2020

A. Key statistics and indicators

Estimation of key statistics and indicators in 2018	Value	Unit
Total primary energy consumption (*)	2131.86	ktoe
Total final energy consumption (*)	2077.13	ktoe
Final energy consumption – Transport (*)	832.09	ktoe
Final Energy consumption – Industry (*)	415.70	ktoe
Final energy consumption – Households (*)	500.22	ktoe
Final energy consumption – Services (*)	210.64	ktoe
Gross value added by sector – Industry (**)	N/A	mil. EUR
Gross value added by sector – Services (**)	N/A	mil. EUR
Disposable income of households (**)	N/A	mil. EUR
Gross domestic product (GDP) (**)	N/A	mil. EUR
Electricity generation from thermal power plants (***)	0	ktoe
Electricity generation from combined heat and power (***)	0	ktoe
Heat generation from thermal power generation (***)	0	ktoe
Heat generation from combined heat and power plants, incl. industrial waste heat (***)	0	ktoe
Fuel input for thermal power generation (***)	0	ktoe
Passenger kilometres (pkm), if available (**)	N/A	thous. pkm
Tonne kilometres (tkm), if available (**)	N/A	thous. tkm
Combined transport kilometres (pkm + tkm), in case that separate values for pkm and tkm are not available (**)	N/A	
Population (**)	2.83	millions

Table 1: Key energy statistics data.

(*) *Energy statistics*

(**) *State Statistical office(INSTAT)*

(***) Independent System Operator (ISO), electricity generation companies, National Agency for Natural Resources. Ministry of Infrastructure and Energy

B. Overview of energy consumption trends

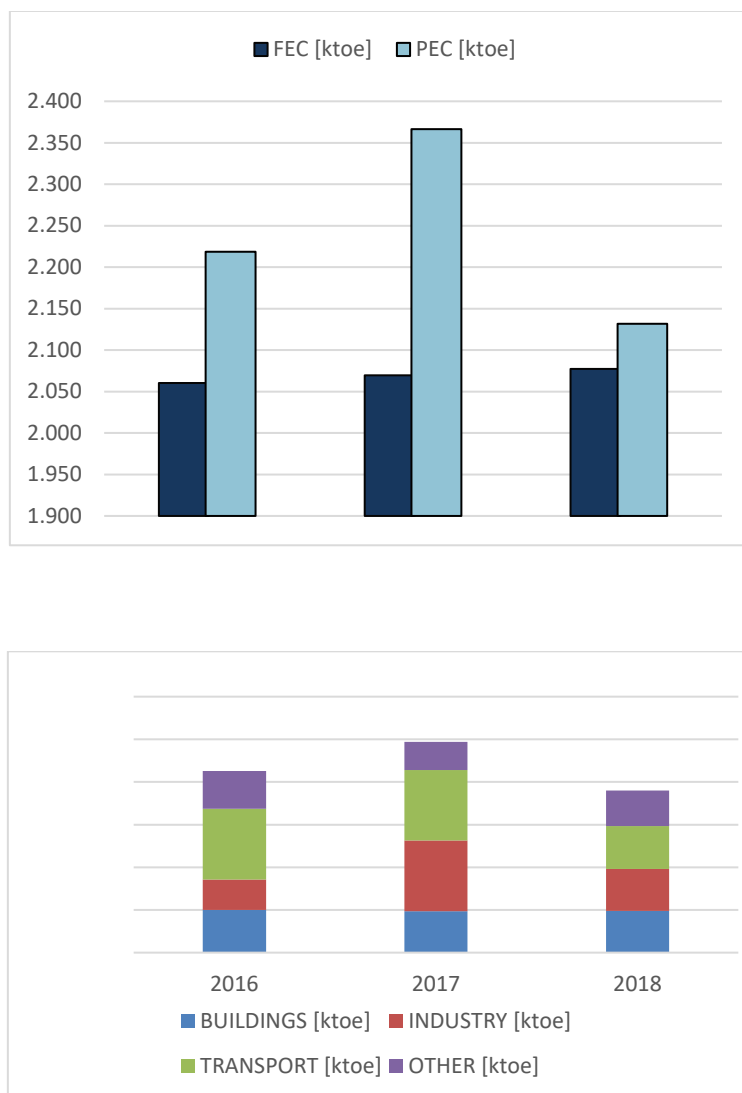


Figure 2: Final and primary energy consumption (left) and final energy consumption per sectors (right) in 2016 – 2018

*Note: The data is calculated with the top down methodology and is not fully accurate.

C. National energy efficiency targets

TARGETS	2016	2017	2018	2019	2020
EED ARTICLE 3 [ktoe or other unit]			38.5		37.4
EED ARTICLE 5 [ktoe or other unit]			13.32** *	N/A	6.9
EED ARTICLE 7 [ktoe or other unit]		2.25***	2.25***	N/A	49.5
PEC [ktoe]			2,131.9		29.9
FEC [ktoe]			2,077.1		123.7
FEC - BUILDINGS [ktoe]			10.7		40.83 ***
FEC - INDUSTRY [ktoe]			3.7		5.95** *
FEC - TRANSPORT [ktoe]			14.2		2,132. 4
FEC – OTHERS [ktoe]			10.0		2,438. 0
PRIMARY ENERGY INTENSITY [ktoe/mil.EUR]	0.193	0.193	0.194	N/A	37.4
FINAL ENERGY INTENSITY [ktoe/mil.EUR]	0.207	0.201	0.199	N/A	6.9

Figure 1: Division of targets per sectors and per different articles of EED

D. Update of measures implemented in last year

• Legislative measures

This year a lot of progress is done in relation to the legislation measures. The Ministry of Infrastructure, the Agency for Energy Efficiency and the REEP Plus project funded by the EBRD, have been working on drafting the decisions below:

- Decision on the approval of the methodology for calculating of cost optimality levels for the minimum energy requirements of the buildings or building elements.

- Draft decision on the approval of the minimum requirements of the building energy performance.
- Draft decision on the approval of the criteria and procedures on the selection method and the number of certificates to be verified, and the supervision of certificates of energy performance in buildings and processes.
- Draft decision on the approval of procedures and conditions of certification of the buildings energy performance and the template, contents, and the registration requirements of the building energy performance certificate.
- Draft regulation on the template of the energy audit report and the payment rate of energy auditors.
- Draft decision on the National Calculation Methodology.

- **Non-legislative measures**

- a) The most important activity of this year was the certification of the first energy efficiency auditors. The agency tested the candidates on 21 May 2020, and 26 experts are now certified as energy auditors in buildings and processes. Currently, the Agency for Energy Efficiency is receiving the first audit reports.
- b) Smart Energy Municipalities is a project financed by the Switzerland Embassy. The objective of this bilateral Project is to support selected Albanian municipalities to manage energy in a sustainable manner and to implement the national energy policy at a local level. To this end, it will pilot and institutionalize an energy management system that is based on the European Energy Award (EEA) and incorporates the requirements of the national energy legislation. The Project contributes to improve energy management, reduce energy consumption, to mitigate climate change, and to promote sustainable economic development. The expected results at the outcome and output level are as follows:
 - *Outcome 1*: The implementation of the national energy policy is supported at the local level.
 - *Outcome 2*: Pilot municipalities benefit from an energy management system that allows to be scaled up to further municipalities.

These objectives will be achieved through the following outputs:

- Output 1: Suitable energy management units are established and strengthened. Local Energy Strategies are developed for pilot municipalities.
- Output 2: Quick-win investments are realized. An incentive scheme for the mid- and long term implementation of an Albanian EEA Programme is prepared.
- Output 3: Key institutions related to energy management are strengthened and the awareness of the population and decision makers is increased.

- Output 4: An Albanian EEA Programme at national level is designed and introduced.

c) Interreg IPA II Cross-border Cooperation Programme Greece-Albania 2014-2020. The objective of the project is the implementation of small-scale nZEB (0 energy buildings) investments and the development of a joint approach towards public nZEBs through smart initiatives and the establishment and operation of energy communities in the eligible area. The main outputs are:

- Output 1: Detailed application studies for nZEBs with EE applications and cost-optimal measures for upgrading demonstrative public facilities to nZEB buildings in 3 regions of the cross-border area (Arta, Gjirokastra, Western Macedonia)
- Output 2: Implementation of the aforementioned small-scale investments.
- Output 3: Establishment of a joint approach that will facilitate dialogue, derive common initiatives, develop a common procedure and facilitate the energy communities' operation and implementation of nZEB investments in the cross-border area.
- Output 4: Dissemination actions for supporting the penetration of nZEBs in the area through a website, social media and an on-line platform, communication / dissemination materials, local thematic workshops in the 3 regions, media press conference.

d) On 25 November 2019, under the REEHUB project in collaboration with the University Marin Barleti, the Ministry of Infrastructure and Energy and the Agency for Energy Efficiency, the Regional Center for Energy Efficiency was opened. This project aims to increase the energy efficiency of the public buildings inside the Programme area, through a network of hubs, enabling the training of building managers on energy-efficiency measures. In addition, the project aims to guarantee suitable and effective communication to consumers and awareness-raising at all levels of society. The ambitious results is to shift from old buildings to low-energy or zero-energy buildings.

e) On 20 February 2020 in Tirana was signed the memorandum of collaboration between the Agency for Energy Efficiency and GSE SpA (Gestore dei Servizi Energetici). They should collaborate to favour joint activities and European project focused on capacity building initiatives, exchange of know-how and best practices, ad hoc seminars, study tours, workshops, trainings and demonstration projects in the renewable energy and energy efficiency sectors including the innovative technologies related to smart grid and smart metering projects.

E. Central Government buildings (Article 5)

According to the law no. 116/201“FOR ENERGY BUILDING PERFORMANCE “, Article 10 C, all buildings that are in use by a public authority or by institutions providing a service to the public and frequented frequently by the public, which have a usable area of over 500 m2.

Starting from **9 July 2018**, the demand for the above boundary of the usable area will be reduced to 250 m². In this case, energy performance certificates should be placed in places clearly visible to the public.

On 17 December 2019 was successfully completed the process of technical evaluation of bids for the design of the project of reconstruction with Energy Efficiency of the buildings of "Student City No. 1" in cooperation with KfW. This is a big investment that has started earlier in 2017 with the rehabilitation of "Student City No.2".

F. Energy efficiency obligations (Article 7)

The private residential and building sector in Albania is benefiting from a fund of €6 million loan that the European Bank for Reconstruction and Development (EBRD) is providing to Albania's Union Bank. Also, other financing mechanisms in Albania like Besa Fund are benefiting from this EBRD loan. This financing is provided under the EBRD €85 million Western Balkans Green Economy Financing Facility (GEFF).

Also, the municipality of Tirana has provided in 2018 a fund of €565'000 that is an incentive for the citizens who want to invest in energy efficiency. The municipality grants a part of the investment.

The Law no.124/2015 on Energy Efficiency is currently being amended to introduce requirement of the Energy Efficiency Directive (incl. Article 5 and Article 7) and this process is expected to be finalized in 2020. The draft of the law is prepared and waiting for the remaining procedures.