



REPUBLIKA E SHQIPËRIË

## ENERGY REGULATORY AUTHORITY

### BOARD

### DECISION

**No. 51, Dated 17.02.2021**

#### **“ON APPROVING THE CONTRACT SIGNED BETWEEN OST (TSO) AND KESH COMPANIES “TO ENSURE THE BALANCING SERVICE, THE RESERVE CAPACITY AND THE BALANCING ENERGY”**

Based on articles 16 and 20, letter “h” of Law no.43/2015 “On Power Sector” as amended, article 105, letter “c” of Law no.44/2015 “Code of Administrative Procedure”, Council of Ministers Decision no. 244, dated 30.03.2016 “*On approving the conditions to impose public service obligation, that shall be implemented to the licensee on power sector, which perform the electricity generation, transmission, distribution and electricity supply activity*”, as amended, as well as article 15 and 26 of the “*Rules on ERE Organization, Operation and Procedures*”, approved with ERE Board Decision, no. 96, dated 17.06.2016, the Energy Regulatory Authority Board (ERE), on their meeting dated 17.02.2021, after reviewing the report Protocol no. 27/5, dated 12.02.2021, prepared by the Technical Directories, on approving the contract signed between OST (TSO) and KESH Companies “To ensure the balancing service, the reserve capacity and the balancing energy”,

#### **Observed that:**

- OST (TSO) Company with official letter Protocol no. 613/1 dated 28.01.2021, submitted for approval at ERE the Contract KESH Protocol no. 6651, and OST (TSO) Protocol no. 8859, dated 31/12/2018, signed between OST (TSO) company and KESH company, "To ensure the balancing service, the reserve capacity and the balancing energy"
- ERE board decision no. 39, dated 06.03.2020, approved that, the Contract KESH Protocol no. 6651, and OST (TSO) Protocol no. 8859, dated 31/12/2018, signed between OST (TSO) company and KESH company, "To ensure the balancing service, the reserve capacity and the balancing energy shall extend the effects defined on article 15 until the approval by ERE of the contract “For ensuring the balancing service, reserve capacity and the balancing energy” for 2020, submitted from the parties in the absence of other resources to ensure this service for OST (TSO) company.
- With decision no. 106, dated 02.07.2020, ERE board decided “To approve the Albanian electricity balancing market rules”

- Following, with decision no. 275, dated 28.12.2020, ERE board decided to extend the terms for the implementation of the Albanian electricity balancing market rules” by electricity market participants, without financial effects (DRY RUN) until 31.03.2021, approved with ERE board decision no. 106, dated 02.07.2020, cited above, as well as OST (TSO) Company and electricity market participants shall continue the application of DRY RUN period to this date.
- ERE Board with decision no. 184, dated 20.08.2018, decided to approve the “Contract between OST (TSO) and KESH Companies to ensure the balancing service, the reserve capacity and the balancing energy of the electric power system for 01.01.2018 - 31.12.2018 ”
- For 2019-2020, it is important emphasizing that ancillary and balancing services for the electric power system are provided by KESH Company.
- Point 2 of the enacting clause of the above-mentioned decision stipulates that: *“The prices and tariffs mentioned in this contract are not subject to approval by ERE”*.
- For this reason, the prices set out in Article 9 of the Contract are not subject to approval by ERE, as these prices are negotiated and agreed from OST (TSO) and KESH Companies.
- From the analysis of the Contract submitted by OST (TSO) Company with official letter Protocol no.613/1 dated 28.01.2021, it was concluded that it is the same as the Contract to ensure the balancing service, the reserve capacity and the balancing energy of the electric power system for 01.01.2018 - 31.12.2018, approved with ERE board decision no.184, dated 20.08.2018.
- In addition to the above, ancillary and balancing services are key elements in guaranteeing the safety of operation of the Albanian power system. For the period until the entry into force with financial effects of ERE board decision, no. 106, dated 02.07.2020, for “the approval of the Albanian electricity balancing market rules”, KESH company in charge of the public service obligation has been and continues to be a provider of these services.

For all of the above mentioned, ERE Board

#### **Decided:**

1. To extend the legal effects of ERE board decision no. 184, dated 20.08.2018 «On approving the “Contract to ensure the balancing service, reserve capacity and the balancing energy of the electric power system for 01.01.2018 - 31.12.2018 ”signed between OST (TSO) and KESH Companies».
2. The contract shall extend the effects from January 1, 2021 until the entry into force with financial effects of ERE board decision no. 106, dated 02.07.2020, for “the approval of the Albanian electricity balancing market rules”
3. Market Monitoring and Inspections Directory shall inform KESH and OST (TSO) Companies as well as the Ministry of Infrastructure and Energy about ERE Board Decision.

This decision enters immediately into force and extends its legal effects from 01 January 2021.

For this decision may be required its review within 7 calendar days and may be complained on Tirana Administrative Court, within 30 calendar days from the publication in the Official Gazette.

This decision shall be published on the Official Gazette.



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**ENERGY REGULATORY AUTHORITY**

**BOARD**

**Vote of ERE Board for,**

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<b>Board Members</b>	<b>Pro-s</b>	<b>Con-s</b>
<b>Petrit Ahmeti</b>	_____	_____
<b>Adriatik Bego</b>	_____	_____
<b>Erjola Sadushi</b>	_____	_____
<b>Maksim Shuli</b>	_____	_____
<b>Raimonda Islamaj</b>	_____	_____