



REPUBLIKA E SHQIPËRIË

## ENERGY REGULATORY AUTHORITY

### BOARD

### DECISION

**No. 97, Dated 07.04.2021**

#### **ON APPROVING THE INDICATORS FOR THE STANDARD CRITERIA OF THE SUPPLY QUALITY SERVICE AND THE SECURITY PERFORMANCE OF THE ELECTRICITY DISTRIBUTION GRID FOR 2021**

Based on article 7, point 1,16 and 20, point 1, letter “a” of Law no.43/2015 “On Power Sector”, as amended, article 104, point 4 and article 113, point 1 and 3 of Law no. 44/2015 “Code of Administrative Procedures of the Republic of Albania” article 15 and 26 of the “Rules on ERE Organization, Operation and Procedures”, approved with ERE Board Decision, no. 96, dated 17.06.2016, “Regulation on the standard criteria of the supply quality service and the security performance of the electricity distribution grid” approved with ERE Board Decision no. 181, dated 10.11.2017,the Energy Regulatory Authority Board (ERE) after reviewing the report Protocol no. 40/1, dated 31.03.2021 prepared by Market Monitoring and Inspections and also Customer Protection, Performance and Standards Directories, “On approving the indicators for the standard criteria of the supply quality service and the security performance of the electricity distribution grid for 2021”,

#### **Observed that:**

- ERE Board with decision no. 181, dated 10.11.2017, approved the “Regulation on the standard criteria of the supply quality service and the security performance of the electricity distribution grid”.
- Following this decision, at the request of OSHEE company/DSO company as a result of the inability to meet the requirements of this Regulation within the deadlines it sets, due to the need to make the necessary investments, ERE board with its decisions has occasionally decided to postpone its entry into force.
- With decision no. 175, dated 14.11.2019, “On the request of OSHEE company to extend the terms defined in Regulation on the standard criteria of the supply quality service and the security performance of the electricity distribution grid, ERE board decided:

- “Amending point 2 of ERE board decision no. 104, dated 26.06.2019 as follows: Point 7.3 of the Regulation on the standard criteria of the supply quality service and the security performance of the electricity distribution grid, it is amended and becomes: “OSHEE company shall submit at ERE for approval the permitted level of the standard criteria of the quality service, until on 01.01.2021”

- Regarding the standard criteria of the supply quality service and the security performance of the electricity distribution grid, in compliance with the legal provisions defined in Law no. 43/2015 "On Power Sector", as amended, as well the regulation mentioned above, between ERE and DSO company there was constant communication regarding the reporting of the realized indicators that was submitted at ERE.
- The Albanian Association of Electricity Suppliers (AAES) along with the Albanian Manufacturers Union (BPSH) through a joint official letter no. 3 and no. 140, dated 10.02.2020, protocolled at ERE with Protocol no. 296 dated 11.02.2021, have submitted at ERE their comments regarding the Regulation on the standard criteria of the supply quality service and the security performance of the electricity distribution grid.
- Following the official letter mentioned above DSO company through their official letter submitted at ERE at the official e-mail address [erealb@ere.gov.al](mailto:erealb@ere.gov.al), protocolled at ERE with Protocol no. 432 dated 08.03.2021 among others also presented its assumptions regarding the Regulation on the standard criteria of the supply quality service and the security performance of the electricity distribution grid.

Regarding the official letters submitted by DSO company, AEES and the Albanian Manufacturers Union (BPSH), ERE clarifies that:

- Taking into account the concerns raised by this interest group, ERE on 25.01.2021 held an online hearing session, with representatives from the Albanian Manufacturers Union (BPSH), where manufacturing businesses that are members of the association as well as representatives of DSO company were invited in order to directly address the concerns raised.

- ERE Board decision no. 175, dated 14.11.2019, on the request of OSHEE company to extend the terms defined in Regulation on the standard criteria of the supply quality service and the security performance of the electricity distribution grid, decided on the amendment of point 2 of ERE board decision no. 104, dated 26.06.2019, as follows:

Point 7.3 of the “Regulation on the standard criteria of the supply quality service and the security performance of the electricity distribution grid, is amended and becomes: “OSHEE company shall submit at ERE for approval the permitted level of the standard service quality criteria within 01.01.2021 ”. So, as evidenced, until January 2021 the

standard service quality criteria in the distribution grid was not proposed by DSO company.

- The fact that this Regulation approved by decision no. 181/2017, over a period of several year has not been into force makes it impossible to assess its effectiveness or even its impact on the electricity market and sector, with DSO performance. This element makes it currently impossible to be assessed relying on the comments made by AAES and the Albanian Manufacturers Union (BPSH) in their joint official letter with the respective protocol numbers no. 3, and no. 140, dated 10.02.2020, protocolled at ERE with Protocol no. 296, dated 11.02.2021.

• Under these circumstances, it is considered that the comments made by these two associations are currently irrelevant. It is considered that the approval of the criteria and standards defined in the Regulation approved by decision no. 181/2017 and their entry into force, shall serve to assess the effectiveness of this Regulation.

• Regarding the detailed study on the escalation to realize the required parameters according to four areas, realized by DSO company, it is explained that:

- The document submitted by DSO company with official letter Protocol no. 9626/2 provides assessments regarding the request of DSO company but does not include a technical, administrative or financial analysis regarding the standard service quality criteria that shall be determined according to the Regulation approved with ERE Board decision no. 181, dated 10.11.2017.

- Network operators DSO company and TSO company must at any time carry out studies in order to identify the issues related to the network and set priorities for rehabilitation interventions in those parts / areas of the network that indicate an increased number of issues regarding the quality of service.

• ERE, DSO company and network users / interested parties communicated through official letters regarding the standard of the supply quality service and the security performance of the electricity distribution grid. DSO company through official letter Protocol no. 609/1 dated 25.01.2021, among others submitted the Indicators for Service Quality and security performance of the electricity distribution grid for January 2020 - December 2020.

• Regarding the indicators of the standards of quality in the distribution grid, it is explained as follows:

- **Energy not supplied (ENS):** DSO company with official letter Protocol no. 609/1 dated 25.01.2021, has submitted the information that this indicator was in the value 51,246.00 MWh. The indicator can be calculated and evaluated by DSO company, due to the fact that this company has the necessary information regarding outages, their duration

and the number of customers who were left without electricity supply for that period of time. Consequently, the indicator (ENS), for 2021 shall minimally be in the value submitted by DSO company through official letter Protocol no. 609/1 dated 25.01.2021, in the value 51, 246.00 MWh.

- **Frequency Quality (FQ):** ERE board with decision no. 100, dated 26.08.2008, approved the Distribution Network Code, which currently remains the only document approved by ERE, which sets out the rules, norms, procedures and technical requirements for DSO company and the Distribution Network Users, who build their relationships based on this Code. Also, the Regulation on the standard criteria of the supply quality service and the security performance of the electricity distribution grid approved with ERE board decision no. 181/2017, point 2.2 of article 2, stipulates that: “DSO has the Public Service Obligation to meet the standard criteria of supply quality, specified by the Distribution Network Code and this Regulation”. Consequently, the indicator (FQ) for 2021, shall be according to the provisions of the Distribution Code expressed in sub-points (ii) and (iii) of point II.6.1.

- **Voltage Quality (VQ):** Voltage Levels in the Distribution System are: 230 V, 400 V, 6.3 kV, 10 kV, 20 kV, 35 kV, 110 kV (excluding 110kV lines). DSO company in official letter Protocol no. 609/1 dated 25.01.2021 presented this indicator divided and measured separately for three categories: (i) Urban where voltage deviations are in the range + 6%, - 22%, (ii) Rural where voltage deviations are in the + 10% range. - 20%, and (iii) Deep rural where voltage deviations are in the range + 13%, - 30%. According to the data reported by DSO company in deep rural areas the voltage goes to - 30%, from its nominal value. Consequently, the (VQ) indicator for 2021 shall be in compliance with the Regulation approved by ERE board decision no. 181/2017, defined in point II.6.2, of the Distribution Code.

- **Response Time to New Connection Requests:** ERE board decision no.166, dated 10.10.2016, as amended by decision no.177, dated 08.11.2016, approved the “Regulation for New Connections in the Distribution System”. This Regulation stipulates procedures, criteria deadlines and any other necessary elements in new connection applications or modifying existing connections in the distribution network. Consequently, the Response Time to New Connection Requests indicator, for 2021 shall be the one defined in the Regulation for new connections in the distribution system, mentioned above.

- **System Average Interruption Duration Index (SAIDI):** DSO company in official letter Protocol no. 609/1 dated 25.01.2021, presented this indicator as realised values for 2020. SAIDI for the distribution network, in the amount of 44.12 hours; for urban areas 16.2 hours, for rural areas 77.73 hours and deep rural areas 102.33 hours. SAIDI indicator, based on the Regulation approved with ERE board decision no. 181/2017, shall

be given the value achieved for the total distribution network which includes not only the zoning, but also the composition of the distribution network at voltage levels.

The value of SAIDI that shall be realized for 2020 according to DSO company is 3.05 hours. In this context the realized value of SAIDI in the whole distribution network where all are included voltage levels under the administration of DSO company for 2020 reported in the official letters mentioned above is 47.17 hours.

Consequently, the SAIDI indicator for 2021 shall be 47.17 hours.

**-System Average Interruption Frequency Index (SAIFI):** ERE through official letter Protocol no. 304 dated 11.02.2021, requested from DSO company to present the indicators for all distribution network voltage levels in compliance with the legal provisions mentioned above. The value of SAIFI to be realized for 2020 according to DSO company is 2.15. In this context, the realized value of SAIFI in the whole distribution network where they are included all voltage levels administered by DSO company for

**- Time Required to Restore the Electricity Supply Service Following a Distribution System Outage :** DSO company pursuant to the provisions of Regulation approved with ERE board decision no. 181/2017, presented this indicator in official letter Protocol no. 609/1 dated 25.01.2021. Given that these values are declared by DSO company as realized for 2020 and considering the fact that this indicator is proposed to be adopted for the first time under the provisions of the Regulation, mentioned above, are considered acceptable values that shall be also applied for 2021, for this indicator. Consequently, the Time Required to Restore the Electricity Supply Service Following a Distribution System Outage indicator, for 2021, shall be: For the Distribution network TM + TU 2.78 hours, Network 35 kV Urban area 1.73 hours, in Rural area 1.77 hours. 20 kV network in Urban Zone 1.34 hours, Rural Zone 1.70 hours, Network 6 - 10 kV in Urban Zone 2.54 hours, Rural Zone 2.74 hours, 0.4 kV Network in Urban Zone 1.07 hours, Rural Area 1.5 hours.

**- Time to perform the control of the metering system with the request of the customer:** DSO company pursuant to the provisions of the Regulation approved with ERE board decision no. 181/2017, reported this indicator in the official letter Protocol no. 609/1 dated 25.01.2021, realized in 13 days. Time to perform the control of the metering system with the request of the customer Indicator, for 2021, shall be the one defined in the Regulation on the procedures for submitting a request, its review, deadlines and notice when the customer doubts the accuracy of the data received from the electricity metering system, approved with ERE board decision no.145, dated 18.09.2017, not later than 5 working days after submitting the request.

**- Response time to customer complaints:** DSO company in official letter Protocol no. 609/1 dated 25.01.2021, has not submitted information regarding this indicator. Being

that this indicator also includes complaints related to the metering and implied period of time (in days or hours) between the time when the metering complaint was made (meter broken, lack of metering, disagreement with the values consumed, etc.) a good basis as reference is the Regulation on the procedures for submitting a request, its review and notice deadlines when the customer doubts the accuracy of the meter data, approved with ERE board decision no.145, dated 18.09.2017. In these conditions, the Response time to customer complaints Indicator, for 2021, shall be the one specified in the Regulation, mentioned above, no later than 5 working days from the day of filing a Complaint.

**- Time to reconnect customers to which it is “Disconnected Electricity for not Paid Liabilities”:** DSO company has reported this indicators, within 13 days. ERE Board with decision no. 15, dated 10.01.2018, approved the general conditions of the universal service contract for the supply with. electricity of the end use customers. In article 15 "Consequences of non-payment", point 15.1 is defined as follows:

“In the absence of payment of the invoice by the Customer within 30 days from the expiration of the deadline designated for payment under section 13.1, the Supplier has the right to interrupt the power supply to the Customer, after notifying the latter in writing, 48 hours ahead. The supplier is obliged to make the reconnection within 48 hours from the completion of the payment of the obligation and at the request of the Customer”.

In these conditions, Time to reconnect customers to which it is “Disconnected Electricity for not Paid Liabilities” indicator, for 2021, shall be that specified in the general conditions of the universal service contract for the supply with electricity of end use customers approved by decision no. 15, dated 10.01.2018, within 48 hours, from the payment of the obligation and at the request of the customer.

**- Notification Period for the Planned Interruptions in the Distribution System:** DSO company, in official letter Protocol no. 609/1 dated 25.01.2021, did not give an information regarding this indicator. ERE Board with decision no. 255, dated 21.12.2020 approved the indicators of standard criteria for the quality of electricity transmission service for 2021. In this decision this indicator is set 72 hours. Considering the fact that DSO company and TSO company are both network operators and this parameter is defined for TSO company it is evaluated that this parameter shall have the same value for DSO company. Under these conditions, this indicator shall be 72 hours.

**- Settling the Voltage Quality Complaints:** DSO company did not report this indicator in their official letter Protocol no. 609/1 dated 25.01.2021, in these conditions it is estimated that the Settling the Voltage Quality Complaints indicator, shall be handled in accordance with the “Regulation for Handling the Complaints Submitted by the Customers and Settling the Disputes Between the Licensee, on Power and Natural Gas Sectors”as well as it shall be reported separately for both Urban and Rural areas. In these

conditions, the Settling the Voltage Quality Complaints indicator, for 2021, shall be the one defined in the “Regulation for Handling the Complaints Submitted by the Customers and Settling the Disputes Between the Licensee, on Power and Natural Gas Sectors”

**- Percent of customers with actual meter reads:** DSO company has not reported this indicator in their official letter Protocol no. 609/1 dated 25.01.2021, but this section is presented only with the symbol %. However, DSO company periodically reports at ERE regarding the indicators, in which this indicator is also included. The data indicates that there are no customers who are currently without electricity meters. It is considered that the number of customers changes dynamically as evidenced in the table due to the respective contracts, this indicator can not be given in absolute values but in relative value. In this context, the Percent of customers with actual meter reads is 100%. In these conditions, this indicator, for 2021, shall be the one presented in the reports of DSO company, thus 100%.

**•Entry into force of quality indicators based on the Regulation approved with ERE board decision no.181 / 2017.** ERE Board with decision no. 255, dated 21.12.2020, approved the indicators of standard criteria for the quality of electricity transmission service for 2021. Consequently to enable the network operator DSO company, how the users / customers connected to the distribution network take the necessary measures to operate their systems or equipment under the new conditions for the approval of the distribution service quality standards, these standards enter into force immediately, but the application of point 7.2 in Article 7 of the Regulation approved with ERE board decision no. 181, dated 10.11.2017, shall be suspended until the approval of these indicators, until 31 August 2021. This point shall have full legal effects 1 September 2021 onwards. The period mentioned above shall serve to accommodate and inform all the parties including the Network Operator DSO company and its users regarding the indicators that are approved, as well and to take the necessary operational measures in order to minimize the impact of these indicators in the operation of the respective systems.

Regarding the official letter of DSO company, with Protocol no.9626/3 dated 01.04.2021, protocolled at ERE with Protocol no. 523 dated 06.04.2021, “Regarding the indicators for the electricity distribution quality”, it is evaluated that the company's submissions were taken into consideration and addressed in the relevant procedure regarding this decision-making.

For all of the above mentioned ERE Board,

**Decided:**

1. To approve the indicators for the standard criteria of the supply quality service and the security performance of the electricity distribution grid. (according to table no.1 attached)
2. To suspend the implementation of point 7.2, article 7, of the "Regulation on the standard criteria of the supply quality service and the security performance of the electricity distribution

grid" approved with ERE board no. 181, dated 10.11.2017 for a term until 31 August 2021, from the entry into force of this decision. The legal effects of point 7.2 of the above Regulation shall start on September 1, 2021.

3. DSO company shall report at ERE every 3 (three) months on the progress for the implementation of the indicators for the standard criteria of the supply quality service and the security performance for 2021.

4. The indicators for the standard criteria of the supply quality service and the security performance of the electricity distribution grid shall be subject to review, consultation and approval by ERE, or at the proposal of DSO company and the interested parties.

5. Customer Protection, Performance and Standards Directory shall inform the interested parties about ERE Board decision.

This decision enters immediately into force

This decision shall be published on the Official Gazette.

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

**ERE CHAIRMAN**

**Petrit AHMETI**