

Two-day meeting in Pristina, hospitalized by Energy Regulatory Office (ERO) counterparts

On dates 27 and 28 December, the Energy Regulator Authority, was welcomed by Kosovo counterparts, ZRRE/ERO. During these days it was held the joint meeting with ERO where the participant parties reviewed, discussed and approved the regulatory framework that shall serve for the operation of the Power Exchange, ALPEX, as well as the electricity market coupling.

The Chairmen of the Regulatory Authorities of Albania and Kosovo Mr. Ahmeti and Mr. Fejzullahu during their speech thanked the participants and emphasized the importance of this process not only for Albania and Kosovo, but also for the region. ALPEX is expected to commence with the Albanian day ahead market operation, and then after two months shall operate with the market coupling of both countries, for a shorter period in Dry Run conditions, to follow with full operation.

On date 28 December, ERE Board, held the next meeting where there were taken the decisions for the issues regarding the exercise of ERE regulatory authority, as follows:

1. The review and approval of the request for Arsti HPP company, for the extension of the derogation term for a 24 months period, setting the obligation to the company of informing ERE every 6 months on the process of completing the 110kV track with all the necessary elements including the integrity of SCADA system.
2. Licensing of “Alb Energy Trade” company in electricity trading activity, for a 5-year period.
3. The opening of the procedure for licensing “KESH company” in electricity production activity from the floating TPP installed on Triport port of Vlora Bay, composed of Tigri 1 and Tigri 3 generators, for a 2-year period. This TPP is provided to have a 110-130 MW installed capacity.
4. Not opening the procedure for the modification of Shkopet HPP license, for which “Kurum International” company, submitted the request to increase the generation capacity.

5. On accepting the request of ALBGAZ company to postpone the deadlines of the conditions set to ALBGAZ company in the framework of the certification “Natural Gas Combined Operator” referred to in ERE Board decision no. 179, dated 08.11.2017, as amended.
6. In the framework of this decision regarding the condition set on ERE Board Decision no. 179/2017, point 5.1, as amended there was observed that regarding the submission at ERE for each exercising year of the information on the independence of the financial auditors, ALBGAZ company submitted the respective documentation and as such this condition is considered completed / updated for 2021 and point 5.1 of this decision remains unamended. Also, another condition regarding the certification of this company is the cross-institutional cooperation for the realization of the amendments in the legal framework, Article 11 and 46 (10), of Natural Gas Sector Law and the transferring of the competences to the Ministry of Economy. It is observed that ALBGAZ company has undertaken the steps regarding the completion of necessary steps to address at MIE the finding of a solution accepted by all within the legal framework. Also, the company announced that it is taking concrete steps to the possible partnership with foreign companies (MoU me ENAGAS), which have a extensive experience in natural gas sector, that shall bring even the reconfiguration of the company capital representation. On these circumstances, it was accepted the request of the company to postpone the term of completing this condition until on 20.11.2023, deciding the postponement of the term until on 20.11.2023. This decision extends its effects beginning from 21.11.2022.
7. An amendment on ERE Board decision no. 187 dated 10.11.2017, “On licensing ALBGAZ company in natural gas distribution activity”, as amended and an amendment on ERE Board Decision no. 188 dated 10.11.2017, “On licensing ALBGAZ company in natural gas transmission activity”, as amended, for the postponement of the term to deliver the Safety Certification at ERE within 30.04.2023, an essential condition to be completed from the mentioned company and the abovementioned decisions. These decisions extend their effect beginning from 21.12.2022.
8. Preliminary approval of the Compliance Officer of “ALBGAZ” company on the condition that within 30 days from this approval “ALBGAZ” company shall submit at ERE the decision of “ALBGAZ” company, supervisory board regarding the appointment of the

Compliance Officer, as well as the contract for providing the services of the Compliance Officer signed between “ALBGAZ” company and the last one mentioned.

Also on this board meeting, were discussed the prepared information regarding:

- ✓ Annual compliance report in natural gas sector of “ALBGAZ” company, for 2021. This report is drafted from the compliance officer supported on Law no. 102/2015, “On Natural Gas Sector“, as amended, implementing the requirements of Articles 73 and 74 of the “Compliance Program“, approved with ERE Board Decision no. 77, dated 26.05.2017, “On approving the Compliance Program of the Transmission System Operator for Natural Gas“; as part of the duties issued from ERE Board Decision no. 78, dated 26.05.2017, “On approving the contract for providing the compliance officer services in natural gas sector“, the Compliance Officer of ALBGAZ company, submitted the Annual Compliance Report of ALBGAZ company (the Natural Gas Combined Operator), for the 01.01.2021 - 18.11.2021 period. The Officer observed that for the 01.01.2021-18.11.2021 period, ALBGAZ company is in conformity with the industry standards, in conformity with the laws, the rules and regulations defined by ERE. The officer during 2021 analyzed the company according to the Program and exercising its duty that the program to be implemented from the company. Also, during 2021, the Officer has taken care that the company meets the international regulations. To comply any request for the compatibility, the officer together with ALBGAZ company cooperated to draft regulations, guidelines, to perform trainings, presentations and active processes that the company and its staff to be as compliant as possible with the program. Some of the conclusions on this report consist in:

The conditions of the natural gas market in the country, the performance of ALBGAZ company activity, and the development of natural gas market is a huge process in projecting and financial aspect. There are also required large and costly human resources, along with extended time frames. But to reach these results gradually, ALBGAZ company shall:

- Set – up the conditions to benefit from direct foreign investments on this segment of the industry;
- Increase the employment on the sector and the industries that have an impact from the natural gas sector.
- Improvement of electricity supply in industrial level, services and residential level.

- Set – up of the conditions for the sustainable industrial level and electricity cost reduction in good production and services level
- Decrease in general of the electricity invoice of the end-use household customer
- Set up of human resources in the country regarding prior-projection, projection, investment management, resulting in effective and efficient implementation of the respective activities in natural gas industry.

Compliance report of TSO company

- ✓ With ERE Board Decision no, dated 15.03.2017 it is *approved the certification of the Electricity Transmission System Operator of TSO company, according to Article 54, point 6, of Law no. 43/2015 “On Power Sector” and Article 9 point 6 of the “2009/72/EC Directive after issuing the opinion of Energy Community Secretariat,* according to the duties of the Compliance Officer regarding the Compliance Program, approved with ERE Board Decision, no.103, dated 30.04.2018 *“On approving the compliance program of TSO company” it is drafted* the Compliance report of TSO company, for 2021, from the Compliance Officer of the company, by the analysis of which ERE observed that the TSO has performed a good work regarding the implementation of the provisions of the certification decision but it remains to be focused on the implementation of the compliance program and the implementation of the recommendations of the compliance officer regarding:
 - the draft and prepare of a training program from the Information Security Policy Sector in cooperation with the IT Services Directory and the Network Automatized Services Directory, which shall contain specific and personalized subjects according to the management platforms and the employees that shall be trained.
 - The TSO shall review the Compliance Program, reflecting the latest legal, by-legal, regulatory amendments as well as the organizational chart amendments of TSO company.

Monitoring the activity of FSHU company,

- ✓ Based on Law no. 43/2015 "On Power Sector", as amended, article 16 and article 20, letters "a" and "h", Articles 80-85 and 94 and 96, as well as ERE Board Decisions no. 201/2018 "On approving the Action Plan of OSHEE company,

to respect the rights of the customers supplied with electricity, implementing ERE Chairman Order no. 89, dated 15.06.2022, it is exercised the Monitoring of FSHU company regarding:

- the obligations and the periodic report as well as on the monitoring of implementing the obligations for the licensee derived from ERE Board Decision no. 201/2018, reviewed with decision no. 217/2020 "On the review of the Action Plan for the Electricity Distribution Operator OSHEE company, to respect the rights of the customers supplied with electricity".

In the framework of this monitoring above all it is observed:

- The complaints settlement level for October 2021 – June 2022 period is 94 %, but shall be considered that any customer complaint shall be handled and settled according to the effective legal acts and on each case the FSHU company shall follow with the improvement of this indicator to reach the maximum level for the settlement of any customer complaint.
- The FSHU company website, has published the information regarding the information and services that shall serve to the users/customers. Regarding the findings of this monitoring shall be followed the processing of the recommendations for what is observed regarding the object of this monitoring and the monitoring recommendations carried out earlier to FSHU company.