LAW No. 59/2026

ON THE ELECTRICITY SECTOR[1]

Pursuant to Articles 78 and 83, paragraph 1, of the Constitution, on the proposal of the Council of Ministers,

ASSEMBLY
OF THE REPUBLIC OF ALBANIA

DECIDED:

FIRST PART

GENERAL PROVISIONS

Article 1
Purpose of this Law

The purpose of this Law is to guarantee a stable and secure supply of electricity to customers through the establishment of a functioning and competitive electricity market, taking into account the interests of customers, the security and quality of the electricity supply service, environmental protection requirements and the need to integrate the Albanian electricity market with other regional electricity markets and the integrated European electricity market. In this context, this Law aims to promote affordable and transparent energy prices and costs for customers, enhance their rights and protection, promote energy efficiency and ensure a smooth transition towards a sustainable, low-carbon energy system.

Article 2
Scope of this Law

The law regulates relations regarding the activities of electricity generation, transmission, distribution, supply, aggregation, demand response, market operation, electricity storage, and the operation of recharging points, and establishes rules concerning:

a) the opening, organisation and operation of a competitive electricity market;
b) participation in the electricity market;
c) granting the authorisations and licences in the power sector;
ç) regulation of power sector activities, customer protection, security of supply and the establishment of competitive structures in the electricity market;
d) the integration of the Albanian electricity market into the regional and European electricity markets.

[1] This Law is partially aligned with: Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (recast), CELEX 32019L0944, Official Journal of the European Union L 158, 14 June 2019, pp. 125–199; Regulation (EU) 2019/941 of the European Parliament and of the Council of 5 June 2019 on risk-preparedness in the electricity sector, CELEX 32019R0941, Official Journal of the European Union L 158, 14 June 2019, pp. 1–21; Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (ACER), CELEX 32019R0942, Official Journal of the European Union L 158, 14 June 2019, pp. 22–53; and Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity, CELEX 32019R0943, Official Journal of the European Union L 158, 14 June 2019, pp. 54–124.

Article 3
Definitions

In this Law, the following terms have the following meanings:

1. “ACER” means the Agency for the Cooperation of Energy Regulators.

2. “Aggregation” means a function performed by a natural or legal person who combines multiple customer loads or generated electricity for sale, purchase or auction in any electricity market.

3. “Aggregator” means an electricity market participant that performs the activity of aggregation.

4. “Third-party access” means the right of all system users to use the electricity transmission and distribution grids on the basis of defined and published conditions, in accordance with the principles of transparency and non-discrimination, subject to tariffs approved by ERE.

5. “Electricity activity” means an economic activity relating to electricity generation, transmission, distribution or supply, aggregation, demand response, the operation of energy storage, the operation of recharging points or market operation.

6. “Capacity allocation” means the allocation of cross-zonal capacity.

7. “Balancing” means the set of processes through which the Transmission System Operator operates and maintains the system frequency within defined stability limits and complies with the reserve quantities required to ensure the necessary quality.

8. “Board” means the decision-making body of ERE, appointed in accordance with this Law.

9. “Back-up source” means a secondary source of electricity supply that is not connected to the electricity system.

10. “Renewable energy sources” means renewable non-fossil energy sources, such as wind, solar, aerothermal, geothermal, hydrothermal and ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogas, as defined in the Law on renewable energy.

11. “Generation plant” means a set of specified buildings and installations whose primary purpose is electricity generation.

12. “Certification” means the procedure for determining compliance with the conditions ensuring the independence and unbundling of the Transmission System Operator, as provided for in this Law, as a precondition for the designation and approval of that operator.

13. “Imbalance price” means the price, whether positive, zero or negative, in each imbalance settlement period for an imbalance in each direction.

14. “Energy storage”, in the electricity system, means the deferring of the final use of electricity through physical or chemical means to a moment later than when it was generated, or the conversion of electrical energy into a form of energy which can be stored, the storing of such energy, and the subsequent reconversion of such energy into electrical energy or use as another energy carrier, including pumped storage.

15. “Electricity derivative” means a financial instrument as defined in the legislation in force on capital markets, which may be used by electricity market participants to hedge against possible fluctuations in the market price of electricity.

16. “Public service obligation” means an obligation imposed on a licence holder to provide a public service, as defined in Article 49 of this Law.

17. “Dispatch” means the activity performed by the Transmission System Operator consisting of the real-time management of electricity flows and the implementation of the measures necessary for the coordinated operation of the components of the electricity system, including generation plants, the transmission grid and the ancillary services necessary for system operation.

18. “Priority dispatch” means the dispatching of generation installations on the basis of criteria which are different from the economic order of bids, giving priority to the dispatch of particular electricity generation technologies.

19. “Energy efficiency” means the ratio of output of performance, service, goods or energy to input of energy.

20. “Balancing energy” means energy used by the Transmission System Operator to perform balancing.

21. “ENTSO-E” means the European Network of Transmission System Operators for Electricity.

22. “Energy Regulatory Authority” or “ERE” means the regulatory authority for the electricity and natural gas sectors, which operates in accordance with this Law and the Law on the natural gas sector.

23. “Declared export” means the dispatch of electricity corresponding to the quantity of electricity which is simultaneously delivered in another country as a declared import on the basis of a contractual relationship.

24. “Cross-border flow” means a physical flow of electricity on the transmission system of Albania that results from the impact of the activity of generators, customers, or both, outside Albania.

25. “Force majeure” means a natural or social act or event, such as earthquakes, lightning, cyclones, floods, volcanic eruptions, fires or wars, armed conflicts, insurrections, terrorist or military actions, which prevents a licensee from fulfiling its obligations under the licence, as well as other acts or events that are beyond the reasonable control of the licensee, have not arisen through its fault and could not have been avoided through the exercise of reasonable diligence, efforts, skill and care.

26. “Supply” means the sale, including resale, of electricity to the customers.

27. “Supplier” means an undertaking licensed to carry out the supply activity.

28. “Supplier of last resort” means a supplier designated in accordance with the provisions of this Law, which provides, for a limited period, a supply service under regulated conditions to customers who have been unable to contract a supplier themselves or have lost their supplier.

29. “Licensee” means a person holding a licence for electricity activities in accordance with the provisions of this Law.

30. “Declared import” means electricity delivered to a country which is simultaneously dispatched as a declared export from another country.

31. “Energy storage facility” means, in the electricity system, a facility where energy storage occurs.

32. “Trans-European energy infrastructure” means the network of cross-border energy systems and facilities that connect, integrate and enable the flow of energy across European countries and is regulated by the regulations on Trans-European Networks for Energy.

33. “Interconnector” or “interconnection line” means the transmission line constructed by the Transmission System Operator or a third party, which crosses a border between Albania and another country and connects the national transmission systems of both countries.

34. “New interconnector” means an interconnector that has not been completed and/or has been completed but not commissioned by the date of entry into force of this Law.

35. “Alternating current interconnector” means an interconnector that uses alternating current.

36. “Direct current interconnector” means an interconnector that uses high-voltage direct current.

37. “Distribution transformer substation” means the set of basic assets and electrical equipment connected to the distribution grid at medium and low voltage, whose function is to control the connection and to transform, transmit and meter the electricity supplied or generated for new connections or modifications to existing connections of customers or generators at those voltage levels.

38. “Balancing capacity” means a volume of capacity that a balancing service provider has agreed to hold and in respect of which the balancing service provider has agreed to submit bids for a corresponding volume of balancing energy to the Transmission System Operator for the duration of the contract.

39. “Limited capacity” means a situation in which an interconnection line cannot ensure the transmission of the entire physical flow of electricity resulting from the demand of market participants due to the lack or reduction of capacities of the interconnection lines and/or of the national transmission system.

40. “Cross-zonal capacity” means the capability of the interconnected system to accommodate energy transfer between bidding zones.

41. “Reserve capacity” means the amount of frequency containment reserves, frequency restoration reserves or replacement reserves that must be available to the Transmission System Operator.

42. “Clearing” means the process implemented by the market operator to establish positions, including the calculation of credits or debits of clearing members vis-à-vis the market operator, and to ensure the availability of funds to secure the exposure to the market operator arising from those positions, in accordance with the provisions of the market rules.

43. “Customer” means a wholesale or final customer of electricity.

44. “Active customer” means an final customer, or a group of jointly acting final customers, who consumes or stores electricity generated within its premises located within specified boundaries, or who sells self-generated electricity or participates in flexibility or energy efficiency schemes, provided that those activities do not constitute its primary commercial or professional activity.

45. “Household customer” means a customer purchasing electricity only for its own household consumption, excluding the consumption for commercial or professional activities.

46. “Final customer” means a customer purchasing electricity solely for its own use.

47. “Non-household customer” means a natural or legal person purchasing electricity that is not for household use, including generators and wholesale customers.

48. “Vulnerable customer” means a household customer who, due to its social circumstances, is entitled to certain special rights relating to electricity supply, granted in exceptional cases, as provided for in this Law.

49. “Wholesale customer” means a natural or legal person purchasing electricity for resale within or outside the system of the country where it is registered.

50. “Network codes” means the Transmission Code and the Distribution Code; the network codes on connection, as adapted and approved by Energy Community Decision No 2018/04/PHLG; and the following regulations and guidelines: Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management; Regulation (EU) 2016/1719 establishing a guideline on forward capacity allocation; Regulation (EU) 2017/2195 establishing a guideline on electricity balancing; Regulation (EU) 2017/2196 establishing a network code on electricity emergency and restoration; and Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation, as adapted and approved by Decision No 2022/15/MC-EnC of the Ministerial Council of the Energy Community.

51. “Distribution Code” means the set of technical rules governing the operation of the distribution grid and establishing the terms and conditions of service provided by distribution system operators to distribution system users.

52. “Transmission Code” means the set of technical rules governing the operation of the transmission system and establishing the terms and conditions of service provided by the Transmission System Operator to transmission system users in accordance with ENTSO-E rules.

53. “Fully integrated network components” means network components that are integrated in the transmission or distribution system, including energy storage facilities, and that are used for the sole purpose of ensuring secure and reliable operation of the transmission or distribution system, and not for balancing or congestion management.

54. “Citizen energy community” means a legal person which:

a) is based on voluntary and open participation and is effectively controlled by members or shareholders that are natural persons, local authorities, including municipalities, or small enterprises;

b) has for its primary purpose to provide environmental, economic or social benefits to its members or shareholders or to the local areas where it operates rather than to generate financial profits; and

c) may engage in energy generation, including from renewable sources, distribution, supply, consumption, aggregation, energy storage, energy efficiency services or recharging point operation, or provide other energy services to its members or shareholders.

55. “Congestion” means a situation in which all requests from electricity market participants to trade between grid areas cannot be accommodated because they would significantly affect the physical flows on grid elements which cannot accommodate those flows.

56. “Structural congestion” means congestion in the transmission system that is capable of being unambiguously defined, is predictable, is geographically stable over time and frequently occurs under normal electricity system conditions.

57. “Supply contract” means a contract for the supply of electricity, excluding electricity derivatives.

58. “Interruptible supply contract” means a supply contract that entitles the Transmission System Operator or the Distribution System Operator to temporarily interrupt the electricity supply to an final customer, in accordance with the terms and conditions of service laid down in the network codes and other regulatory acts.

59. “Full supply contract” means a supply contract that includes responsibilities relating to the use of the transmission or distribution grid.

60. “Dynamic electricity price contract” means an electricity supply contract between a supplier and an final customer that reflects price variations in the spot markets, including the day-ahead and intraday markets, at intervals at least equal to the market settlement frequency.

61. “Control” means rights, contracts or any other means which, either separately or in combination, having regard to the circumstances or the law, confer on an entity the possibility of exercising decisive influence over an undertaking, in particular through:

a) ownership of, or the right to use, all or part of the assets of that undertaking;

b) rights or contracts which confer significant influence on the formation, voting or decision-making of the bodies of that undertaking.

62. “Maximum price conditions” means the rules on the maximum price of electricity, as determined by ERE, which apply to the supply of electricity by entities carrying out the resale of electricity or the sharing of electricity without an electricity supply licence.

63. “Terms, conditions and methodologies” means the pan-European, regional and national rules, procedures, terms, conditions and methodologies, as provided for in the network codes and guidelines.

64. “Licence” means a right granted to a person to carry out an electricity activity in accordance with the provisions of this Law.

65. “Direct line” means an electricity line connecting a generator isolated from the grid with a customer isolated from the grid, within or outside Albania, or an electricity line connecting a generator with a supply undertaking which directly supplies electricity to its own premises, subsidiaries or customers.

66. “Law on renewable energy” means Law No 24/2023, “On the promotion of the use of energy from renewable sources”.

67. “Smart metering system” means an electronic system that is capable of measuring electricity fed into the grid or electricity consumed from the grid, providing more information than a conventional meter, and that is capable of transmitting and receiving data for information, monitoring and control purposes, using a form of electronic communication.

68. “Conventional meter” means an analogue or electronic meter with no capability to transmit and receive data.

69. “Capacity mechanism” means a temporary measure to ensure the achievement of the necessary level of resource adequacy by remunerating resources for their availability, excluding measures relating to ancillary services or congestion management.

70. “Ministry” means the ministry responsible for the energy sector.

71. “Minister” means the minister responsible for the energy sector.

72. “Electricity market model” means a document prepared and approved in accordance with the provisions of this Law, which defines the relationships between the different electricity market participants.

73. “Electricity sharing” means the supply of electricity to an final customer by an active customer or a citizen energy community, where the electricity supplied has been generated by the entity sharing the electricity as the output of a generation installation whose premises are located at the same location as the premises of the purchasing final customer.

74. “Microenterprise” means an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

75. “Small enterprise” means an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.

76. “Interoperability”, in the context of smart metering, means the ability of two or more energy or communication networks, systems, devices, applications or components to interwork, exchange and use information in order to perform required functions.

77. “Balancing service provider” means an electricity market participant providing balancing energy, balancing capacity or both to the Transmission System Operator.

78. “Recharging point operator” means a natural or legal person carrying out the operation of a recharging point.

79. “Grid operator” means the transmission system operator and/or the distribution system operator.

80. “Transmission System Operator” or “TSO” means the legal person responsible for the operation, maintenance and development of the transmission system, including its interconnections with other cross-border systems, to ensure the long-term ability of the system to meet reasonable demands for electricity transmission.

81. “Nominated Electricity Market Operator” or “NEMO” means the market operator designated by ERE to perform tasks related to the coupling of the day-ahead electricity market or the intraday electricity market.

82. “Independent Metering Operator” means an undertaking with experience in energy metering for the operation and management of the metering system.

83. “Distribution System Operator” or “DSO” means a legal person responsible for the safe, reliable and efficient operation of the distribution grid, ensuring the maintenance and development of the distribution system in a given area and, where applicable, its connections with other systems, to ensure the long-term ability of the system to meet reasonable demands for electricity distribution, with due regard for the environment and energy efficiency.

84. “Market operator” means an entity providing a service through which offers to sell electricity are matched with bids to buy electricity.

85. “Operation of an energy storage facility” means the activity covering the operation of an energy storage facility.

86. “Market operation” means the activity carried out by the market operator for the organisation and operation of the day-ahead and intraday electricity markets.

87. “Operation of a recharging point” means the activity covering the operation of recharging points.

88. “Licence fee” means a fee determined by ERE for the granting of licences to carry out an activity in the electricity sector.

89. “Regulatory fee” means an annual fee paid to ERE by all undertakings licensed in the electricity sector to cover the costs of its regulatory activity. The regulatory fee for each licensed undertaking is approved annually by ERE on the basis of a methodology approved by that institution.

90. “Balance responsible party” means an electricity market participant or its chosen representative responsible to the Transmission System Operator for the imbalances arising during its operation.

91. “Energy Community Parties” means the Contracting Parties to the Energy Community Treaty, the European Union and its Member States.

92. “Imbalance settlement period” means the time unit for which the imbalance of balance responsible parties is calculated.

93. “Person” means a natural or legal person.

94. “System users” means any natural or legal persons supplying, or being supplied, with electricity through the transmission or distribution system.

95. “Balancing responsibility” means the obligation of electricity market participants to balance electricity generation, consumption and purchase and sale transactions in accordance with the accepted schedule, while being financially responsible to the Transmission System Operator for the settlement of the resulting imbalances.

96. “Demand response” means the change of electricity load by final customers from their normal or actual consumption patterns in response to market signals, including time-varying electricity prices or incentive payments, or in response to the acceptance of an final customer's bid to sell demand reduction or increase at a price in an organised electricity market, whether individually or through aggregation.

97. “Recharging point” means a publicly accessible interface that is capable of charging one electric vehicle at a time or exchanging the battery of one electric vehicle at a time.

98. “Electricity market participant” means a legal person participating in any electricity market, including markets for trading electricity, capacity, balancing and ancillary services, comprising generators, traders, operators of energy storage services, aggregators, demand response providers, suppliers, customers, the Transmission System Operator, the Distribution System Operator, closed distribution system operators, the market operator and the Nominated Electricity Market Operator (NEMO). The Transmission System Operator and the Distribution System Operator are electricity market participants solely for the purpose of procuring the electricity needed to cover grid losses, balancing and ancillary services.

99. “Long-term planning” means the planning of investment needs in generation, storage, transmission and distribution capacity on a long-term basis, with a view to meeting the electricity demand of the system and ensuring security of supply to customers.

100. “Electricity generation” means the process of generating electricity from primary energy sources.

101. “Generator” means a person licensed for electricity generation.

102. “Distribution-connected generator” means a generator whose generation plant is connected to the distribution system.

103. “Priority electricity generator” means an electricity generator using renewable energy sources, as defined in the Law on renewable energy.

104. “Demonstration project” means a project which demonstrates a technology as the first of its kind in the Energy Community and represents a significant innovation that goes beyond the current state of the art.

105. “Prequalification process” means the process of verifying the compliance of the activity of a balancing capacity provider with the requirements established by the Transmission System Operator.

106. “Regional Coordination Centre” or “RCC” means the regional coordination centre in which the Transmission System Operator will participate, as defined in Annex V to Regulation (EU) 2019/943.

107. “Capacity calculation region” means the geographical area in which coordinated capacity calculation is applied.

108. “System Operation Region” or “SOR” means the system operation region covering Albania, as defined in Annex V to Regulation (EU) 2019/943.

109. “Redispatching” means a measure, including curtailment, that is activated by the Transmission System Operator or Distribution System Operator by altering the generation pattern, load pattern, or both, in order to change physical flows in the electricity system and relieve physical congestion or otherwise ensure system security.

110. “Resale of electricity” means the supply of electricity by an entity within its premises located within limited boundaries to an final customer, where the electricity supplied has been purchased from a licensed supplier and where the maximum price of the electricity supplied is subject to the relevant conditions issued by ERE.

111. “Market rules” means the detailed rules governing the operation and management of electricity markets, the registration of participants, the balancing responsibility of electricity market participants, the balancing of the electricity system, the calculation of imbalances for balance responsible parties, the financial responsibilities of balance responsible parties in the event of an imbalance, and other matters relating to electricity market operation.

112. “Regulation (EU) 2019/943” means Regulation (EU) 2019/943 of 5 June 2019 on the internal market for electricity, incorporated and adapted by Decision D/2022/03/MC-EnC of the Ministerial Council of the Energy Community of 15 December 2022.

113. “Electricity grid” means the set of lines, substations and equipment for the transmission or distribution of electricity, including interconnection lines.

114. “Security” means security of supply and the provision of electricity, as well as technical safety.

115. “Electricity system” means an interconnected system consisting of generation plants, electricity lines, substations and transmission and distribution equipment, for the transmission or distribution of electricity to customers.

116. “Distribution system” means the system of lines, supporting structures, transformers and switching equipment used for the distribution of electricity and its delivery to customers, excluding supply.

117. “Transmission system” means the system used for the transmission of electricity at high and very high voltage, connected in parallel with the systems of other countries, including, among other things, lines, supporting structures, transformers and switching equipment for the delivery of electricity to customers or to the distribution grid, excluding supply.

118. “Public service” means a service provided by a licensee operating in the electricity sector, relating to security and quality of supply, regulated prices in the electricity sector, the efficient use of electricity, energy from renewable sources and environmental protection, the fulfilment of which does not prejudice competition, except where necessary to ensure the public service concerned.

119. “Balancing service” means the provision of contracted reserve capacity and/or balancing energy used by the Transmission System Operator to perform balancing.

120. “Universal supply service” means a public service for the supply of final customers, ensuring their right to be supplied with electricity of a specified quality throughout the territory of the Republic of Albania, at regulated prices that are easily and clearly comparable, transparent and non-discriminatory.

121. “Ancillary services” means the services necessary for the stable operation of the transmission or distribution system, including balancing services and non-frequency ancillary services, but excluding congestion management.

122. “Non-frequency ancillary services” means services used by the Transmission System Operator or the Distribution System Operator for steady-state voltage control, fast reactive current injection, inertia for local grid stability, short-circuit current, black-start capability and island operation capability.

123. “Electricity undertaking” means a legal person carrying out at least one of the following activities: generation, transmission, distribution, aggregation, demand response, energy storage, operation of recharging points, supply or purchase of electricity, which is responsible for the commercial, technical or maintenance obligations relating to those activities, excluding final customers.

124. “Integrated electricity undertaking” means an undertaking licensed in the electricity sector that is vertically or horizontally integrated.

125. “Horizontally integrated undertaking” means an undertaking carrying out at least one of the activities of generation for sale, transmission, distribution or supply of electricity, and another activity outside the electricity sector.

126. “Vertically integrated undertaking or group of undertakings” means an undertaking or a group of undertakings licensed in the electricity sector, over which the same person or persons exercise direct or indirect control, and where the undertaking or group of undertakings carries out at

least one of the activities of transmission or distribution and at least one of the activities of generation or supply of electricity.

127. “Distribution” means the transport of electricity through the distribution system at high, medium and low voltage for delivery to customers, excluding supply.

128. “Settlement” means the process carried out between the market operator and clearing members, through which the market operator manages monetary transactions for transactions carried out in organised electricity markets.

129. “Switching-related fee” means a charge or penalty for switching the suppliers or market participants engaged in aggregation, including contract termination fees, that is directly or indirectly imposed on customers by suppliers, market participants engaged in aggregation or system operators.

130. “Declared transit” means the quantity of electricity coming from another country which is not consumed within Albania but is transmitted to a third country.

131. “Trader” means any legal person performing the electricity trading activity.

132. “Electricity trading” means the activity carried out by a legal person purchasing electricity for resale within or outside the system of the country in which it operates.

133. “Electricity markets” means markets for electricity, including the free market, the organised electricity market and the electricity derivatives market, markets for trading energy, capacity, balancing and ancillary services in all timeframes, including forward, day-ahead and intraday contracts.

134. “Balancing market” means the market-based management of electricity system balancing functions, operated by the Transmission System Operator.

135. “Electricity derivatives market” means the electricity market where derivative products such as electricity futures and options contracts are traded by electricity market participants as instruments to fix future prices, but do not lead to the physical delivery of electricity.

136. “Day-ahead market” means the electricity market in which sell and buy orders are submitted one day before delivery, during the period from gate opening time to gate closure time.

137. “Organised electricity market” means the organised platform for the sale and purchase of electricity on a day-ahead and/or intraday basis.

138. “Intraday market” means the electricity market in which electricity sale and purchase transactions involving an obligation of physical delivery take place after the deadline for submitting orders for transactions in the day-ahead market and relate to the day of delivery.

139. “Value of lost load” means an estimate, in EUR/MWh, of the maximum electricity price that customers are willing to pay to avoid an outage.

140. “Bidding zone” means the largest geographical area within which electricity market participants are able to exchange energy without capacity allocation.

141. “Imbalance price area” means the area in which an imbalance price is calculated.

142. “Control area” means a coherent part of the interconnected system operated by a single system operator and comprising connected physical loads and/or generation units, if any.

143. “Compliance officer” means an independent natural or legal person designated by the Transmission System Operator and the Distribution System Operator, entrusted with monitoring and reporting on the implementation of the compliance programme.

144. “Independent aggregator” means an electricity market participant that carries out aggregation activity and is not directly or indirectly connected to the customer's supplier.

145. “Electricity crisis” means a present or imminent situation in which there is a significant electricity shortage, as determined by the Member States and described in their risk-preparedness plans, or in which it is impossible to supply customers with electricity.

SECOND PART

POWER SECTOR POLICIES

Article 4
Power sector policies

1. The Council of Ministers is responsible for the overall policies for the development of the Albanian electricity sector, in accordance with the policies for the economic development of the country and its other sectors.

2. The Ministry:

a) drafts the National Energy Strategy, which is approved by the Council of Ministers and updated at least every five years. The National Energy Strategy sets out the objectives for the development of the energy sector and the means of achieving them, ensuring the sustainable development of the national economy in the medium and long term;

b) develops medium-term programmes for the development of the electricity sector, which are approved by the Council of Ministers in compliance with the National Energy Strategy;

c) assesses the need to construct new generation capacity and energy storage facilities and to reinforce grids, in accordance with the medium-term programmes, taking into account:

i. the general expected future electricity balances;

ii. the security and stability of electricity supply;

iii. the cost, including any mechanism for costs minimisation, for these new generation capacities;

ç) supervises the implementation of policies and programmes for the development of the energy sector, in conformity with the economic and social development of the country;

d) incentivises electricity market participants in order to promote energy efficiency and empower final customers to optimise their electricity consumption.

3. Within the framework of its responsibility under point 2, letter "c", of this Article, the Ministry shall monitor resource adequacy in Albania, as assessed by ENTSO-E. To supplement the resource adequacy assessment carried out by ENTSO-E, the Ministry may require the Transmission System Operator to carry out a national resource adequacy assessment, based on the pan-European methodologies for resource adequacy assessment and the calculation of the maximum entry capacity. The national resource adequacy assessment shall be submitted to the Energy Community Secretariat if it identifies concerns not identified by the European resource adequacy assessment, and the opinion of the Energy Community Secretariat shall be taken into account.

4. Where the Ministry's assessment pursuant to point 3 of this Article identifies a resource adequacy concern, the Ministry shall identify any regulatory distortions or market failures that caused or contributed to the emergence of the concern. Based on the findings identified, the Ministry shall develop and publish an implementation plan with a timeline for adopting measures to eliminate any identified regulatory distortions or market failures and shall submit it to the authority responsible for State aid when notifying a capacity mechanism, as well as to the Energy Community Secretariat for review. Based on the consultations concluded, the Ministry shall finalise the implementation plan and publish it on its official website.

5. Within four months of receipt of the implementation plan, the Energy Community Secretariat shall issue an opinion on whether the measures are sufficient to eliminate the regulatory distortions or market failures that have been identified and shall invite the Ministry to amend its implementation plan accordingly.

6. When addressing resource adequacy concerns, the Ministry shall take into consideration:

a) removing regulatory distortions;

b) removing price caps in line with technical bidding limits;

c) introducing a shortage pricing function for balancing energy;

ç) increasing interconnection and internal grid capacity with a view to achieving at least the interconnection targets;

d) enabling self-generation, energy storage, demand-side measures and energy efficiency by approving measures to eliminate any identified regulatory distortions;

dh) ensuring cost-efficient and market-based procurement of balancing services and ancillary services;

e) removing regulated prices where required.

7. For the purposes of the European and national resource adequacy assessments, the Transmission System Operator shall provide ENTSO-E with the data it requires to carry out the European resource adequacy assessments and the Ministry with the data it requires to carry out the national resource adequacy assessments. For the above purpose, licensees shall provide the Transmission System Operator with data concerning the expected utilisation of generation resources, taking into account the availability of primary resources and projected demand and supply scenarios.

8. The Ministry shall monitor the application of the implementation plan referred to in point 4 of this Article and shall publish the results of the monitoring in an annual report, which shall be submitted to the Energy Community Secretariat.

9. The Council of Ministers, upon the proposal of the Minister, shall approve the detailed rules for the national resource adequacy assessment referred to in point 3 of this Article.

10. The Energy Community Secretariat shall issue an opinion on whether the implementation plans have been sufficiently implemented and whether the resource adequacy concern has been resolved.

11. The Ministry shall continue to adhere to the implementation plan even after the identified resource adequacy concern has been resolved.

12. The Council of Ministers, upon the proposal of the ministry responsible for energy and in consultation with the ministry responsible for the environment and the authorities responsible for urban planning, shall approve the rules for the construction of trans-European energy infrastructure. These rules shall transpose and implement the provisions of the EU Regulation on guidelines for trans-European energy infrastructure (TEN-E) and, in particular, shall address the identification and facilitation of Projects of Common Interest and Projects of Mutual Interest (PCIs and PMIs), streamlined and time-reduced permitting procedures with a designated competent authority, the strengthening of cross-border cooperation, and regulatory and financial frameworks supporting investment in strategic energy infrastructure. These rules shall ensure transparency, public participation, environmental protection and compliance with the objectives of market integration, security of supply and climate neutrality.

Article 5

Data and information on electricity balance

1. Any natural or legal person that generates, transmits, distributes, imports, exports or supplies electricity shall submit data concerning its activities to the ministry responsible for energy for the development of electricity sector policies, communication with specialised institutions, in the framework of the international commitments of Albania as well as the preparation and publication of the annual electricity balance.

2. The Minister shall approve the method and format for reporting the data.

3. This Article shall not restrict the rights of ERE or other competent statistical bodies to access data in accordance with this Law and the legislation in force on statistics.

THIRD PART

SECURITY OF SUPPLY

Article 6

Risk preparedness

1. The Ministry acts as the competent authority regarding risk preparedness planning and risk management.

2. The Council of Ministers shall, on the proposal of the Minister, in cooperation with other relevant institutions or undertakings in the electricity sector, approve rules for identifying national electricity crisis scenarios and for the preparation, submission and approval of risk-preparedness plans.

3. The Ministry ensures that all relevant risks related to the security of electricity supply are assessed in accordance with the rules established by the Council of Ministers pursuant to this Article. To this end, it cooperates with the Transmission System Operator, the Distribution System Operator, ENTSO-E, Regional Coordination Centres (RCCs), ERE, and other relevant stakeholders, as appropriate.

4. The Ministry, in accordance with the rules established by the Council of Ministers pursuant to this Article, regularly participates in the identification and updating of national electricity crisis scenarios.

5. Based on the identified regional and national electricity crisis scenarios, and in accordance with the rules established by the Council of Ministers pursuant to this Article, the Ministry shall draft a risk preparedness plan following consultation with ERE, the Transmission System Operator, the Distribution System Operator, the generators and other electricity and natural gas undertakings deemed necessary by the Ministry, as well as relevant organisations representing the interests of industrial and non-industrial final customers.

6. The risk preparedness plan consists of national, regional, and, where appropriate, bilateral measures. All measures planned or undertaken for the prevention, preparedness, and mitigation of electricity crises must be fully consistent with the provisions of this Law, network codes, and other secondary legislation in the power sector. These measures must be clearly defined, transparent, proportionate, and non-discriminatory.

7. To ensure the consistency of risk-preparedness plans, the Ministry shall, prior to the approval of its risk-preparedness plans, submit the drafted plans for consultation to the competent authorities of the relevant contracting parties in the region and, where they are not in the same region, to the competent authorities of directly connected contracting parties, as well as to the Energy Community Secretariat. Within six months of receiving the drafted risk-preparedness plans, the competent authorities referred to in this point and the Energy Community Secretariat may submit recommendations regarding the plans.

8. Within nine months of the submission of the plans, the Ministry shall approve the risk-preparedness plans, taking into account the results of the consultation and any recommendations issued in accordance with point 7 of this Article. The Ministry shall notify the Energy Community Secretariat of the risk-preparedness plans without delay.

9. The risk-preparedness plan shall set out all national measures planned or taken to prevent, prepare for, and mitigate the impact of regional or national electricity crises, including:

a) a summary of the electricity crisis scenarios defined for Albania and the region, in accordance with the procedures established for identifying regional and national electricity crisis scenarios;

b) definition of the role and responsibilities of the Ministry and a description of which tasks, if any, have been delegated to other bodies;

c) a description of national measures designed to prevent or prepare for the identified risks;

ç) the designation of a national crisis coordinator and the definition of its duties;

d) a definition of the detailed procedures to be followed during electricity crises, including relevant information flow schemes;

dh) the identification of possible market-based measures to address electricity crises, particularly demand-side and supply-side measures;

e) the identification of possible non-market-based measures to be implemented during electricity crises, specifying the triggers, conditions, and procedures for their implementation, and indicating how they align with market rules and with regional and bilateral measures;

ë) the provision of a framework for manual load interruption, defining the circumstances under which loads are to be interrupted - with regard to public and personal safety—specifying which categories of electricity users are entitled to special protection against disconnection in accordance

with national legislation, justifying the need for such protection, and specifying how the Transmission System Operator and the Distribution System Operator are to reduce consumption;

f) description of the mechanisms used to inform the public about electricity crises;

g) description of the national measures necessary to implement agreed regional and, where applicable, bilateral measures;

gj) information on relevant and necessary future grid development plans that will help address the consequences of the identified electricity crisis scenarios.

10. National measures shall fully take into account agreed regional and, where applicable, bilateral measures and shall not jeopardise the operational security or protection of the transmission system or the security of electricity supply of other contracting parties.

11. The Ministry publishes the risk preparedness plan on its official website, while ensuring the confidentiality of sensitive information- particularly information regarding measures to prevent or mitigate the consequences of malicious attacks.

12. The Ministry approves and publishes its first risk preparedness plan by 31 December 2027. Subsequently, the Ministry updates the risk preparedness plan every four years, unless circumstances require more frequent updates.

13. At the Ministry's request, licensees provide all necessary cooperation to enable it to perform the tasks set out in this Article.

Article 7
Grid security and quality of supply

1. Transmission and distribution system operators shall develop specific rules, defining the minimum requirements on grid security and operation, including rules on quality of supply and grid performance. In drafting these rules and requirements, transmission and distribution system operators shall consult relevant stakeholders within and outside Albania. The rules on quality of supply and the security of grid performance shall be approved and their implementation monitored by ERE.

2. ERE shall supervise the maintenance of an adequate level of technical transmission reserve capacity by the Transmission System Operator, which shall also cooperate with the transmission system operators of neighbouring countries with which it is interconnected, in order to guarantee grid security.

3. The Transmission System Operator and the Distribution System Operator shall exchange information promptly for the effective operation of the grid, in accordance with the operational requirements referred to in point 1 of this Article, including with the operators of interconnected transmission systems abroad.

Article 8
Demand and generation balance

1. To maintain the balance between electricity demand and the availability of electricity, the following measures shall be taken:

a) ERE shall establish rules enabling and promoting the operation of an open, competitive and non-discriminatory market for electricity generation, wholesale trading and supply.

b) The Transmission System Operator shall ensure reserve capacity.

2. To maintain the balance between electricity demand and available generation capacity, the Council of Ministers shall adopt a decision providing for additional measures, including but not limited to:

a) the inclusion in the relevant secondary legislation of provisions supporting the construction of new generation and energy storage capacity and the entry of new generation and storage undertakings into the market;

b) removal of barriers that prevent the use of interruptible supply contracts, according to the best European practices;

c) the removal of barriers preventing the conclusion and signing of contracts of varying duration by both generators and customers;

ç) encouraging the use of real-time demand management technologies through advanced metering systems, in accordance with customer requirements;

d) encouragement for using the energy storage capacities after the metering point;

dh) encouragement of the measures for efficient use of electricity;

e) the implementation of competitive, transparent and non-discriminatory procedures for new investment in generation and energy storage capacity, in accordance with Article 53 of this Law.

3. The Transmission System Operator shall prepare an overall short-, medium- and long-term forecast of electricity demand and potential sources of supply, taking into account security-of-supply criteria and requirements.

FOURTH PART

ENERGY REGULATORY AUTHORITY (ERE)

CHAPTER I

ORGANISATION

Article 9
Organisation of ERE

1. ERE is the regulatory authority for the electricity and natural gas sectors in Albania and is governed by the Board. The Board consists of the Chairperson and four members.

2. The regulation on the organisation and operation of ERE shall be drafted and approved by the Board and published on the official website of ERE.

Article 10
Independence of ERE

1. ERE is a public legal person, independent of any other public or private entity.

The Board and technical staff of ERE shall:

a) perform their duties impartially and transparently;

b) act independently of the market interests of any private or public institution or entity;

c) take autonomous decisions independently of any political body.

2. ERE shall cooperate with the responsible Ministry and other public institutions on matters governed by this Law that fall within their respective responsibilities.

Article 11

Selection and Appointment of the Chairperson and the Board members

1. The Chairperson and Board members shall be appointed by the Assembly on the proposal of the Selection Commission, in accordance with points 2, 3, 4 and 5 of this Article.

2. The Chairperson and the Board members are appointed for a five-year term, which may be renewed only once. When a Board member is appointed to fill a vacancy arising before the expiry of the term of office for which the predecessor was elected, the Board member shall be elected only for the remaining period of the predecessor’s term of office.

3. The Selection Commission for Board members shall consist of three members: two representatives of the Assembly, namely the chairs of the parliamentary committees responsible for energy and the economy, respectively, and the Minister responsible for energy. The Selection Commission shall be responsible for conducting the evaluation process.

4. No later than three months before the expiry of the term of office of the Chairperson or a Board member, the Assembly shall publish a vacancy notice. The notice shall clearly specify the eligibility and appointment criteria, application procedures and deadlines, ensuring transparency and equal treatment for all qualified candidates. The Selection Commission shall shortlist two candidates on the basis of objective, transparent and published criteria, through an independent and impartial procedure ensuring that candidates possess the skills and experience required under point 5 of this Article, and shall propose them to the Assembly.

5. The Chairperson and the Board members shall be persons who fulfil the following criteria:

a) the Chairperson shall be an outstanding person in the field of energy. He/she shall have at least 15 years of working experience in the power sector;

b) one Board member shall have at least 10 years of professional experience in the electricity sector and shall be an electrical engineer;

c) one Board member shall have at least 10 years of professional experience in the hydrocarbons sector and shall be an engineer in the oil and/or gas field;

ç) the other two members, one from the legal field and the other from the financial field, shall each have at least 10 years of professional experience, including at least 5 years in the electricity sector.

6. When the position of Chairperson becomes vacant, the longest-serving Board member shall act as Chairperson until a new Chairperson is appointed. Seniority shall be calculated from the date of appointment as a Board member.

7. When the term of office of the Chairperson or a Board member expires and the selection of a replacement is delayed, the incumbent's term shall be automatically extended until the Assembly elects a new Chairperson or Board member to replace them.

8. Prior to election, each Board member shall resign from any employment position, consultancy or other professional engagement and shall relinquish any direct or indirect interest in any undertaking engaged in electricity generation, transmission, distribution or supply, or falling within the responsibilities of ERE, including the manufacture, supply or leasing of equipment for the electricity or gas sector, or the provision of consultancy services to such companies.

9. The Board shall determine the organisational structure and staffing levels of ERE, the salaries and financial benefits of the Chairperson and Board members, and the salaries and benefits of the technical staff. In determining the salaries and financial and non-financial benefits of technical staff, the Board shall take into account market conditions and salary levels in undertakings within the sector it regulates.

Article 12
Dismissal and release of the Chairperson and the Board members

1. The Chairperson and Board members may be dismissed or released from office by the Assembly only where:

a) they fail to comply with the principle of independence, assessed against transparent criteria, or have a conflict of interest;

b) they have been convicted of a criminal offence by a final court decision;

c) they resign;

ç) they run for election as members of the Assembly;

d) they run for election to the bodies of a local government unit;

dh) become unable to perform the duties and responsibilities of ERE for a period exceeding six months;

e) are absent from duty without cause for a period exceeding one month;

ë) assume any position in central or local government or in any other governmental institution other than ERE.

2. The Assembly shall formally initiate the procedure by means of a reasoned decision specifying the legal basis, the factual circumstances and the supporting documentation. The Board member concerned shall be notified in writing within 10 days.

3. Prior to their dismissal, the Chairperson of ERE and the Board members shall have the right to submit their reasons and evidence in their defence before the Assembly commissions within a

reasonable period of time. Where necessary, a hearing session may be organised to ensure equal treatment and due process.

4. A decision to dismiss or release the Chairperson or a Board member from office shall be based on law and shall state the reasons for the dismissal or release.

5. The Chairperson and Board members dismissed under point 1, letters “a” and “b”, of this Article shall not be eligible for re-election to the Board of ERE.

6. The dismissal or release from office of the Chairperson and Board members under point 1 of this Article shall be approved by the Assembly on the proposal of the Selection Commission.

Article 13
Chairperson of the Board

1. The Chairperson of the Board is the chief administrator of ERE and is responsible for the administration of the institution and for chairing Board meetings.

2. When absent, the Chairperson shall designate a Board member to act as Chairperson during that period.

Article 14
Technical staff and Board advisors

1. The technical staff shall assist the Board in carrying out its duties. Staff shall be selected, appointed, promoted and dismissed in accordance with the procedures laid down in the regulation approved by the Board.

2. In addition to its permanent technical staff, the Board may, where justified, be assisted by advisers or experts in performing its functions.

3. The costs of advisers or experts referred to in point 2 of this Article shall be covered by ERE budget.

Article 15
Conflict of interest

1. The Chairperson, Board members, Board advisers and technical staff of ERE may not be:

a) owner, shareholder or holder of assets, or any part thereof, of a licensee holding a licence under the terms of this Law;

b) employees or subcontractors of a licensee holding a licence under this Law;

c) members of the supervisory board or other relevant governing bodies of a licensee holding a licence under this Law;

ç) directors, administrators or holders of any other managerial position in a licensee holding a licence under this Law or in any other undertaking subject to the jurisdiction of ERE.

2. If, during an application procedure for the granting of a licence under this Law, or a procedure involving the financial interests of a licensee, including but not limited to tariff matters, the Chairperson, a Board member or a member of technical staff has a conflict of interest other than those specified in point 1 of this Article but falling within the relevant legislation on the prevention of conflicts of interest, that person shall not participate in the relevant decision-making.

3. The Chairperson, a Board member, a Board adviser or a member of technical staff may be a customer of a licensee, but the licensee shall not offer them preferential treatment compared with the general service provided to the public.

4. The Chairperson, Board members and technical staff shall perform their duties in accordance with the legislation in force on conflicts of interest.

5. Following the expiry of their term of office, the Chair and Board members shall be subject to the following restrictions:

a) for a period of up to 2 years following the expiry of their term of office, they shall not be employed in managerial, executive or supervisory positions in public or private institutions, including entities under their control, which have had relations with the institution in which they exercised their

functions and for which, during the last 2 years of their term of office, they had direct responsibility for supervision or auditing;

b) for a period of up to 1 year following the expiry of their term of office, they shall not enter into contractual relationships for the provision of services with the institution in which they exercised their functions, whether directly or indirectly, including through related persons or trusted intermediaries;

c) for a period of up to 1 year following the expiry of their term of office, they shall not represent any party in matters related to the institution in which they exercised their functions, whether directly or indirectly, including through related persons or trusted intermediaries.

Article 16
Board meetings and decisions

1. Board meetings and hearings shall be open to the public. In specific cases involving internal matters, the Board may hold closed meetings in accordance with the regulation on the organisation, operation and procedures of ERE.

2. Board meetings shall be held with at least three members present, and decisions shall be taken by a majority of all Board members.

3. All Board decisions are accompanied by a reasoned report.

4. All Board decisions, except those concerning the internal organisation of ERE, shall be published in the Official Gazette. ERE shall publish adopted decisions and a press release for each decision on its official website.

5. ERE decisions shall enter into force on the date specified therein. Where no specific date is provided, they shall enter into force on the date of their publication, in accordance with the applicable legal provisions of the Code of Administrative Procedures.

6. Any party involved in a procedure may, within 7 (seven) calendar days of receiving the decision in that procedure, request ERE to review the
Board decision where new evidence has emerged that may lead to a decision different from the previous one or where errors have been identified.

7. An appeal against ERE Decisions may be lodged with the Administrative Court of Tirana, within 45 calendar days from the date of publication of the Decision in the Official Gazette. The lodging of an appeal shall not suspend the validity of the decision, unless the court decides otherwise in accordance with the legislation in force.

Article 17
Financing of ERE

1. The budget of ERE shall be approved by the Board. ERE shall have full autonomy in the use of its budget.

2. The financial resources of ERE shall consist of regulatory fees, licence fees and other fees approved by ERE pursuant to the legislation on the promotion of the use of energy from renewable sources and on the natural gas sector.

3. ERE shall keep full accounts of expenditure incurred, in accordance with the legislation in force on accounting.

4. ERE shall determine and approve the regulatory fee payable by licensees in accordance with the relevant regulation.

5. ERE shall notify each licensee of the amount of the regulatory fee and the payment deadline. If a licensee fails to pay within 30 (thirty) days of receiving the notification, ERE may apply administrative measures in accordance with Article 133 of this Law.

6. Regulatory fees shall be deposited in a dedicated account opened with a bank operating under the Albanian legislation in force. Any funds in the account of ERE that remain unspent at the end of

a year shall be carried forward to the following year, proportionately reducing the regulatory fees for that year.

7. ERE shall select an expert from the public register of certified accountants to audit its financial activities in accordance with the applicable legislation.

CHAPTER II

ERE - OBJECTIVES, RIGHTS AND RESPONSIBILITIES

Article 18
ERE general objectives

1. In performing its regulatory duties under this Law, ERE shall pursue the following objectives:

a) promoting the operation of a competitive, flexible, secure and environmentally sustainable internal electricity market, as well as the effective market opening for all customers and suppliers, while ensuring appropriate conditions for the secure and reliable operation of electricity grids, taking into account long-term objectives, in close cooperation with the Energy Community Parties and the regulatory authorities of other countries;

b) facilitating grid access for new generation capacity, energy storage facilities and recharging points, and removing barriers that could prevent access by new market participants, generators using renewable energy sources, aggregators and demand response providers;

c) promoting the development and operation of a competitive regional market within the Energy Community to achieve the objectives set out in letter "a" of this Article;

ç) eliminating restrictions on electricity trade with Energy Community Parties, including developing cross-border transmission capacity to meet demand and increase national market integration, thereby facilitating electricity flows throughout the Energy Community;

d) contributing to the development, in the most cost-effective manner, of a reliable, secure, sustainable, non-discriminatory and customer-oriented system, in accordance with energy system development objectives, to promote system adequacy and energy efficiency and the integration of renewable and distributed electricity generation into transmission and distribution grids, while facilitating interaction with other energy networks, including gas and heat;

dh) ensuring that customers benefit through internal market operation, promoting competition and assisting in ensuring a high level of customer protection, in close cooperation with respective authorities for customer protection;

e) ensuring high standards in the fulfilment of public service obligations in electricity supply, protecting vulnerable customers and ensuring the compatibility of data-exchange processes relating to supplier switching;

ë) ensuring that system operators and system users are given appropriate incentives, in both the short and long term, to increase efficiency, in particular energy efficiency, in system performance and to foster market integration.

2. ERE shall cooperate with other governmental and independent institutions and other authorities, including the national regulatory authorities of other Energy Community Parties, to achieve the objectives set out in point 1 of this Article.

Article 19
ERE responsibilities

ERE shall have these responsibilities in carrying out its activities:

a) approve the market rules;

b) approve and publish, in accordance with the principle of transparency, the methodologies for transmission and distribution tariffs, connection and access to the national grids, procedures for capacity allocation and congestion management, as well as other applicable methodologies;

c) ensure compliance by transmission system operators and distribution system operators and, where necessary, system owners, as well as compliance by any undertaking operating in the electricity market and other market participants, with their obligations under the Electricity Integration Package, including as regards cross-border issues, as well as with the decisions of ACER or the Energy Community Regulatory Board;

ç) approve, in accordance with the tariff principles set out in Article 21 of this Law, and publish tariffs for:

i. connection and access to the national grids, including transmission and distribution tariffs;

ii. licensed activities for which a public service obligation has been imposed in accordance with Article 108 of this Law.

d) ensure access to cross-border infrastructure, including procedures for capacity allocation and management of limited capacity;

dh) impose public service obligations on licensees, including the universal supply service, pursuant to Articles 49 and 108 of this Law;

e) ensure the unbundling obligations for transmission and distribution system operators in accordance with the provisions of this Law;

ë) cooperate with the regulatory authorities of neighbouring countries, the Energy Community Regulatory Board, the Agency for the Cooperation of Energy Regulators (ACER) and other relevant European bodies, with a view to ensuring regulatory compliance and the effective integration of the national electricity market into regional and European electricity markets. In particular, it shall contribute to the development and implementation of harmonised rules, network codes and guidelines, facilitate non-discriminatory cross-border exchanges of electricity, ensure the transparent, objective and efficient allocation and management of interconnection capacity, and support the coordinated functioning of the regional and European Union-wide market in accordance with the Electricity Integration Package (EIP) and the relevant European Union acquis;

f) take measures to prevent cross-subsidisation between transmission, distribution and supply activities or other electricity or non-electricity activities, as well as between categories of customers;

g) ensure, in cooperation with other institutions, the effective implementation of protective measures for final customers, including those provided for in Articles 109, 111 and 119 of this Law;

gj) cooperate with the Competition Authority and the market surveillance authority to examine possible anti-competitive conduct or acts by market participants;

h) if delegated by the Ministry in accordance with Article 28 of this Law, ensure non-discriminatory access to customer consumption data and guarantee, for optional use, a harmonised and easily understandable format at national level, enabling all customers to have prompt access to such data;

i) approve detailed rules on the quality of service and supply and the security of grid performance, as provided for in point 1 of Article 7 of this Law, monitor compliance with those rules and review the previous quality-of-supply performance and grid performance in relation to such rules;

j) contribute to the compatibility of data-exchange processes for important market processes at regional level;

k) take measures to promote demand response and improve the quality of service in the power sector;

l) publish quarterly data on the functioning of the electricity market on its official website;

ll) approve, upon the proposal of the licensee, the rules for the sale, purchase and exchange of electricity carried out by generators and suppliers entrusted with a public service obligation;

m) approve and publish rules on interoperability requirements;

n) ensure the provision of single points of contact to provide customers with all necessary information concerning their rights, the legislation in force and the dispute-settlement mechanisms available in the event of a dispute;

nj) ensure that final customers have access to simple, fair, transparent, independent, effective and efficient out-of-court mechanisms for the settlement of disputes concerning their rights and obligations;

o) ensure compliance by licensees with their obligations under this Law and the network codes, including as regards cross-border issues, as well as with decisions of the Energy Community Regulatory Board and relevant decisions of ACER;

p) approve products and procurement processes for ancillary services;

q) approve and implement network codes and guidelines adopted at Energy Community level through national measures or, where required, coordinated regional or Energy Community-wide measures. It shall also recognise and approve the relevant terms and conditions or methodologies developed in accordance with those network codes and proposed by the TSO;

r) comply with and implement any relevant legally binding decision of the Agency for the Cooperation of Energy Regulators (ACER), as well as decisions of the Energy Community Regulatory Board adopted in accordance with the Energy Community acquis;

rr) approve the regulation on the allocation of interconnection capacity and ensure that the Transmission System Operator makes interconnection capacity available to the maximum extent provided for in Article 74 of this Law;

s) report annually on its activities and the fulfilment of its duties to the relevant national authorities of the Energy Community Parties, the Energy Community Secretariat and the Energy Community Regulatory Board, including the steps taken and results achieved with regard to each of the duties listed in this Article;

sh) publish recommendations, at least annually, concerning the compliance of supply prices with the requirement for market-based supply prices and submit those recommendations to the Competition Authority, as appropriate;

t) operate a public platform for comparing suppliers' offers, in accordance with the provisions of Article 100 of this Law;

th) cooperate with ACER and ECRB and implement their individual decisions, take into account their opinions and recommendations, and provide them with information upon request;

u) designate and revoke the designation of the NEMO in accordance with the procedures provided for in the CACM Regulation;

v) cooperate with ECRB and ACER, as well as with the national regulatory authorities of the region, in approving regional terms, conditions and methodologies;

x) cooperate on cross-border issues with the regulatory authority or authorities of the relevant Member States and other Contracting Parties to the Energy Community, as well as with ACER;

xh) approve and amend regional and national terms, conditions and methodologies in accordance with the network codes and guidelines;

y) assess the costs of the TSO arising from obligations under the relevant network codes and guidelines.

Article 20

Powers of ERE

ERE has the following rights:

a) adopt binding decisions applicable to licensees operating in the electricity sector;

b) establish rules and requirements for the granting, amendment, transfer, renewal and revocation of licences in the electricity sector;

c) approve provisional transmission tariffs where transmission and distribution system operators delay tariff amendments. Where the approved tariffs differ from the provisional tariffs, ERE shall establish appropriate compensation measures;

ç) monitor and supervise the operation of the electricity market and require licensees to take the measures necessary to promote effective competition and secure market operation;

d) request information from licensees, market participants and relevant institutions for the performance of its duties, including the reasons for any refusal of third-party access and information on the measures necessary to reinforce the grid;

dh) imposes effective, proportionate and dissuasive administrative sanctions on licensees;

e) review and approve the investment plans of transmission and distribution system operators in accordance with the principle of least-cost planning, and monitor their implementation;

ë) settle disputes relating to customer complaints and disputes between licensees in accordance with this Law;

f) monitor the implementation of contracts concluded between licensees by exercising its right of access to their documents and information, while preserving the confidentiality of the information received;

g) monitor whether services provided by licensees comply with licence conditions and regulations approved by ERE;

gj) report to Energy Community institutions and other relevant international institutions in accordance with the legislation in force;

h) approve standard contracts or general contractual terms for regulated services provided by market participants entrusted with a public service obligation;

i) conduct investigations into the operation of the electricity market and establish and implement any necessary and proportionate measures to promote effective competition and ensure the proper functioning of the market. Where necessary, ERE shall cooperate with the Competition Authority, financial market regulators or the Commission in conducting investigations under the legislation in force on competition.

Article 21

Tariff principles for grid operation and services

1. The following criteria shall be applied to tariffs applicable to grid access, including grid connection fees, grid use fees and, where applicable, fees related to grid reinforcements:

a) reflect costs by providing price signals that mirror the actual costs incurred—insofar as they align with those of an efficient grid operator that is comparable in terms of structure—and cover these costs;

b) be transparent and readily understandable to system users;

c) shall consider the need for grid security and flexibility;

ç) be applied in a non-discriminatory manner, minimising cross-subsidisation between system users;

d) be stable, following a predictable pattern that reflects the application of a transparent methodology, while adhering to the cost-reflectivity principle set out in letter (a) of this point;

dh) not include costs that are unrelated to this purpose and that serve other policy objectives.

2. The method used to determine applicable grid access fees shall neutrally support overall system efficiency in the long term through price signals to customers and generators and, in particular, shall be applied in a manner that does not discriminate- either positively or negatively- between generators and energy storage facilities connected at the distribution level and generation connected at the transmission level. Applicable grid access fees shall not discriminate against energy storage or aggregation—either positively or negatively- in a manner that does not reflect costs, nor shall they create disincentives for self-generation, self-consumption, or participation in demand response.

3. Where appropriate, the level of tariffs applied to generators or final customers, or both, shall provide locational signals at the level of Energy Community Parties and take into account the amount of grid losses and congestion caused, as well as investment costs for infrastructure.

4. Without prejudice to point 2 of this Article, the tariff applicable to grid access shall not be distance-related.

5. The grid access tariffs referred to in this Article shall apply independently of charges on declared exports and imports resulting from the management of limited interconnection capacity under Article 76 of this Law.

6. Approved tariffs and the methodologies for calculating them shall enable the necessary grid investments to be made in a manner that ensures system sustainability. In setting grid access tariffs, the following shall be taken into account:

a) payments and receipts resulting from the cross-border transmission system operator compensation mechanism;

b) payments made and received, including payments expected for future periods, assessed on the basis of previous periods.

7. No grid access tariffs shall be applied to individual transactions involving declared export and/or transits.

8. In approving grid access tariffs or their methodologies, ERE shall ensure that the fixed costs of the Transmission System Operator and Distribution System Operator are reflected, together with appropriate short- and long-term incentives to improve efficiency, increase market integration, ensure security of supply, support research activities and facilitate innovation in the interests of customers in digitalisation, flexibility services and interconnection.

9. ERE publishes the detailed methodology and baseline costs used to calculate the relevant grid tariffs, while maintaining the confidentiality of commercially sensitive information.

Article 22
Transmission tariffs

1. When approving transmission tariffs and distribution tariffs or their methodologies, ERE shall take due account of the best-practice report developed and issued by the Energy Community Regulatory Board.

2. The methodology serving as the basis for calculating transmission tariffs shall take into account the costs of the Transmission System Operator, as specified by Regulation (EU) 2019/943, Directive (EU) 2019/944 and the network codes, including but not limited to:

a) the costs of ENTSO-E activities to be covered by the Transmission System Operator;

b) the costs imposed on the Transmission System Operator pursuant to Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management (as adapted and adopted by the Energy Community);

c) the costs imposed on the Transmission System Operator pursuant to Regulation (EU) 2017/2195 establishing a guideline on electricity balancing (as adapted and adopted by the Energy Community);

ç) costs related to the activities of:

i. redispatching and countertrading;

ii. establishing, amending and operating European platforms for the imbalance netting process, as well as enabling the exchange of balancing energy from frequency restoration reserves and replacement reserves;

d) costs arising from obligations under the Regulation on Forward Capacity Allocation;

dh) the inter-transmission system operator compensation mechanism (ITC).

3. ERE shall approve such costs only if they are reasonable and proportionate.

Article 23
Distribution tariffs

1. Distribution tariffs shall be cost-reflective, taking into account the use of the distribution grid by grid users, including active customers. Distribution tariffs may contain grid connection capacity elements and may be differentiated based on system users' consumption or generation profiles.

2. The methodology serving as the basis for calculating distribution tariffs shall provide incentives to the Distribution System Operator for the most cost-efficient operation and development of its grids, including the procurement of services. For this purpose, ERE shall recognise the relevant costs as eligible, include them in distribution tariffs and may provide for performance targets in order to

provide incentives to distribution system operators to increase efficiency in their grids, including energy efficiency, flexibility and the development of smart grids and smart metering systems.

Article 24
Monitoring by ERE

ERE monitors:

a) implementation of electricity market rules;

b) compliance by licensees with transparency obligations;

c) the level and effectiveness of market opening and competition at retail and wholesale levels, including electricity exchanges, household customer prices, prepayment systems, the impact of dynamic electricity price contracts and the use of smart metering systems, supplier-switching fees, disconnection charges, maintenance service obligations, the provision of maintenance services, the relationship between household and wholesale prices, changes in grid tariffs and customer complaints, and any distortion or restriction of competition, including the provision of relevant information and the referral of relevant cases to the Competition Authority;

ç) the conclusion of restrictive contracts, including contracts containing exclusivity clauses, that may prevent customers from contracting with more than one supplier simultaneously or restrict their choice to do so. ERE shall inform the Competition Authority of such cases;

d) the time taken by transmission and distribution system operators to connect new customers to the grid or carry out grid repairs;

dh) the implementation of rules relating to the roles and responsibilities of the Transmission System Operator, Distribution System Operator, suppliers, customers and other market participants;

e) investments in new generation capacities and new storage capacities for security of supply;

ë) the implementation of security of supply in compliance with the provision of this Law;

f) grid security and stability;

g) cooperation between the Transmission System Operator and neighbouring transmission system operators or the European Network of Transmission System Operators for Electricity (ENTSO-E), including the implementation of the inter-transmission system operator compensation (ITC) mechanism established within that cooperation;

gj) the implementation of rules on the management and allocation of interconnection capacity, in cooperation with the regulatory authorities or other competent authorities of neighbouring countries with which interconnections have been established;

h) the management of limited capacity in the transmission grid, including interconnections, and the implementation of limited-capacity management rules;

i) the publication by the Transmission System Operator of appropriate information for interested parties concerning interconnectors, grid use and capacity allocation, while preserving the confidentiality of information received;

j) the effective unbundling of accounts, in accordance with the provisions of this Law, to avoid cross-subsidisation between generation, transmission, distribution and supply activities;

k) the terms and tariffs for connecting new generators, electricity storage facilities and recharging points;

l) implementation of data management rules and the interoperability requirements when designated by the Ministry pursuant to Article 28 of this Law;

ll) the investment plans of the Transmission and Distribution System Operators;

m) the performance of the Transmission and Distribution System Operators regarding the development of a smart grid that promotes energy efficiency and the integration of energy from renewable sources, based on relevant indicators, and the publication of a biennial national report, including recommendations;

n) the implementation of dynamic electricity pricing contracts in line with relevant market developments;

nj) the removal of unjustified barriers and restrictions on the development of self-generated electricity consumption and citizen energy communities;

o) the level of transparency, including wholesale prices, and compliance by electricity undertakings with transparency obligations.

Article 25

Regulatory regime for cross-border issues

1. ERE shall cooperate with the other neighbouring regulatory authorities in the region and with the Energy Community Regulatory Board for:

a) drafting and signing operational agreements for optimal grid management, promoting mutual exchanges and the allocation of cross-border capacities, as well as increasing interconnection capacity through new interconnections, thereby enabling increased effective competition and improved security of supply without discrimination against licensees and traders from different countries that are Parties to the Energy Community;

b) coordinating the drafting and implementation of network codes by the Transmission System Operator and other market stakeholders;

c) coordinating the drafting of rules for the management of limited capacity;

ç) coordinating the joint oversight of entities performing functions at regional level;

d) coordinating, in cooperation with the Ministry, the joint oversight of national, regional and European resource adequacy assessments.

2. ERE shall have the right to enter into cooperation agreements with the regulatory authorities of the countries of the region in order to strengthen regional regulatory cooperation.

3. ERE shall cooperate with the other regulatory authorities within the System Operation Region, as defined in accordance with Regulation (EU) 2019/943, with a view to ensuring the effective coordination of system operation, the consistent implementation of network codes and guidelines, and the efficient functioning and integration of regional and European electricity markets:

a) to approve the proposal of the Transmission System Operator to establish, join or receive services from the Regional Coordination Centre (RCC), in accordance with Regulation (EU) 2019/943, and, following approval, to ensure its implementation by monitoring compliance, adopting the necessary regulatory decisions and overseeing that the relevant transmission system operators take all necessary measures to establish and make the RCC operational in accordance with the applicable legal and regulatory framework;

b) to approve the costs related to the activities of the Regional Coordination Centre (RCC), which shall be borne by the Transmission System Operator and taken into account in the calculation of tariffs, provided that they are reasonable and appropriate;

c) to approve cooperative decision-making processes;

ç) to ensure that the Regional Coordination Centre (RCC) is provided with all the human, technical, physical and financial resources necessary to fulfil its obligations and perform its tasks independently and impartially;

d) to propose, jointly with the other regulatory authorities of the System Operation Region (SOR), possible additional tasks and additional powers to be assigned to the Regional Coordination Centre (RCC) by the Energy Community Parties of the System Operation Region (SOR);

dh) to ensure compliance with the obligations of the Regional Coordination Centre (RCC), particularly with regard to cross-border issues, and to jointly identify non-compliance with the obligations of the Regional Coordination Centre (RCC) where the regulatory authorities have been unable to reach an agreement within a period of four months after the commencement of consultations. For the purpose of jointly identifying non-compliance, the matter shall be referred to the Energy Community Regulatory Board and, to the extent that European Union Member States are affected, to ACER;

e) to monitor the performance of system coordination and report annually to the Energy Community Regulatory Board and, where Member States of the European Union are affected and ERE is a member, to ACER.

4. With regard to the Regional Coordination Centre (RCC), ERE shall have the right:

a) to request information from the Regional Coordination Centre (RCC);

b) to carry out inspections, including unannounced inspections, at the premises of the Regional Coordination Centre (RCC);

c) to issue joint binding decisions concerning the Regional Coordination Centre (RCC).

5. ERE shall have the right to request from ACER or ECRB, where applicable, a reasoned opinion as well as a recommendation concerning the compliance of the Regional Coordination Centre (RCC) with its obligations.

6. ERE shall refer a proposal on TCMs to ACER or ECRB, where applicable, where unanimous agreement among the national regulatory authorities is not reached or where ACER requests the referral, with the obligation to submit the TCM proposal to ACER or ECRB, where applicable, within one week of its submission.

7. ERE may request ACER or ECRB, where applicable, to adopt a decision on regulatory issues having an impact on cross-border trade or cross-border system security, jointly with the other national regulatory authorities involved, or individually where only two national regulatory authorities are involved.

8. ERE and any natural or legal person may appeal against a decision referred to in letter “d” of Article 2 of Regulation (EU) 2019/942 which is addressed to ERE, or against a decision which, although addressed to another person, is of direct and individual concern to ERE. The appeal shall state the grounds of appeal and shall be lodged in writing with ACER within two months of notification of the decision to the person concerned or, in the absence thereof, within two months of the date on which ACER published its decision.

Article 26

Dispute settlement by ERE

1. ERE shall act as the dispute-settlement authority for complaints against licensees, in accordance with the relevant regulation on dispute resolution and complaint handling.

2. Any interested party with a complaint against the Transmission System Operator, the Distribution System
Operator or another licensee concerning the performance of its obligations under this Law or secondary legislation in the electricity sector may submit the complaint to ERE for settlement. ERE shall decide on the dispute within 30 days of registration of the complaint. This period may be extended by a further 30 days where
ERE requires additional information.

3. ERE may decide not to admit a complaint where it determines, in accordance with the legislation in force, that consideration of the complaint falls outside its competence.

4. The submission of a complaint under this Article shall not prevent the interested party from applying to other competent bodies in accordance with the Code of Administrative Procedures.

5. ERE ensures that final customers have access to simple, fair, transparent, independent, effective, and efficient out-of-court dispute settlement mechanisms regarding the rights and obligations established under this Law.

6. Participation of electricity companies in out-of-court dispute settlement mechanisms for household customers is mandatory, unless Albania demonstrates to the Commission that other national mechanisms are equally effective.

Article 27

ERE reporting

1. By 31 March each year, ERE shall submit to the Assembly its annual report on the state of the electricity sector and its activities during the preceding year. The report shall be published on its official website and in the Official Gazette and submitted to the Energy Community Regulatory Board and the Energy Community Secretariat.

2. The report prepared by ERE under point 1 of this Article shall describe the general state of the electricity sector, including in particular:

a) the operational security of the grid;

b) the forecast balance of electricity supply and demand in the domestic market over a five- year period;

c) expected demand and security-of-supply prospects over a period of five to fifteen years from the date of the report;

ç) additional generation capacity proposed, planned or under construction;

d) forecast investment over at least the following five years by the Transmission System Operator or any other party to increase cross-border interconnection capacity;

dh) the quality and level of maintenance of the grids;

e) measures to manage peak demand and interruptions in electricity supply;

ë) appropriate measures, where necessary, to enhance security of supply;

f) regulation and operation of the electricity market;

g) tariffs and regulatory oversight;

gj) regional and European market integration;

h) customer protection and quality of service;

i) competition and market monitoring;

j) security of supply and system operation;

k) implementation of EU and Energy Community obligations.

3. The information contained in the annual report referred to in letter "d" of point 2 of this Article shall be based on:

a) the principles of limited capacity management for existing and planned transmission lines;

b) expected patterns of generation, supply, cross-border exchanges and consumption, enabling measures to be taken for demand management;

c) sustainable development objectives at national, regional and European level;

ç) detailed information from the Transmission System Operator on planned investments in interconnection lines and on the construction of internal transmission grid lines that directly affect cross-border interconnection lines.

Article 28
Data management

1. The Minister shall establish rules for the management and exchange of final customer data in accordance with this Article and the legislation in force on personal data. For the purposes of this Article, data shall include metering and consumption data and data required for customer switching, demand response and other services.

2. The Ministry shall specify the rules for data management so as to ensure that:

a) access to and exchange of data, as well as data protection and data security, are efficient and secure;

b) the parties responsible for data management provide any eligible party with access to final customer data in accordance with point 1 of this Article;

c) eligible parties have the required data available simultaneously and in a non-discriminatory manner;

ç) access to data is easy and the relevant procedures for obtaining access to data are made publicly available;

d) the rules on access to data and data storage, as well as the processing of personal data for the purposes of this Article, are in accordance with the legislation in force on personal data;

dh) the rules on access to data and data storage facilitate the full interoperability of energy services within the Energy Community Parties;

e) the parties responsible for data management implement the interoperability requirements and procedures for access to data.

3. The Minister may designate a competent authority for the implementation and monitoring of the implementation of these rules.

4. The Minister or the designated competent authority shall authorise and certify or, where applicable, supervise the parties responsible for data management in order to ensure that they comply with the requirements of this Article.

5. The Minister or the designated competent authority shall be responsible for setting the relevant charges for access to data by parties eligible for access. The Minister or the designated competent authority shall ensure that any charges imposed by regulated entities providing data services are reasonable and duly justified. No additional costs shall be charged to final customers for access to their data or for a request to make their data available.

FIFTH PART

POWER SYSTEM

CHAPTER I

GENERAL PROVISIONS

Article 29
Integrated operation of the power system

The power system shall operate as an integrated system with continuous processes of electricity generation, transmission, distribution and electricity consumption.

Article 30
Connection to the grid

1. Transmission and distribution system operators shall ensure connection to the transmission and distribution system based on non-discriminatory conditions. ERE in cooperation with grid operators, approves the rules that define the costs to be charged to the user related to specific conditions of the connection point.

2. The Transmission System Operator shall not refuse a grid user a connection on the grounds of possible future limitations to available grid capacity or limited capacity in distant parts of the transmission system. Nor shall it refuse a new connection point on the grounds that it would entail additional costs associated with increasing the capacity of system components in the area around the connection point.

3. ERE shall approve the rules and procedures for new connections proposed by the licensee, including the cost-calculation methodology and standard connection agreement, which shall be transparent and efficient and ensure non-discriminatory connection of every user to the transmission and distribution systems. These rules and procedures shall specify the mutual rights and obligations of the relevant system operator and the party requesting connection, in particular connection conditions, deadlines, metering points and the boundary between the assets of the system and those of the system user.

4. The regulation shall take into account the costs and benefits of connecting users to the grid and the particular circumstances of generators located in remote or sparsely populated areas, insofar as these considerations are consistent, where applicable, with the tariff principles in Article 21 of this Law.

5. Transmission and distribution system operators shall provide any new user wishing to be connected to the grid full information, including:

a) a comprehensive and detailed assessment of the costs of the requested connection;

b) the time required to process the application and complete the connection with the grid;

6. Following approval of their connection application by the relevant system operator, new users wishing to connect to the grid may contract operators licensed by the competent authorities to carry out the necessary connection works, in accordance with the provisions or specifications of the connection agreement between the new user and the system operator. The system operator shall establish the criteria and technical conditions to be met for connection to the grid.

Article 31

Fees for connection to the grid

1. The full cost of connection to the existing grid shall be borne by the party requesting the connection.

2. In calculating connection fees, account shall be taken of the connection point and its capacity, intended purpose, consumption profile, costs of reinforcing or improving existing infrastructure or grid operation that may be necessary for the connection, the status of the grid user and other characteristics of the connection.

3. Where the connection is carried out by the system operator, connection fees shall be paid in advance by the requesting party in accordance with the regulation on new connection procedures.

4. Where the capacity required to connect new users is unavailable, the Transmission System Operator or Distribution System Operator may conclude an agreement with the requesting party to upgrade the system to enable the requested connection, provided that the costs are borne by that party. This agreement shall be approved by ERE on the proposal of the grid operators.

5. Connections shall be operated by grid operators, which shall be responsible for their maintenance. The maintenance fee shall be paid by the user.

6. The Transmission System Operator shall, subject to the technical conditions of the grid, authorise the connection of a new user to the transmission system through new connection assets constructed by a previous user. The new user shall be responsible for fairly compensating the user that made the investment, in accordance with the regulation on new connections.

7. The Transmission System Operator shall, subject to the technical conditions of the grid, authorise the connection of several new users to the same section of the transmission grid through new connection assets to be constructed wholly or partly as a joint investment approved by the Transmission System Operator, in accordance with the regulation on new connections to the transmission grid. The allocation of joint investment costs between users shall be determined by agreement between them.

Article 32

Third party access

1. The Transmission System Operator, Distribution System Operator and citizen energy communities managing distribution grids shall ensure grid access for all customers and system users on a transparent, non-discriminatory basis and at tariffs approved and published by ERE.

2. The Transmission System Operator, Distribution System Operator and citizen energy communities managing distribution grids may refuse access to their grids where the necessary capacity is unavailable. A refusal shall be duly reasoned, based on objective technical and economic conditions, and take into account public service obligations and the obligations to protect final customers under this Law. The interested party shall be notified of the refusal.

3. An interested party that has been refused grid access may request ERE to initiate a dispute-settlement procedure.

4. Where access is refused, ERE shall ensure, through the grid operator, that the interested party receives relevant additional information, including the measures necessary to reinforce the grid.

5. To guarantee transparent and non-discriminatory access and to enable the efficient coordination of infrastructure projects, the Transmission System Operator and the Distribution System Operator publish and update on their official websites information regarding planned grid works, available capacities, and grid development plans, thereby enabling micro, small, and medium-sized enterprises to plan their investments in alignment with infrastructure projects.

Article 33
Interconnections with other power systems

1. The national transmission system shall be connected to the transmission systems of other countries through existing interconnection lines, lines to be constructed by the Transmission System Operator in accordance with the grid investment plan approved by ERE, or lines to be constructed by third parties in accordance with this Law.

2. Parallel operation of the transmission system with the interconnected systems of other countries shall be carried out in accordance with multilateral or bilateral agreements between the operators of the interconnected transmission systems, in compliance with technical requirements, operational security requirements and other interconnection standards established by ERE.

Article 34
Construction of new interconnectors

1. New interconnection lines constructed by private investors shall be approved by a decision of the Council of Ministers on the proposal of the Minister.

2. The conditions and procedures for constructing new interconnection lines under this Article shall be approved by a decision of the Council of Ministers on the proposal of the Minister.

Article 35
Exemption from the obligation for access

1. New direct-current interconnectors may, at the request of the investor, be exempted for a limited period from Article 19(2) and (3) of Regulation (EU) 2019/943 and from Articles 6 and 43, Article 59(7) and Article 60(1) of Directive (EU) 2019/944, provided that the following conditions are met:

a) the investment will improve competition in electricity supply;

b) the risk level associated with the investment is such that the investment could not be carried out unless an exemption were granted;

c) the interconnector is owned by a natural or legal person that is separate, at least in terms of its legal form, from the system operators in whose systems the interconnector is to be constructed;

ç) charges are levied on users of the interconnector;

d) since 1 July 2007, no part of the capital or operating costs of the interconnector has been covered by any component of the tariffs charged for the use of the transmission or distribution grids linked by the interconnector;

dh) the exemption does not affect competition or efficient operation of the internal market or efficient operation of the regulated system to which the interconnector is connected.

2. In exceptional cases, point 1 shall also apply to alternating-current interconnectors, provided that the costs and risks of the investment are particularly high compared with the costs and risks normally incurred when connecting two neighbouring national transmission systems through an alternating-current interconnector.

3. Point 1 of this Article shall also apply to significant increases in the capacity of existing interconnectors.

4. A decision to grant an exemption under points 1, 2 and 3 shall be taken on a case-by-case basis and in agreement with the regulatory authorities of the relevant Member States and Contracting Parties. An exemption may cover all or part of the capacity of a new interconnector or of an existing interconnector with significantly increased capacity.

Within two months of receipt of the exemption request by the last relevant regulatory authority, the Energy Community Regulatory Board or, where Member States are affected, ACER acting in accordance with Article 2 of Procedural Act No 2022/01/MC-EnC may issue an opinion to the regulatory authorities. The regulatory authorities may base their decision on that opinion.

When deciding on the granting of an exemption, ERE considers, on a case-by-case basis, the need to impose conditions regarding the duration of the exemption and non-discriminatory access to the interconnector. When determining these conditions, ERE must take into account, in particular, the additional capacity to be constructed or the modifications to existing capacity, the project timeframe, and national circumstances.

Where all relevant regulatory authorities reach agreement on the exemption decision within six months of receiving the request, they shall notify the Energy Community Regulatory Board or, where Member States are affected, ACER of the decision.

The exemption decision, including any conditions referred to in the third subparagraph of this point, shall be duly reasoned and published.

5. The decision referred to in point 4 shall be taken by the Energy Community Regulatory Board or, where Member States are affected, by ACER acting in accordance with Article 2 of Procedural Act No 2022/01/MC-EnC, where:

a) where the relevant regulatory authorities have not been able to reach an agreement within six months from the date on which the last regulatory authority received the request for exemption; or

b) upon the joint request of the relevant regulatory authorities.

Before taking such a decision, the Energy Community Regulatory Board or, where Member States are affected, ACER consults the relevant regulatory authorities and the applicants.

6. Notwithstanding points 4 and 5 of this Article, Member States may provide that the regulatory authority or the Energy Community Regulatory Board, or—where Member States are affected—ACER, as the case may be, submits its opinion on the request for exemption to the relevant body in the Member State for a formal decision. This opinion shall be published together with the decision.

7. A copy of every request for exemption shall be sent immediately by ERE to the Energy Community Secretariat and the Energy Community Regulatory Board for information. In cases where Member States are affected, a copy is also sent to the European Commission and the Agency for the Cooperation of Energy Regulators (ACER) immediately upon receipt.

The decision is communicated without delay to the Energy Community Secretariat by the relevant regulatory authorities or by the Energy Community Regulatory Board. When Member States are affected, notification is also provided to the Agency for the Cooperation of Energy Regulators, and the decision is also sent to the European Commission. The notification is accompanied by all necessary information regarding the decision.

This information may be submitted in summary form, so that the Energy Community Secretariat or, where Member States are affected, the European Commission, is able to make a well-informed and substantiated decision. In particular, the information must include:

a) the reasons for granting or refusing the exemption, including the financial information justifying the need for an exemption;

b) the analysis of the effects of granting the exemption on competition and the effective functioning of the internal market;

c) the reasons for the duration of the exemption and the capacity covered by it;

ç) the results of ERE consultation process.

8. Within 50 (fifty) working days of receiving the notification under point 7 of this Article, the Energy Community Secretariat or, where Member States are affected, the European Commission may issue an opinion inviting the notifying bodies to amend or withdraw the exemption decision. This period may be extended by a further 50 working days where additional information is requested. The additional period shall begin on the day after receipt of complete information. The initial period may also be extended by mutual agreement between the Energy Community Secretariat or, where Member States are affected, the European Commission and the notifying bodies (ACER).

Where the requested information is not provided within the period specified in the request of the Energy Community Secretariat or, where Member States are affected, of the European Commission, the notification shall be deemed to have been withdrawn, unless, before the expiry of that period, the deadline is extended by mutual consent of the Energy Community Secretariat or, where Member States are affected, the European Commission and the notifying bodies, or the notifying bodies, by

means of a reasoned statement, inform the Energy Community Secretariat and, where Member States are affected, the European Commission that they consider the notification to be complete.

The notifying bodies shall take utmost account of the opinion of the Energy Community Secretariat or, where Member States are affected, of the European Commission, recommending the amendment or withdrawal of the exemption decision. Where the final decision deviates from the opinion of the Secretariat or, where Member States are affected, of the European Commission, the relevant regulatory authority shall provide and publish, together with that decision, the reasoning on which the decision is based. Diverging decisions shall be included on the agenda of the first meeting of the Energy Community Ministerial Council following the date of the decision for information and discussion.

The opinion of the Energy Community Secretariat or, where Member States are affected, of the European Commission on an exemption decision shall expire two years after the date of its adoption if construction of the interconnector has not started by that date, and five years after the date of its adoption if the interconnector has not become operational by that date, unless the Energy Community Secretariat or, where Member States are affected, the European Commission decides, on the basis of a reasoned request by the notifying bodies, that any delay is due to major obstacles beyond the control of the person to whom the exemption has been granted.

9. Where the regulatory authorities of the relevant Member States and Contracting Parties decide to modify an exemption decision, they shall notify their decision without delay to the Energy Community Secretariat or, where Member States are affected, to the European Commission, together with all relevant information concerning the decision. Points 1 to 8 of this Article shall apply to the decision modifying an exemption decision, taking into account the specific features of the existing exemption.

10. The Energy Community Secretariat or, where Member States are affected, the European Commission may, upon request or on its own initiative, reopen the proceedings relating to an exemption request where:

a) taking into account the legitimate expectations of the parties and the economic balance achieved in the initial exemption decision, there has been a material change in any of the facts on which the decision was based;

b) the undertakings concerned act contrary to their commitments; or

c) the decision was based on incomplete, incorrect or misleading information provided by the parties.

Article 36

Direct lines

1. All electricity generators and suppliers within a given territory may supply their facilities, branches and customers, through a direct line. All final customers have the right, individually or in a group, to be supplied through a direct line from electricity generators or suppliers.

2. Direct lines constructed by domestic generators to export electricity to a customer abroad shall be subject to approval by the Council of Ministers on the proposal of the Minister, following an opinion from ERE.

3. Direct lines constructed to connect a domestic generator to a final customer or to a supply undertaking supplying its own premises or eligible customers shall be subject to approval by the responsible Ministry, following an opinion from ERE.

4. The Council of Ministers shall, on the proposal of the Minister, approve conditions and procedures for constructing direct lines on the basis of objective and non-discriminatory criteria, including the procedure for ERE to issue opinions under points 2 and 3 of this Article.

5. The Minister shall also approve the construction of a direct line where the applicant has been refused grid access in the cases provided for in Article 32 of this Law or where a dispute-settlement procedure has been initiated under Article 26 of this Law.

6. The Minister shall refuse to authorise the construction of a direct line where granting authorisation would impede the fulfilment of public service obligations or customer protection obligations under this Law. The reasons for refusal shall be substantiated and notified to the applicant.

7. The possibility of being supplied with electricity through a direct line shall not restrict a customer's right to conclude electricity supply agreements with another supplier of its choice.

8. The expenses for the construction and operation of direct lines shall be covered by the holder of the authorisation.

9. The provisions of the Civil Code shall apply to the creation, exercise and termination of rights relating to the construction and operation of direct lines passing through third-party property.

Article 37

Technical and safety standards in the power sector

1. Technical rules for the design, construction and operation of electricity generation facilities, the transmission system, distribution system, interconnection lines and direct lines in the Republic of Albania, including technical safety rules, shall be drafted by the Ministry in cooperation with the General Directorate of Standardisation and approved by a decision of the Council of Ministers on the proposal of the Minister.

2. The rules referred to in point 1 of this Article shall be objective and non-discriminatory and shall ensure the reliable and secure operation of the electricity system, including interoperability with the electricity systems of neighbouring countries, and free and effective competition in the market.

3. Design, construction and operation of power generation plants, the transmission system, distribution system, interconnection lines or direct lines shall be in accordance with the technical rules defined in point 1 of this Article and in accordance with the technical harmonised Albanian standards in force.

4. Compliance with the technical rules for the electricity sector referred to in point 1 of this Article shall be supervised by the responsible inspectorate under the Minister, in accordance with the legislation in force.

Article 38

Unbundling of accounts of electricity undertakings

1. Each licensee shall keep separate accounts for each licensed activity and for any other activity unrelated to the electricity sector, in order to avoid discrimination, cross-subsidisation and distortion of competition. These accounts may be consolidated, except where the activities concern electricity distribution or transmission.

2. The revenues that the licensee obtains from any right over the transmission or distribution system shall be specified on the accounts of the licensee.

3. Each licensee shall have its annual financial statements audited and publish them in accordance with the accounting standards in force. The audit shall also verify compliance with the obligation to avoid cross-subsidisation between licensed activities.

4. Licensees shall make their annual financial statements available to interested parties.

Article 39

Protection area

To protect electricity facilities and associated assets and ensure their normal operation, and to prevent risks to people, property and the environment, the Council of Ministers shall, on the proposal of the Minister, approve the conditions governing protection zones and the restrictions applicable within them.

CHAPTER II

LICENSING

Article 40
Licensed activities and exceptions

1. Any legal person carrying out an activity in the electricity sector under point 2 of this Article shall hold the relevant licence issued by ERE in accordance with this Law.

2. ERE shall issue licences for the following activities:

a) electricity generation;

b) operation of electricity transmission system;

c) operation of electricity distribution system;

ç) electricity supply;

d) electricity trading;

dh) operation of electricity market;

e) operation of energy storage plant;

ë) aggregation.

3. A separate licence shall be issued for each activity subject to licensing by ERE, even where the licences are granted to the same undertaking.

4. For the performance of its duties under this Law, ERE may monitor, request information, issue instructions or impose reporting obligations, carry out inspections and investigations, and impose fines on entities carrying out any activity listed in point 2 of this Article, whether or not they are required to hold a licence.

5. Local government units may carry out any of the activities referred to in points 2, 7, 8 and 9 of this Article where they hold the relevant licence from ERE, except for the activities referred to in point 2, letters “b” and “ë”, of this Article.

6. No transmission or distribution licence shall be required to operate a direct line.

7. The following entities shall not be required to obtain an electricity generation licence:

a) active customers that are not connected to the national grid, or whose connection to the national grid relates to the maintenance of their generating unit;

b) generators, including active customers connected with the national grid, with installed capacity up to 1 MW.

8. Operators of energy storage facilities with an installed nominal power capacity of up to 1 MW are not required to obtain an energy storage licence.

9. Entities engaged in the following activities are not required to obtain an electricity supply licence:

a) electricity resale, as defined in point 110 of Article 3 of this Law;

b) electricity sharing, as defined in point 73 of Article 3 of this Law.

10. ERE shall set out maximum price conditions specifying the maximum price of electricity supplied in the case of electricity resale and electricity sharing. Undertakings may engage in electricity resale or sharing under a supply licence exemption only after ERE has established the maximum price conditions and after they have notified ERE.

11. The entities referred to in point 2, letter “ë”, and points 7, 8 and 9 of this Article shall in all cases comply with the market rules and network codes. ERE shall have the same powers in relation to the entities referred to in points 2, 7, 8 and 9 of this Article as it has in relation to licensees.

Article 41
Licensing conditions

1. ERE shall determine the conditions to be met for obtaining each licence, taking into consideration, inter alia:

a) the term of validity of the licence, which, for generation, operation of an energy storage facility, aggregation, transmission and distribution activities, may not exceed 30 years;

b) the locations and areas in which the licensed electricity activities are to be carried out;

c) the operational safety and reliability of facilities, equipment or the grid, in accordance with the technical rules laid down in Article 37 of this Law;

ç) requirements concerning the nature of primary energy sources;

d) requirements relating to national security, the protection of the life, property and health of citizens, as well as public order;

dh) financial requirements;

e) environmental protection;

ë) promotion of energy efficiency in the power sector;

f) public service obligations, as provided for in this Law;

g) promotion of a competitive electricity market;

gj) whether the applicant is organised in accordance with the principles of unbundling of activities and structural separation laid down in this Law;

h) licensing requirements for foreign suppliers.

2. A licence for transmission system operation shall be granted only to one entity, which shall be certified in accordance with the provisions of Article 65 of this Law.

Article 42
Licensing procedures

1. ERE shall approve the regulation on the procedures and time limits for the granting, modification, transfer or withdrawal of licences, licence application fees, as well as the information to be submitted in the application for each licence.

2. ERE may approve simplified licensing procedures for generators and operators of energy storage facilities connected to the distribution grid, and for electricity trading activity.

3. ERE shall ensure that any administrative procedure does not discriminate against suppliers that are already registered in another Contracting Party to the Energy Community.

Article 43
Publication of licence applications

1. Within 14 days from the date on which an application for obtaining a licence is submitted, ERE shall publish a notice of the application, in accordance with the procedure laid down in the regulation on licensing procedures.

2. When taking its decision, ERE shall consider and assess any reasoned and substantiated comments or objections submitted by public institutions or other interested parties concerning the licence application and shall state in its decision the reasons for accepting or rejecting them.

Article 44
Refusal of a licence

1. ERE shall refuse to grant a licence where:

a) the applicant fails to meet any of the conditions laid down in Article 41 of this Law or the conditions laid down in the relevant ERE regulation;

b) the applicant is subject to bankruptcy or liquidation proceedings, as provided for in the legislation in force on bankruptcy;

c) the applicant’s licence has been revoked or removed and the period during which the applicant is prohibited from reapplying for a licence, as specified in the relevant ERE decision on the withdrawal of the licence, has not expired.

2. ERE decision shall state the reasons for refusing the licence.

Article 45
Revocation of a licence

1. ERE shall revoke a licence where the licensee:
a) no longer meets the essential conditions of the licence granted under this Law;
b) in performing its activity, violates the legal provisions on environmental protection;
c) endangers the health, life and property of people;
ç) fails to pay the regulatory fees determined by ERE under Article 17 of this Law;
d) becomes insolvent or declares bankruptcy;
dh) requests revocation of the licence;
e) ceases to perform the functions specified in the licence.

2. Where ERE decides to revoke the licence of a licensee carrying out generation, transmission, distribution, operation of an electricity storage facility or electricity supply activities, depending on the public service obligation and in order to ensure that the licensee's assets continue to be used to supply electricity to customers, ERE shall, in accordance with the relevant regulation on licence revocation procedures, impose one of the following temporary measures:

a) place the undertaking whose licence has been revoked under restricted administration for a specified period, to ensure the continuation of its activities and the operation of its assets until the measures under point 7 of this Article are taken;

b) appoint another undertaking, meeting the relevant licensing conditions, to carry out the activities of the undertaking whose licence has been revoked;
c) appoint a temporary administrator of the undertaking whose licence has been revoked, to ensure the continuation of its activities and the operation of its assets until the measures under point 7 of this Article are taken. In this case, ERE shall, on the proposal of the Minister, appoint an administrator responsible for ensuring normal operations, including the operation of the assets of the undertaking whose licence has been revoked, in accordance with the relevant conditions.
3. In the cases referred to in point 2 of this Article, ERE shall determine the conditions and obligations to be complied with by the undertaking whose licence has been revoked during the implementation of the temporary measures.
4. Where the TSO fails to comply with ownership unbundling requirements, ERE shall impose corrective measures and, if the infringement continues, may initiate a procedure to review its certification.
5. The Council of Ministers shall, on the proposal of the Minister, approve the procedure and criteria for appointing the administrator responsible for the temporary administration of the undertaking under point 2, letter "c", of this Article.
6. The temporary measures referred to in point 2 of this Article shall apply for no longer than 12 months from the date of licence revocation. Their implementation shall be monitored by ERE.
7. Where ERE revokes a licence for electricity generation, transmission, distribution, storage operation, recharging point operation or supply in the cases referred to in point 2, letter "b", of this Article, the Ministry shall initiate expropriation proceedings within 12 months of the date of revocation, in accordance with the legislation in force on expropriation in the public interest.

Article 46
Transfer of a licence or assets

1. The transfer of a licence or of a licensee's assets used to carry out licensed activities shall require the prior approval of ERE in accordance with the regulation referred to in point 2 of this

Article. ERE approval shall not be required for transfers of assets of minimal value or assets not closely related to the licensed activity, as specified in that regulation.

2. ERE shall approve a regulation on the procedures for transferring assets by sale, lease, assignment, mortgage, pledge or any other disposal of a licensee's installations or fixed assets used for electricity generation, storage operation, recharging point operation, transmission and distribution, including exemptions from approval for assets of minimal value. The regulation shall specify exemptions from ERE approval requirement to facilitate the licensing and financing of new generation capacity and energy storage projects, provided that such exemptions do not prejudice the objectives of this Law.

Article 47
Unified accounting standards

1. ERE shall develop and approve a unified and standardised system of accounts for all licensees operating in the electricity market, based on the legislation in force and internationally accepted accounting standards.

2. Licensees shall submit their annual financial reports to ERE in accordance with this system.

Article 48
Access to licensees' accounts

1. ERE shall have the right to access the accounts of electricity undertakings insofar as such access is necessary for the effective performance of its regulatory and supervisory functions.

2. ERE shall be required to preserve the confidentiality of all commercially sensitive information obtained in the performance of its duties.

3. Notwithstanding point 2 of this Article, ERE may disclose such information where this is necessary for the performance of its functions and in accordance with the legislation in force.

4. Undertakings operating in the power sector shall be required to keep their accounts in accordance with the requirements laid down in this Article.

5. Undertakings operating in the power sector, irrespective of their ownership structure or legal form, shall be required to prepare, have independently audited and publish their annual accounts in accordance with the legislation in force governing annual financial statements. Undertakings that are not legally required to publish their annual accounts pursuant to the legislation in force on accounting and financial statements shall be required to keep a copy thereof available to the public at their head office.

6. Undertakings operating in the power sector shall be required, in their internal accounting, to keep separate accounts for each of their transmission and distribution activities as if those activities were carried out by separate undertakings, with a view to ensuring non-discrimination and preventing cross-subsidisation and distortion of competition.

7. Undertakings operating in the power sector shall be required to keep accounts, which may be consolidated, for electricity activities not relating to transmission or distribution, and shall specify the revenue deriving from ownership of the transmission or distribution systems. Where appropriate, they shall also keep consolidated accounts for activities not relating to the power sector.

8. The internal accounts referred to in point 6 of this Article shall include a balance sheet and a profit and loss account for each activity.

9. The independent audit referred to in point 5 of this Article shall, in particular, verify compliance with the obligation to avoid discrimination and cross-subsidisation, as laid down in point 6 of this Article.

Article 49
Public service obligation

1. Without prejudice to point 2 of this Article, electricity undertakings operating in the Republic of Albania shall carry out their activities on the basis of the principles of this Law, with a view to achieving a competitive, secure and environmentally sustainable electricity market, as well as ensuring non-discrimination between the undertakings concerned as regards their rights or obligations, in accordance with the institutional organisation of the State and the principle of subsidiarity.

2. Taking into account the relevant provisions of the Energy Community Treaty, the Council of Ministers, upon the proposal of the Minister and taking into account the public interest, shall determine the conditions for imposing public service obligations applicable to licensees in the power sector carrying out electricity generation, transmission, distribution, operation of energy storage facilities and supply activities, relating to:

a) security of supply;
b) regularity and quality of supply;
c) supply prices;
ç) environmental protection;
d) protection of competition;
dh) renewable energy sources;
e) energy efficiency;
ë) climate protection.

3. ERE shall impose a public service obligation on a licensee carrying out an activity in the power sector under the conditions laid down in the Council of Ministers Decision referred to in point 2 of this Article. Any public service obligation imposed by ERE shall be included in the licensee's licence, following the procedure for the issuance of a new licence or the modification of the licensee's existing licence.

4. The imposition of a public service obligation on a licensee pursuant to point 3 of this Article shall be carried out in a transparent and non-discriminatory manner, without impeding the opening of the electricity market, and shall guarantee equality of access for European Union electricity undertakings to domestic customers. For supply under the universal supply service, such obligation shall be imposed through a competitive procedure.

5. Public service obligations relating to the setting of prices for electricity supply shall comply with the requirements laid down in Article 104 of this Law.

6. When imposing a public service obligation on a licensee, ERE shall take into account the technical, financial and organisational capacities of the licensee and whether the latter has provided a public service for the same area or category of customers prior to the imposition of such obligation.

7. A licensee shall not be subject to a public service obligation to construct a grid in a specific area where no grid existed prior to the date on which such obligation was imposed, with the exception of areas covered by a regulatory plan approved in accordance with the legislation on territorial planning and development.

8. ERE decision by which a public service obligation is imposed on a licensee shall:

a) clearly define the public service obligation;

b) clearly identify the licensee in the power sector that is to be entrusted with the public service obligation;

c) take into account the recovery of the costs incurred by the licensee entrusted with such obligation;

ç) specify the nature of any exclusive or special right granted to the licensee concerned;

d) determine the category of customers, the area and the period for which the public service obligation is imposed;

dh) clearly determine the method of financing and calculating the compensation to be received by the licensee entrusted with the performance of the public service obligation;

e) clearly determine and substantiate that the obligation imposed constitutes the least restrictive measure and is proportionate and necessary to ensure the public service concerned.

9. The costs incurred by the licensee in performing the public service obligation shall be recognised by ERE when approving the tariffs for the services provided, in accordance with the provisions of this Law. ERE shall determine the allocation to final customers of the costs of fulfiling the public service obligation in a transparent and non-discriminatory manner.

10. Any additional costs incurred by the licensee as a result of fulfiling the public service obligation which are not included in the tariff determined by ERE pursuant to point 8 of this Article shall be subject to financial compensation or other forms of compensation determined in a transparent and non-discriminatory manner. Compensation for such additional costs shall include the costs incurred in performing the public service obligation as a result of which the licensee's revenues that it would otherwise have earned are reduced. Any compensation granted to the licensee for fulfiling the public service obligation pursuant to this point shall be assessed by the State Aid Commission in cooperation with ERE, the Ministry of Finance and the Competition Authority and shall be approved by decision of the Council of Ministers.

11. Where an electricity market participant entrusted with a public service obligation refuses to sign a contract approved by ERE, ERE shall order the contract to enter into force and the parties to comply with it within a period of 30 days.

12. Licensees on which a public service obligation is imposed in the course of carrying out their activities shall be monitored by ERE for compliance with the obligations laid down.

13. Following the imposition of a public service obligation on a licensee in the power sector, ERE shall inform the Energy Community Secretariat of all measures adopted to fulfil public service obligations and to protect customers and the environment, as well as of the possible effects of such measures on competition and whether or not those measures require a derogation from Directive (EU) 2019/944.

14. ERE shall notify the Energy Community Secretariat periodically, every two years, of any changes to the measures adopted in accordance with point 13 of this Article.

CHAPTER III

ELECTRICITY GENERATION AND ENERGY STORAGE

Article 50
Licensees in electricity generation

1. Electricity generation may be carried out only by natural or legal persons holding an electricity generation licence, unless otherwise provided by this Law.

2. Where an electricity generator is an undertaking wholly or partly controlled by the State, the Council of Ministers shall designate the public authority representing the State as shareholder, which shall be independent of the transmission system owner within the meaning of Article 59 of this Law.

Article 51
Licensees for energy storage

1. Energy storage activities may be carried out only by natural or legal persons who hold a licence for the operation of an energy storage facility, unless otherwise provided for by other provisions of this Law.

2. In cases where the operator of an energy storage facility is an undertaking controlled, in whole or partially, by the State, the Council of Ministers shall, by decision, designate the public authority

representing the State as the shareholder; this authority shall be independent of the transmission system owner, within the meaning of Article 55 of this Law.

3. Any energy storage facility that is under development or in operation without a licence for the operation of an energy storage facility as of the date of entry into force of this Law shall be recognised and permitted to continue its operation under its existing licence.

4. Operators of energy storage facilities recognised pursuant to point 3 of this Article must apply for a licence for the operation of an energy storage facility within 12 months from the date of entry into force of this Law. ERE may adopt simplified licensing procedures for applications for licences to operate energy storage facilities.

5. The operator of an energy storage facility, recognised in accordance with point 3 of this Article, shall notify and register at ERE within 60 days of the entry into force of this Law.

6. The operator of an energy storage facility shall comply with all legal, technical, safety, and operational standards applicable to licensees authorised to operate energy storage facilities.

Article 52

Construction of new energy generating and storage capacities

1. The construction of new energy generation and storage capacities that are not subject to a concession - including any new generation capacity up to 10 MW and energy storage capacity with a nominal power rating up to 5 MW- shall be approved by the Minister. The construction of new generation capacities exceeding 10 MW, as well as energy storage capacities with a nominal power rating exceeding 5 MW, that are not subject to a concession, shall be approved by the Council of Ministers upon the proposal of the Minister.

2. The Council of Ministers, upon the proposal of the Minister, shall approve the rules and procedures for the construction of new energy generation and storage capacities in a transparent and non-discriminatory manner, based on:

a) the security of the electricity system, installations, and relevant equipment;

b) the protection of public health and safety;

c) environmental protection;

ç) land use and siting;

d) energy efficiency;

dh) the nature of the primary energy sources;

e) the specific characteristics of the applicant, such as technical, economic, and financial capabilities;

ë) compliance with public service obligations and customer protection measures;

f) the contribution of the generation capacity toward meeting the target for energy to be generated from renewable sources, in accordance with the legislation in force and the National Energy Strategy regarding the share of energy from renewable sources in gross final energy consumption;

g) the contribution of the generation capacity toward reducing greenhouse gas emissions;

gj) the sale of electricity;

h) the amount of the fee to be paid to the State by the applicant;

i) the amount of the “royalty” fee to be paid to the State by the authorisation holder;

j) the conduct of a competitive process for the approval of the construction of electricity generation capacities from hydropower plants and geothermal power plants;

k) alternatives for the construction of new generation capacities, determined based on a resource adequacy assessment or a flexibility assessment, such as demand response and energy storage.

3. In the event that the issuance of an authorisation is refused, the reasons for the refusal shall be justified, objective, and non-discriminatory, and shall be communicated to the interested party. Appeal procedures shall be available to applicants.

4. The construction of new electricity generation and storage capacities may, in accordance with the legislation in force on promoting the use of energy from renewable sources, be subject to a

competitive procedure for the allocation of support. The Minister shall initiate procedures for the support of new electricity generation and storage capacities.

5. The provision of point 1 of this Article shall not apply to active customers and energy storage facilities connected to the national grid with an installed capacity of up to 1 MW.

Article 53

Construction of new generation and storage capacity for demand management and energy efficiency

1. Based on the adequacy assessment referred to in point 3 of Article 4 of this Law, in order to meet national objectives for demand management and energy efficiency, where installed capacity is insufficient to ensure security of energy supply and alternatives to new generation and storage capacity have been appropriately assessed on the basis of the resource adequacy assessment or flexibility assessment, the Minister shall initiate procedures for the construction of new generation and storage capacity. In order to address remaining resource adequacy concerns, the Ministry may introduce capacity mechanisms only as a measure of last resort.

2. Before initiating the procedures referred to in point 1 of this Article, the Ministry shall carry out a comprehensive study of the potential effects of such mechanisms on neighbouring Energy Community Parties, consulting at least those Parties and their stakeholders.

3. The Ministry shall assess whether a capacity mechanism in the form of a strategic reserve is capable of addressing the resource adequacy concerns. Where this is not possible, the Ministry shall implement another type of capacity mechanism.

4. The Ministry shall not introduce capacity mechanisms where the European resource adequacy assessment and the national resource adequacy assessment or, in the absence of a national assessment, the European resource adequacy assessment, have not identified any resource adequacy concerns.

5. The Ministry shall not introduce capacity mechanisms before the implementation plan, in accordance with point 4 of Article 4 of this Law, has received an opinion from the Energy Community Secretariat in accordance with point 5 of Article 4 of this Law.

6. Where the Ministry implements a capacity mechanism, it shall review that mechanism and ensure that no new contracts are concluded under that mechanism where both the European resource adequacy assessment and the national resource adequacy assessment or, in the absence of a national assessment, the European resource adequacy assessment, have not identified any resource adequacy concerns, or where the implementation plan, in accordance with point 4 of Article 4 of this Law, has not received an opinion from the Commission in accordance with point 5 of Article 4 of this Law.

7. When designing capacity mechanisms, the Ministry shall include a provision allowing for an efficient administrative phase-out of the capacity mechanism where no new contracts are concluded pursuant to point 6 of this Article for three consecutive years.

8. Capacity mechanisms shall be temporary. They shall be approved by the competent national State aid authority, following notification of the Energy Community Secretariat, for no longer than 10 years. They shall be phased out or the amount of committed capacity shall be reduced on the basis of the implementation plans referred to in Article 4 of this Law. The Ministry shall continue to implement the implementation plan after the introduction of the capacity mechanism.

9. The construction of new generation capacity pursuant to point 1 of this Article shall be carried out through a competitive procedure based on the legislation in force.

10. The Council of Ministers, upon the proposal of the Minister, shall approve the rules and procedures for the construction of new generation and storage capacity for demand management and energy efficiency, based on the provisions of point 2 of Article 52 of this Law, which shall include the principles of the capacity mechanism, its design principles, the reliability standard and cross-border participation.

11. Any capacity mechanism shall:

a) be temporary;

b) not create unnecessary market distortions and not limit cross-zonal trade;

c) not go beyond what is necessary to address the resource adequacy concerns referred to in Article 4 of this Law;

ç) select capacity providers through a transparent, non-discriminatory and competitive process;

d) provide incentives for capacity providers to be available in times of expected system stress;

dh) ensure that remuneration is determined through the competitive process;

e) establish the technical conditions for the participation of capacity providers prior to the selection process;

ë) be open to the participation of all resources capable of providing the required technical performance, including energy storage and demand-side management;

f) apply appropriate penalties to capacity providers that are not available in times of system stress.

12. The Ministry shall be the authority responsible for determining a single estimate of the value of lost load for the bidding zone no later than 31 December 2027. This estimate shall be published on the official website of the Ministry.

13. Where a bidding zone consists of territories of more than one Contracting Party, the Ministry and the other responsible authority of the relevant Party shall determine a single estimate of the Value of Lost Load for that bidding zone. In determining the single estimate of the Value of Lost Load, the regulatory authorities or other designated competent authorities shall apply ACER's methodology for the Value of Lost Load. Such estimate shall be reviewed periodically every five years or earlier where they observe a significant change.

14. Where capacity mechanisms are applied, a reliability standard shall be in place which indicates the necessary level of security of supply in a transparent manner. In the case of cross-border bidding zones, such reliability standards shall be established jointly by the relevant authorities.

15. The reliability standard shall be determined by the Ministry following a proposal by ERE. The reliability standard shall be based on the methodology developed by ENTSO-E in accordance with Article 23(6) of Regulation (EU) 2019/943 and approved by ACER.

Article 54

Cross-border participation in capacity mechanisms

1. Capacity mechanisms, other than strategic reserves and, where technically feasible, strategic reserves shall be open to direct cross-border participation by capacity providers located in a Member State or another Contracting Party, in accordance with the conditions laid down in this Article.

2. Member States and Contracting Parties shall ensure that foreign capacity capable of providing equivalent technical performance to domestic capacity has the opportunity to participate in the same competitive process as domestic capacity. Contracting Parties shall require foreign capacity to be located in a Member State or Contracting Party having a direct grid connection with the Contracting Party applying the mechanism.

3. The Ministry shall not prevent capacity located within its territory from participating in the capacity mechanisms of Member States or other Contracting Parties.

4. Cross-border participation in capacity mechanisms shall not change, modify or otherwise affect cross-zonal schedules or physical flows between Member States or Contracting Parties. Such schedules and flows shall be determined solely by the outcomes of capacity allocation, in accordance with the general principles of capacity allocation and congestion management.

5. Capacity providers shall be able to participate in more than one capacity mechanism. Where capacity providers participate in more than one capacity mechanism for the same delivery period, they shall participate up to the expected availability of the interconnection and the likely concurrence of system stress between the system where the mechanism is applied and the system where the foreign capacity is located, in accordance with the methodology developed by ENTSO-E pursuant to letter "a" of Article 26(11) of Regulation (EU) 2019/943 and approved by ACER.

6. Capacity providers shall pay non-availability penalties where their capacity is not available. Where capacity providers participate in more than one capacity mechanism for the same delivery period, they shall pay multiple non-availability penalties where they are unable to meet multiple commitments.

7. For the purpose of providing recommendations to transmission system operators, the Regional Coordination Centres established pursuant to Article 35 of Regulation (EU) 2019/943 shall calculate annually the maximum entry capacity available for the participation of foreign capacity. This calculation shall take into account the expected availability of the interconnection and the likely concurrence of system stress in the system where the mechanism is applied and the system where the foreign capacity is located. Such calculation shall be mandatory for each bidding-zone border.

8. The Ministry shall ensure that the entry capacity referred to in point 7 of this Article is allocated to eligible capacity providers in a transparent, non-discriminatory and market-based manner.

9. Where capacity mechanisms allow cross-border participation between two adjacent Member States or Contracting Parties, any revenue arising from the allocation referred to in point 8 of this Article shall accrue to the transmission system operators concerned and shall be shared between them in accordance with the methodology developed by ENTSO-E pursuant to letter "b" of Article 26(11) of Regulation (EU) 2019/943 and approved by ACER, or in accordance with a common methodology approved by both relevant regulatory authorities. Where the neighbouring Member State or Contracting Party does not apply a capacity mechanism or applies a capacity mechanism that is not open to cross-border participation, the share of revenues shall be approved by the competent national authority of the Member State or Contracting Party where the capacity mechanism is applied, after seeking the opinion of the regulatory authorities of the neighbouring Member States or Contracting Party. The transmission system operators shall use such revenues for the purposes set out in Article 19(2) of Regulation (EU) 2019/943.

10. The Transmission System Operator where the foreign capacity is located shall:

a) determine whether interested capacity providers are capable of providing the technical performance required by the capacity mechanism in which they intend to participate and register such capacity provider as eligible in a register established for that purpose by ENTSO-E, in accordance with Article 26 of Regulation (EU) 2019/943;

b) carry out availability checks;

c) notify the transmission system operator in the Member State or Contracting Party applying the capacity mechanism of the information received pursuant to point 2 of this Article and letters "a" and "b" of this point.

The relevant capacity provider shall notify the transmission system operator without delay of its participation in a foreign capacity mechanism.

11. The relevant regulatory authorities shall verify whether the capacities have been calculated in accordance with the methodology developed by ENTSO-E pursuant to letter "a" of Article 26(11) of Regulation (EU) 2019/943 and approved by ACER.

12. The regulatory authorities shall ensure that cross-border participation in capacity mechanisms is organised in an effective and non-discriminatory manner. In particular, they shall provide for appropriate administrative arrangements for the enforcement of cross-border non-availability payments.

13. Capacities allocated pursuant to point 8 of this Article shall be transferable between eligible capacity providers. Eligible capacity providers shall notify the register referred to in letter "a" of point 10 of this Article of any such transfer.

14. The register referred to in letter "a" of point 10 of this Article shall be open to all eligible capacity providers, systems applying capacity mechanisms and their transmission system operators.

Article 55
Rights and responsibilities of generators

1. Generators shall have the right to:

a) use primary energy sources in their generation plants in accordance with the generation technology, technical characteristics and environmental protection conditions specified in their licences and the legislation in force;

b) carry out energy storage activities and own, develop, manage or operate energy storage facilities in accordance with their licence conditions, notwithstanding Article 40 of this Law;

c) sell electricity and provide ancillary and balancing services in the electricity market in accordance with the market rules and other ERE regulations;

ç) maintain real-time communication with their generation facilities, customers or operational control levels;

d) access the transmission and distribution grids, subject to payment of the relevant tariffs approved by ERE;

dh) provide ancillary services

2. The generators shall be obliged to:

a) comply with licence conditions, this Law and secondary legislation adopted for its implementation;

b) comply with instructions issued by the system operator;

c) immediately notify the system operator of any situation that endangers or may endanger security of supply or the fulfilment of any other contractual obligation;

ç) make their capacity available on market terms to all customers in the wholesale and retail electricity markets, including those entrusted with a public service obligation;

d) provide data in accordance with the transparency and market monitoring obligation.

3. All generators operating under the Law on the electricity sector or the Law on the promotion of the use of energy from renewable sources, except those subject to concessions or awarded through competitive procedures, shall pay a *royalty* of at least 2% of annual generation or an equivalent amount.

4. In cases where a generator fulfils, or is required to fulfil, the royalty fee obligation through a monetary payment, such revenue shall be collected into a separate budgetary account.

5. Royalty fees collected are deposited into the state budget and managed in accordance with the procedures stipulated by the legislation in force.

6. The rules governing the use of the revenue, as specified in point 5 of this Article, shall be approved via an instruction issued by the minister responsible for energy, following consultation with the minister responsible for finance.

Article 56
Reserves of fuel or generating capacity

1. Electricity generators shall maintain specified fuel reserves or reserve generation capacity to ensure a stable supply of electricity to customers.

2. The type and quantity of fuel reserves or reserve capacity for different types of generation plants shall be determined by a decision of the Council of Ministers in accordance with the legislation in force.

3. The costs of the fuel reserve and those of the reserve capacity of a generator shall be considered operational costs.

Article 57
The rights and responsibilities of the electricity storage facility operator

1. Energy storage facility operators have the right:

a) to carry out energy storage activities and to own, develop, manage, or operate electricity storage facilities, subject to the terms of their licence (where applicable) and in accordance with the legislation in force;

b) sell electricity and provide ancillary and balancing services in the electricity market, according to the market rules and other regulations issued by ERE;

c) to maintain real-time communication with their energy storage facilities, customers, or operational control levels;

ç) to access transmission and distribution grids, subject to payment of the relevant tariffs approved by ERE.

2. Energy storage facility operators are required:

a) to comply with the terms of their licence, the provisions of this Law, and the secondary legislation enacted for its implementation;
b) to act in accordance with instructions received from the system operator;
c) to immediately notify the system operator of any situation that jeopardises—or may jeopardise—security of supply or the fulfilment of any other contractual obligation;
ç) to provide data in accordance with the obligation of transparency and market monitoring.

CHAPTER IV

ELECTRICITY TRANSMISSION

Article 58
Transmission System Operator

1. The Transmission System Operator is a legal person licensed to operate the electricity transmission system, which owns that system and complies with the principle of independence laid down in Article 59 of this Law.

2. The Council of Ministers shall, by decision, designate the public authority representing the State as shareholder of the Transmission System Operator, which shall be independent of generation or supply activities within the meaning of Article 59 of this Law.

Article 59
Ownership unbundling of the Transmission System Operator

1. The Transmission System Operator shall carry out its activity separately from other activities in the power sector, such as electricity generation, distribution, trading and supply, aggregation and recharging points, in accordance with the principles and requirements laid down in this Law. The Transmission System Operator shall not own, develop, manage or operate energy storage facilities, except where the exemptions laid down in Article 91 of this Law apply.

2. The Transmission System Operator shall own the electricity transmission system, which includes the 400 kV, 220 kV and 110 kV lines, electricity transformation substations with high-voltage transformation levels of 400 kV, 220 kV and 110 kV, the busbars in all 110/MV kV substations up to the electricity metering point on the 110 kV side of the 110/MV kV transformers, including the switching equipment of the 110 kV lines.

3. The same person shall not be entitled, at the same time:

a) directly or indirectly to exercise control over a licensee carrying out any of the activities of electricity or natural gas generation or supply, and to exercise control or any other right over the Transmission System Operator or the transmission grid;

b) directly or indirectly to exercise control over the Transmission System Operator or the transmission grid, and to exercise control or any right over a licensee carrying out any of the activities of electricity or natural gas generation or supply;

c) to appoint members of the supervisory board, management board or bodies legally representing the Transmission System Operator or the transmission grid and, directly or indirectly, to exercise control or any right over a licensee carrying out any of the activities of electricity or natural gas generation or supply;

ç) to be a member of the supervisory board, management board or other bodies representing the licensee in licensees carrying out electricity or natural gas generation or supply activities and in the Transmission System Operator or the transmission grid.

For the purposes of this Article, the term “electricity and natural gas generation or supply” shall also cover the operation of energy storage facilities, recharging point operation and aggregation, as defined in this Law.

4. The prohibitions provided for in letters “a”, “b” and “c” of point 3 of this Article shall apply to:

a) the power to exercise voting rights;

b) the power to appoint members of the supervisory board, management board or bodies representing the licensee;

c) the right to hold a majority shareholding.

5. The obligation laid down in point 3 of this Article shall be deemed to be fulfiled where two or more undertakings owning their transmission grids have established a joint venture which acts as a transmission system operator in two or more countries. No other undertaking may form part of such joint venture unless that undertaking is designated as an independent transmission system operator and is certified in accordance with the conditions laid down in this Law.

6. Where the person referred to in point 3 of this Article is a public body controlled by the State, two separate public bodies exercising control, one over the Transmission System Operator or the transmission grid and the other over a licensee carrying out electricity generation or supply activities, shall be deemed not to be the same person.

7. The Transmission System Operator which has been part of a vertically integrated undertaking shall, in accordance with the requirements of this Law, take measures to ensure that commercially sensitive information is not disclosed or transferred to other units of the former vertically integrated undertaking carrying out any electricity or natural gas generation or supply activities.

8. The Transmission System Operator shall draw up a compliance programme setting out the measures to be taken to ensure that discriminatory conduct is prevented and to ensure that compliance with the programme is adequately monitored. The compliance programme shall set out the specific obligations of employees for meeting this objective. The Transmission System Operator shall submit the compliance programme to ERE for approval within 3 months of the entry into force of this Law. Without prejudice to the powers of ERE, compliance with the programme shall be independently monitored by a compliance officer (hereinafter, for the purposes of this Article, referred to as the "Compliance Officer").

9. The Supervisory Board of the Transmission System Operator shall appoint a Compliance Officer, subject to the approval of ERE. ERE may refuse to approve the Compliance Officer only on grounds of lack of independence or professional capacity. The Compliance Officer may be a natural or legal person.

10. ERE shall, in relation to the Transmission System Operator, approve the regulation laying down detailed rules and procedures for the appointment of the Compliance Officer, including the relevant independence criteria, the conduct of the Compliance Officer, responsibilities and reporting obligations, and the Compliance Officer's access to the data necessary for the performance of their duties.

Article 60

Rights of the Transmission System Operator

1. The Transmission System Operator shall have the right to bill and collect the transmission tariff previously approved by ERE in accordance with the tariff methodology.

2. The Transmission System Operator shall not have the right to purchase and sell electricity, except to cover energy losses in the transmission grid and providing ancillary and balancing services.

3. The Transmission System Operator shall exchange or share balancing services with the transmission system operators of neighbouring countries in order to regulate frequency within the grid, in accordance with operational agreements between the transmission system operators of the region and the provisions of this Law on the promotion of regional cooperation.

4. The Transmission System Operator shall install and operate all types of information, communication and other systems, including wireless internet systems, necessary for the transmission system. Subject to availability, part of the fibre-optic infrastructure and/or high-speed communication network capacity may be made available for use without impairing or endangering other activities and networks, within the relevant legal framework and in accordance with the opinion of ERE.

5. ERE may, at the request of transmission system operators, allow the Transmission System Operator to carry out activities other than those provided for in this Law where such activities are

necessary for the Transmission System Operator to fulfil its obligations under this Law, provided that ERE has assessed the necessity of such an exemption, taking into account that:

a) the activity is necessary for the performance of the TSO's legal obligations;

b) no other market party has expressed an interest in providing the service, as confirmed through a transparent and non-discriminatory tendering procedure;

c) ERE carries out a prior assessment and formally approves the activity on the basis of published criteria;

ç) the activity is not market-based and shall not distort competition or create conflicts of interest;

d) separate cost accounting and full financial transparency are ensured, including disclosure obligations where appropriate.

6. The provisions of point 5 of this Article shall be without prejudice to the right of the Transmission System Operator to own, develop, manage or operate grids other than electricity grids, where the Transmission System Operator has been granted such a right.

7. Where third parties request the relocation of towers or transmission lines in the 110 kV, 220 kV and 400 kV transmission grid, such requests shall be reviewed, approved and implemented in accordance with the regulation of the Transmission System Operator. The requesting third party shall bear the full costs of the relocation.

Article 61

Obligations of the Transmission System Operator

1. The Transmission System Operator shall fulfil the following obligations:

a) ensure the long-term ability of the system to meet reasonable demands for electricity transmission by operating, maintaining and developing the transmission system securely, reliably and efficiently, in accordance with environmental protection requirements and in close cooperation with neighbouring transmission and distribution system operators;

b) contribute to security of supply through system security, sustainable and adequate transmission capacity, and system reliability;

c) use the transmission grid in accordance with technical rules and standards;

ç) ensure the provision of system services in a transparent and non-discriminatory manner, on the basis of cost and the lowest environmental impact;

d) manage electricity flows in the transmission grid, taking into account exchanges with other interconnected systems. To that end, the Transmission System Operator shall ensure a secure, reliable and efficient electricity system and the availability of all necessary ancillary services, including those provided by demand response and energy storage facilities, insofar as their availability is independent of any other transmission system with which its system is interconnected;

dh) provide to system users all the information necessary for efficient use of the grid;

e) ensure the connection of system users to the transmission grid in accordance with this Law and secondary legislation governing grid connection;

ë) develop and publish transparent, efficient and non-discriminatory procedures for connecting users, new generation plants and energy storage facilities to the transmission system;

f) conclude contracts to procure electricity to cover transmission grid losses and reserve energy and other ancillary services required for secure system operation, in accordance with the principles of transparency, non-discrimination, market rules and minimum cost;

g) draft and publish the Transmission Code;

gj) balance the system on the basis of objective, transparent and non-discriminatory principles, in accordance with the Transmission Code and market rules;

h) apply objective, transparent and non-discriminatory rules for allocating cross-border transmission capacity;

i) exchange the necessary information with the operators of neighbouring transmission systems to ensure secure and efficient operation, coordinated development and interoperability of interconnected systems;

j) establish a complaint-handling mechanism for matters relating to access to and use of the transmission grid;

k) manage limited capacity jointly with neighbouring transmission grid operators on the basis of objective, transparent and non-discriminatory criteria, and publish information on cross-border capacity in accordance with Article 76 of this Law;

l) maintain the information necessary to assess electricity supply quality in the transmission system under the rules on quality of electricity supply, including information on security of supply, voltage quality, service quality and other information specified by ERE;

ll) analyse transmission grid losses annually and develop and implement loss-reduction and other energy efficiency measures;

m) collect charges relating to limited capacity and charges under the compensation mechanism between the transmission system operators of neighbouring countries;

n) reports to ERE every four months regarding:

i. planned interruptions necessary for the maintenance of the transmission grid;

ii. requests from the Transmission System Operator and system users for the development of the transmission grid;

iii. the operation of the transmission system;

iv. the allocation and use of cross-border capacities, in accordance with contractual obligations with the TSOs of neighbouring countries;

v. the use of revenues generated from cross-border capacity constraints;

vi. contracts for the provision of ancillary services, concluded with the providers of such services;

vii. energy contracts for covering losses in the transmission grid.

nj) organizes data management—including the development of data management systems, cybersecurity, and data protection—in accordance with applicable rules and without prejudice to the competencies of other authorities;

o) procures ancillary services to ensure operational security, subject to the provisions detailed in Article 70 of this Law;

p) approves and implements a framework for cooperation and coordination among regional coordination centres;

q) participates in European and national resource adequacy assessments;

r) establishes coordination and information-exchange mechanisms to ensure grid security in the context of congestion management;

rr) cooperates with the Ministry—as the competent authority designated for risk-preparedness planning and risk management—as provided for in Article 6 of this Law;

s) cooperates with ACER, complies with its decisions, takes into account its recommendations and opinions, and provides information upon request;

sh) cooperates with the Distribution System Operator and other licensees to the extent required to perform its duties under this Law;

t) carries out the digitalisation of the transmission system;

th) ensure non-discrimination between system users or classes of system users, particularly by avoiding discrimination in favour of its affiliated undertakings.

2. The Transmission System Operator shall submit annual reports to ERE in accordance with the regulation on the quality of electricity supply.

Article 62
Provision of information

1. The Transmission System Operator shall establish coordination and information exchange mechanisms to ensure grid security in the context of load management.

2. The security, operational and planning standards used by the Transmission System Operator shall be made public. The information published shall include a general scheme for the calculation of total transfer capacity and the transmission reliability margin, based on the electrical and physical characteristics of the grid. Such schemes shall be approved by the regulatory authority.

3. The Transmission System Operator shall publish estimates of available transfer capacity for each day, indicating any available capacity already reserved. Publications shall be made at specified intervals before the day of transfer and shall, in any event, include estimates for the following week and month, as well as a quantitative indication of the expected reliability of the available capacity.

4. The Transmission System Operator shall publish relevant data on aggregate forecasts and actual demand, on the availability and actual use of generation and load assets, on the availability and use of grids and interconnections, on balancing capacity and reserve capacity, as well as on the availability of flexibility. For the availability and actual use of small generation and load assets, aggregated estimated data shall be used.

5. The relevant market participants shall provide the Transmission System Operator with the relevant data.

6. Electricity generation undertakings which own or operate generation assets, where at least one generation asset has an installed capacity of at least 250 MW, or which have a portfolio comprising at least 400 MW of generation assets, shall keep at the disposal of the regulatory authority, the national competition authority and the Energy Community Secretariat, for five years, all hourly data for each plant necessary to verify all operational dispatching decisions and bidding behaviour on power exchanges, interconnection auctions, reserve markets and over-the-counter markets. The information retained for each plant and each hour shall include, but shall not be limited to, data on available generation capacity and committed reserves, including the allocation of those committed reserves at plant level, at the time when bids are submitted and when generation takes place.

7. The Transmission System Operator shall regularly exchange a sufficiently accurate set of grid and load-flow data to enable load-flow calculations to be carried out by each transmission system operator in the relevant area. The same data set shall, upon request, be made available to the regulatory authorities, the Energy Community Secretariat, Member States and Contracting Parties. The regulatory authorities, Member States, Contracting Parties and the Energy Community Secretariat shall treat the data set confidentially and shall ensure that confidential treatment is also applied by any consultant carrying out analytical work at their request on the basis of those data.

Article 63
Regional cooperation of the Transmission System Operator

1. The Transmission System Operator shall establish and maintain, to the extent possible, regional cooperation together with ENTSO-E. In particular, it shall participate in the preparation of a two-year regional investment plan and may take decisions based on that regional investment plan.

2. When participating in regional cooperation, the Transmission System Operator shall promote operational arrangements in order to ensure optimal management of the grid and foster the development of energy exchanges, the coordinated allocation of cross-border capacity through non-discriminatory market-based solutions, giving due attention to the specific advantages of implicit auctions for short-term allocations, as well as the integration of balancing energy and reserve energy mechanisms.

3. The Transmission System Operator, together with other relevant transmission system operators in the same System Operation Region (SOR), shall participate in establishing and operating the RCC under Regulation (EU) 2019/943 or, where appropriate, may join or receive services from an existing RCC. The RCC shall complement the role of the Transmission System Operator by performing the tasks of regional relevance assigned to it.

4. ERE shall approve detailed rules for the participation of the Transmission System Operator in regional cooperation and, in particular, in the operation of the RCC, based on the following principles:

a) non-discrimination and transparency, ensuring equal treatment of system operators and appropriate access to relevant information in accordance with confidentiality requirements;

b) system security and reliability, ensuring that regional cooperation contributes to the secure, reliable and efficient operation of the electricity system;

c) efficiency and cost-effectiveness, ensuring the optimal use of resources and the minimisation of costs for the system and its users;

ç) regional market integration, ensuring consistency with the development of a competitive and integrated electricity market;

d) regulatory oversight and accountability, ensuring that the Transmission System Operator remains subject to ERE's oversight and complies with the approved rules.

5. Transmission system operators shall provide their Regional Coordination Centres with the information necessary for the performance of their tasks.

6. The Transmission System Operator shall implement the coordinated actions issued by the RCC, except where the implementation of coordinated actions would result in a violation of operational security limits in relation to the RCC task concerning:

a) carrying out coordinated capacity calculation;

b) carrying out coordinated security analysis.

7. Where the Transmission System Operator decides not to implement a coordinated action for the reasons set out in this point, it shall transparently report the detailed reasons to the RCC and to the transmission system operators of the SOR without undue delay.

8. The Transmission System Operator shall comply with the recommendations issued by the RCC concerning:

a) the creation of common grid models;

b) support for assessing the consistency of transmission system operators' defence and restoration plans;

c) carrying out regional system adequacy forecasts from week-ahead to at least day-ahead and preparing risk-reducing actions;

ç) carrying out regional outage planning coordination;

d) training and certification of staff working for the RCC;

dh) supporting the coordination and optimisation of regional restoration;

e) carrying out post-operation and post-disturbance analysis and reporting;

ë) regional sizing of reserve capacity;

f) facilitating the regional procurement of balancing capacity;

g) supporting transmission system operators, at their request, in optimising inter-transmission system operator arrangements;

gj) carrying out tasks relating to the identification of regional electricity crisis scenarios;

h) carrying out tasks relating to seasonal adequacy assessments;

i) calculating the value for the maximum entry capacity available for the participation of foreign capacity in capacity mechanisms;

j) supporting transmission system operators in identifying needs for new transmission capacity, for upgrading existing transmission capacity or alternatives thereto.

9. Where the Transmission System Operator decides to deviate from an RCC recommendation, it shall provide the RCC and the other transmission system operators of the SOR with a justification for its decision without undue delay.

10. When participating in the operation of the RCC in accordance with point 3 of this Article, the Transmission System Operator, together with the other relevant transmission system operators in the SOR, shall take the necessary measures to cover liability related to the execution of the RCC's tasks.

Article 64
Approval and review of coordinated actions and recommendations

1. The Transmission System Operator, in cooperation with the other transmission system operators in the System Operation Region, shall develop a procedure for the approval and review of coordinated actions and recommendations issued by the Regional Coordination Centres.

2. The Transmission System Operator shall implement the coordinated actions or recommendations proposed by the Regional Coordination Centres, except where their

implementation would compromise security criteria or result in unacceptable consequences for the operator.

3. Where the Transmission System Operator decides not to implement a coordinated action or recommendation, it shall immediately and transparently notify the competent Regional Coordination Centre and the other transmission system operators in the System Operation Region, providing duly justified reasons for its decision.

4. The Transmission System Operator shall initiate a review of coordinated actions and recommendations proposed by the Regional Coordination Centres, either on its own initiative or in cooperation with the other transmission system operators in the System Operation Region.

5. In the case referred to in point 4 of this Article, the Transmission System Operator shall not suspend the implementation of the coordinated action or recommendation pending a final decision, except where its implementation would compromise security criteria or result in unacceptable consequences for the operator.

Article 65

Certification of Transmission System Operator

1. Before being licensed to operate the transmission system, the Transmission System Operator shall be certified in accordance with the procedure laid down in this Article.

2. ERE shall establish the application requirements for certification of the Transmission System Operator, including the documentation necessary to demonstrate compliance with the conditions under Article 58 of this Law. The Transmission System Operator shall submit its certification application in accordance with the requirements approved by ERE.

3. ERE shall decide on certification of the Transmission System Operator within four months of the application and submission of all required documents and information. On expiry of that period, certification shall be deemed granted. The express or implied decision of ERE shall take effect only after completion of the procedure under point 7 of this Article.

4. ERE may request from the Transmission System Operator any information necessary to fulfil this obligation. ERE shall preserve the confidentiality of commercially sensitive information.

5. ERE shall notify the Energy Community Secretariat of the initiation of the certification procedure and shall take its decision within two months of that notification, taking into account the recommendations of the Secretariat.

6. Where the final decision of ERE differs from the recommendations of the Secretariat, ERE shall publish and explain its reasons for not accepting them and notify the Secretariat of its decision.

7. The decision—whether express or implied—regarding the certification of the transmission system operator shall be notified without delay by ERE to the Energy Community Secretariat, together with all relevant information concerning that decision, and shall be published on ERE's official website.

8. The Transmission System Operator shall notify ERE of any planned action that may require reassessment of its compliance with the conditions laid down in Article 59 of this Law.

9. ERE shall monitor compliance by the Transmission System Operator with the requirements of this Law and shall review the certification procedure referred to in point 1 of this Article in the following cases:

a) following notification by the Transmission System Operator under point 8 of this Article;

b) on its own initiative, upon a reasonable doubt that the planned change affects the rights or control of the Transmission System Operator and may lead to an infringement of the provisions of Article 72 of this Law, or where such an infringement may have occurred.

c) on a reasoned request from Energy Community Secretariat.

10. ERE and the Energy Community Secretariat may request from transmission system operators and undertakings carrying out generation or supply activities any information relevant to the performance of their duties under this Article.

11. ERE and the Energy Community Secretariat shall preserve the confidentiality of commercially sensitive information.

Article 66
Certification regarding third countries

1. The Transmission System Operator shall notify ERE where a person or persons from a third country that is not a member of the Energy Community acquire control of that operator.

2. ERE shall notify the Energy Community Secretariat in the following cases:

a) where certification is requested by a Transmission System Operator which is controlled by a person or persons from a third country;

b) of any circumstances that would result in a person or persons from a third country acquiring control of the Transmission System Operator.

3. ERE shall examine the application for certification within 4 months from the date of notification by the Transmission System Operator. ERE shall have the right to refuse certification where:

a) the Transmission System Operator does not comply with the independence and unbundling requirements laid down in this Law;

b) granting certification would put at risk the security of electricity supply of the country or of the countries that are members of the Energy Community. When making its assessment on this basis, ERE shall take into consideration:

i. the rights and obligations of the Energy Community with respect to that third country arising under international law, including any agreement concluded with one or more third countries to which the Energy Community is a party and which addresses issues of security of energy supply;

ii. the rights and obligations of Albania with respect to that third country arising from agreements concluded with it, insofar as they comply with the Energy Community Treaty;

iii. other specific facts and circumstances relating to the third country concerned.

4. Before adopting its decision, ERE shall request the opinion of the Energy Community Secretariat as to whether:

a) the entity concerned complies with the independence requirements;

b) granting certification would not put at risk the security of energy supply of the Energy Community countries.

5. In preparing its opinion, the Secretariat may request the views of ERE, the Ministry and interested parties. The Secretariat shall issue its opinion within 4 months of receipt of the request pursuant to point 4 of this Article. In the absence of an opinion from the Secretariat within that period, ERE shall proceed with the procedures for adopting its decision.

6. The relevant ERE decision on the certification of the Transmission System Operator or the refusal to grant certification shall be notified without delay to the Energy Community Secretariat, together with all necessary information.

7. The final decision on the certification of the Transmission System Operator, control of which is acquired by one or more persons from a third country, shall be approved and published in accordance with Article 65 of this Law.

Article 67
Transmission network development

1. The TSO shall submit to ERE for approval a ten-year grid development plan, drawn up following consultation with interested parties, including integrated grid modelling, scenario development and an assessment of system resilience. Once approved by ERE, the Transmission System Operator shall publish the ten-year grid development plan on its official website.

2. The grid development plan shall take into account:

a) existing and forecast demand and load, as well as existing and forecast transmission capacities;

b) urban and regional planning for the area where the transmission installations are to be located;

c) investment plans for regional grids at the level of the Energy Community Parties;

ç) environmental protection legislation;

d) the potential for the use of demand response, energy storage facilities or other resources as alternatives to system expansion, as well as expected consumption, trade with other countries and investments in grids across the European Union and the region.

3. The grid development plan shall contain:

a) effective measures in order to ensure system adequacy and security of supply;

b) the financial resources envisaged for investments in the transmission system;

c) all investments already approved and shall identify new investments which are to be implemented in the next three years;

ç) defined timeframes for all investment projects;

d) information for market participants on the main transmission infrastructure that needs to be built or upgraded over the next ten years.

4. At least every two years, the Transmission System Operator shall review the ten-year development plan and submit it to ERE for approval. ERE shall review the ten-year grid development plan and shall consult the relevant existing or potential system users in an open and transparent manner. ERE shall be free to determine the scope of the relevant existing or potential system users. Persons or undertakings claiming to be relevant existing or potential system users shall have the right to request their participation in consultations with ERE after substantiating their claims. ERE shall publish the outcome of the consultation process, in particular possible investment needs. ERE shall also examine whether the ten-year grid development plan covers all investment needs identified during the consultation process and whether it is consistent with the non-binding European Union-wide ten-year grid development plan. If any doubt arises as to consistency with the European Union-wide grid development plan, ERE shall consult ACER. Where ERE, as a result of its review, finds that the conditions laid down in points 1, 2 and 3 of this Article have not been met, it shall require the Transmission System Operator to supplement and/or amend the ten-year grid development plan.

5. The Transmission System Operator shall submit to ERE, together with its application for tariff approval, the updated investment plan for the following year. Where the Transmission System Operator applies for a tariff for a regulatory period longer than 1 year, the investment programme shall contain an analysis of the investments planned for the relevant regulatory period.

6. Where ERE finds that the Transmission System Operator has failed, other than for overriding reasons beyond its control, to execute an investment which, under the ten-year grid development plan, was to be executed in the following three years, and ERE considers that the investment is still necessary and can be financed without hindering the normal operation of the grid, ERE shall require at least one of the following measures to be taken:

a) require the Transmission System Operator to execute and implement the investment concerned;

b) organise a competitive procedure for the implementation of the investment concerned, open to any investor;

c) oblige the Transmission System Operator to accept a capital increase to finance the necessary investments and allow independent investors to participate in the capital.

7. Where ERE takes the measures referred to in letter “b” of point 6 of this Article, it may require the Transmission System Operator to take one of the following measures:

a) provide financing by any third party;

b) require construction by any third party;

c) construct new assets;

ç) manage the new assets following their construction.

8. The Transmission System Operator shall provide investors with all information necessary to implement the investment, shall connect new assets to the transmission grid and shall, in general, make its best efforts to facilitate the implementation of the investment project. The relevant financial arrangements shall be subject to approval by ERE.

9. ERE shall draw up and approve the regulation on the procedures for the submission and approval of development plans.

10. Where ERE introduces any of the measures listed in point 6 of this Article, the relevant tariffs shall cover the costs of the investments concerned.

Article 68
Electricity dispatch

1. The Transmission System Operator shall be responsible for coordinating the dispatch of electricity from generation facilities, energy storage facilities and demand response service providers, as well as the use of interconnection lines, without prejudice to contractual obligations for the supply of electricity.

2. The dispatch of electricity from power-generating facilities and demand response service providers shall be non-discriminatory, transparent and market-based, except where otherwise provided, in accordance with Regulation (EU) 2019/943.

3. The dispatch of electricity from generation facilities, energy storage facilities and demand response providers, as well as the use of interconnection lines, shall be carried out in accordance with the Transmission Code, the Market Rules, as referred to in Article 122 of this Law, and other applicable regulations approved by ERE.

4. The Transmission System Operator shall give priority to electricity generated from facilities using renewable energy sources, to the extent permitted by the secure operation of the national electricity grid, based on transparent and non-discriminatory criteria, where such generation facilities are:

a) generation facilities using renewable energy sources and having an installed electricity capacity of less than 200 kW;

b) demonstration projects for innovative technologies, subject to approval by ERE, provided that such priority is limited to the time and extent necessary to achieve the demonstration purposes; or

c) generation facilities using high-efficiency cogeneration with an installed electricity capacity of less than 400 kW.

5. Without prejudice to contracts concluded before the date of entry into force of this Law, generation facilities using renewable energy sources or high-efficiency cogeneration which were commissioned by 31 December 2025 and which, at the time of commissioning, were subject to priority dispatch shall continue to benefit from priority dispatch. Priority dispatch shall no longer apply to such generation facilities from the date on which the generation facility undergoes significant modifications, which shall be deemed to occur at least where a new connection agreement is required or where the generation capacity of the facility is increased.

6. Priority dispatch shall not endanger the secure operation of the electricity system and shall not be used as justification for reducing cross-zonal capacities beyond what is provided for in point 4 of Article 74 of this Law, and shall be based on transparent and non-discriminatory criteria.

7. Where the Transmission System Operator or the Distribution System Operator takes measures to reduce generation capacity from facilities using renewable energy sources in order to ensure the secure operation of the electricity system and security of electricity supply to customers, it shall inform ERE of the measures taken and propose other corrective measures to be undertaken in the future in order to prevent unnecessary reductions in generation capacity.

8. The Transmission System Operator shall comply with the requirements for the maintenance and development of the transmission system, including interconnection capacities, in accordance with the provisions of the network codes.

9. The Transmission System Operator may decide not to apply priority dispatch to the generation facilities referred to in letter “a” of point 4 of this Article, with effect commencing at least six months after such decision, or to apply a lower minimum capacity than that specified in letter “a” of point 4 of this Article, provided that:

a) ERE has determined that there is a well-functioning intraday, wholesale and balancing market in the country, which is fully accessible to all market participants on the basis of objective and non-discriminatory criteria. For the purposes of such determination, ERE shall take into account, inter

alia, whether the volumes traded on the intraday market relative to the physical size of the market are at a level comparable to those observed in the intraday markets of European Union countries. For this purpose, ERE shall have the right to select one or more European Union intraday markets in order to carry out an appropriate comparative assessment;

b) the dispatching and congestion management rules are transparent to all market participants;

c) the share of energy from renewable sources in the country's gross final consumption is at least 50%;

ç) the Ministry notifies the planned derogation to the Energy Community Secretariat, setting out in detail how the conditions laid down in letters "a", "b" and "c" of this point are fulfiled;

d) ERE publishes the planned derogation, including detailed reasoning for granting such derogation, taking due account of the protection of commercially sensitive information where necessary.

Article 69

Redispatching of electricity

1. Redispatching of electricity generation and redispatching of demand response shall be based on objective, transparent and non-discriminatory criteria. They shall be open to all electricity generation technologies, all forms of energy storage and all demand response, including those located in other Energy Community Parties, unless this is not technically feasible.

2. Resources subject to redispatching shall be selected from among electricity generation facilities, energy storage or demand response, using market-based mechanisms, and shall be financially compensated. Balancing energy bids used for redispatching shall not be used to determine the balancing energy price.

3. Non-market-based redispatching of electricity generation, energy storage and demand response may be used only where:

a) no market-based alternative exists;

b) all available market-based resources have been used;

c) the number of available electricity generation, energy storage or demand response facilities is too low to ensure effective competition in the area where suitable facilities for the provision of the service are located;

ç) the current grid situation leads to congestion in a regular and predictable manner, such that market-based redispatching would lead to repeated strategic bidding, thereby increasing the level of internal congestion, and an action plan has been adopted to address such congestion pursuant to point 2 of Article 74 of this Law, or the minimum capacity available for cross-zonal trade complies with point 4 of Article 74 of this Law.

4. The transmission and distribution system operators shall report to ERE at least once a year on:

a) the level of development and effectiveness of market-based redispatching mechanisms;

b) the reasons, volumes in MWh and type of generation resources affected by redispatching;

c) the measures taken to reduce the need for downward redispatching, particularly for energy from renewable sources or high-efficiency cogeneration.

ERE shall submit the report to ECRB and publish a summary of the data, together with recommendations for improvement where necessary.

5. In accordance with the requirements relating to the maintenance of grid reliability and security and on the basis of transparent and non-discriminatory criteria established by ERE, the TSO and DSO shall:

a) guarantee the capability of the transmission and distribution grids to transmit electricity generated from renewable sources or high-efficiency cogeneration with the minimum possible redispatching, without preventing grid planning from taking into account a limited level of redispatching where the transmission or distribution system operator is able to demonstrate transparently that this is more economically efficient;

b) take appropriate grid-related and market-related operational measures with a view to minimising downward redispatching of electricity generated from renewable sources or high-efficiency cogeneration;

c) ensure that their grids are sufficiently flexible so that they are able to manage them.

6. Where non-market-based downward redispatching is used, the following principles shall apply:

a) generation facilities using renewable sources shall be subject to downward redispatching only where no other alternative exists or where other solutions would result in disproportionate costs or serious risks to grid security;

b) electricity generated from high-efficiency cogeneration shall be subject to downward redispatching only where, other than downward redispatching of facilities using renewable sources, no other alternative exists or where other solutions would result in disproportionate costs or serious risks to grid security;

c) self-generated energy from facilities using renewable sources or high-efficiency cogeneration which is not fed into the transmission or distribution grid shall not be subject to downward redispatching unless no other solution would resolve grid security issues;

ç) downward redispatching pursuant to letters “a”, “b” and “c” of this point shall be fully and transparently justified. The justification shall be included in the report referred to in point 4 of this Article.

7. Where non-market-based redispatching is used, it shall be subject to financial compensation by the system operator requesting the redispatching in favour of the operator of the generation facility, energy storage facility or demand response subject to redispatching, except in the case of generators that have accepted a connection agreement under which there is no guarantee of firm delivery of energy.

Such financial compensation shall be at least equal to the higher of the following elements, or a combination thereof where applying only the higher element would lead to unjustifiably low or high compensation:

a) additional operating costs caused by the redispatching, such as additional fuel costs in the case of upward redispatching, or the provision of backup heat in the case of downward redispatching of facilities using high-efficiency cogeneration;

b) the net revenues from the sale of electricity on the day-ahead market that the generation facility, energy storage facility or demand response would have generated in the absence of the redispatching request.

Where financial support is granted to generation facilities, energy storage facilities or demand response on the basis of the amount of energy generated or consumed, the financial support that would have been received in the absence of the redispatching request shall be considered part of the net revenues.

Article 70

Procurement of energy for transmission grid losses, balancing and ancillary services

1. The Transmission System Operator shall procure electricity to cover grid losses and the balancing or ancillary services necessary for the operation of the system. Such procurement shall not be subject to the legislation in force on public procurement, but shall be subject to:

a) procurement of energy to cover losses by the Transmission System Operator, which shall be carried out through a competitive, non-discriminatory and transparent procedure, including through the day-ahead market and intraday market;

b) procurement of balancing services through transparent, non-discriminatory and market-based procedures;

c) allowing the participation of all qualified electricity undertakings and market participants, including market participants offering energy from renewable sources, market participants engaged in demand response, operators of energy storage facilities and market participants engaged in aggregation.

For the purposes of letter "c" of point 1 of this Article, ERE and the Transmission System Operator, in cooperation with the relevant electricity market participants, shall establish the technical requirements for participation in these markets.

2. Letter "b" of point 1 of this Article shall apply to the procurement of non-frequency ancillary services by the Transmission System Operator, except where ERE has assessed that the market-based provision of such services is not economically efficient and has granted a derogation. In particular, the regulatory framework shall ensure that the Transmission System Operator is able to procure such services from demand response providers or energy storage, and shall promote the use of energy efficiency measures where such services cost-effectively reduce the need to upgrade or replace electricity capacity and support the efficient and secure operation of the transmission system.

3. The TSO, with the approval of ERE, or ERE itself, through a transparent and inclusive process involving all relevant system users and distribution system operators, shall establish the specifications for the non-frequency ancillary services procured and, where appropriate, standardised market products for such services, at least at national level.

The specifications shall ensure the effective and non-discriminatory participation of all market participants, including market participants offering energy from renewable sources, those engaged in demand response, operators of energy storage facilities and market participants acting through aggregation.

The Transmission System Operator shall exchange all necessary information and coordinate with distribution system operators to ensure the optimal use of resources, secure and efficient system operation and market development. It shall be adequately remunerated for procuring such services so as to recover at least the corresponding reasonable costs, including expenditure on information and communication technology and infrastructure costs.

4. The obligation to procure non-frequency ancillary services pursuant to point 2 of this Article shall not apply to fully integrated network components.

5. ERE shall be responsible for monitoring the implementation of the procedure provided for in point 1 of this Article.

Article 71
Transmission code

1. The transmission system shall be operated in accordance with the provisions of the network codes and guidelines, the transmission terms, conditions and methodologies (TCMs) and the Transmission Code, which shall be drawn up by the Transmission System Operator in accordance with European Union requirements and approved by ERE.

2. The Transmission Code shall provide for:

a) methods and criteria for system planning and development;

b) the conditions and documentation required for applying for access to the transmission system;

c) the minimum technical and functional specifications for granting access and connection to the transmission system for generation facilities, energy storage facilities, distribution undertakings, final customers and interconnection lines;

ç) the period within which the Transmission System Operator shall respond to the application submitted, as well as the consequences where a response is not provided within the prescribed period;

d) balancing and ancillary services;

dh) the operational plan and planning rules;

e) system management and control under normal and emergency operating conditions;

ë) metering rules;

f) the criteria applied by the Transmission System Operator for the dispatch of available generation installations and energy storage facilities, as well as for the use of interconnection lines;

g) the manner, timeframe, conditions and obligations under which the Transmission System Operator dispatches electricity generated from renewable energy sources;

gj) any other activity necessary for the reliable and secure management of the transmission system;

h) the manner in which the market operator functions and operates;
i) the implementation of rules for identifying and mitigating structural congestion.

Article 72
Confidentiality of Transmission System Operator

1. The Transmission System Operator, while complying in all cases with the provisions of Article 49 of this Law or any other legal obligation to provide information, shall preserve the confidentiality of commercially sensitive information obtained in the course of carrying out its activity and shall prevent information concerning its activities from being disclosed in a discriminatory manner so as to create a commercial advantage for another party.
2. The TSO shall not disclose commercially sensitive data to any other licensee except where this is necessary for carrying out a commercial transaction. In order to ensure full compliance with the rules on information disclosure and unbundling of activities, ERE shall take measures to ensure that the Transmission System Operator and any other licensee do not use shared services, such as shared legal services, except for simple administrative or information technology functions.
3. In carrying out its activity, the Transmission System Operator shall not misuse commercially sensitive information obtained from third parties in connection with the provision of or negotiations concerning access to the system.
4. Information necessary to ensure competition and the proper functioning of the market shall be made public.
5. The provisions of this Article shall apply in accordance with the data management provisions laid down in Article 28 of this Law.

Article 73
Allocation of interconnection capacities

1. The Transmission System Operator shall draw up the regulation on the allocation of interconnection capacities, which shall be approved by ERE.
2. The regulation on the allocation of interconnection capacities shall provide for:
a) publication of information on interconnection capacities;
b) exchange of information on interconnection capacities with the operators of neighbouring countries;
c) management and allocation of available interconnection transmission capacities;
ç) data on the secondary market for trading interconnection capacities;
d) general principles and procedures for the management of limited capacity;
dh) use of revenues from the allocation of interconnection line capacities and from the management of limited capacity;
e) the obligation of market participants to notify the Transmission System Operator in advance whether they will use the allocated capacity and the period during which it will be used;
ë) the transparent and non-discriminatory reallocation of any allocated capacity that will not be used by the market participant;
f) recalculation of available interconnection capacity at least after the day-ahead gate closure time and after the intraday gate closure time;
g) allocation, in the subsequent interconnection capacity allocation process, of available interconnection capacity, any remaining interconnection capacity not previously allocated and any interconnection capacity released by holders of physical transmission rights from previous allocations.
3. Capacity allocation shall not discriminate against market participants wishing to exercise their rights to implement bilateral supply contracts or to bid on the open electricity market.
4. The Transmission System Operator, together with the relevant operators of neighbouring countries, shall publish the available capacities to be allocated, including, where applicable,

capacities released from previously secured transmission rights, as well as the period during which capacity will be reduced or unavailable.

5. All market participants may participate in capacity allocation procedures. In order to avoid market problems related to the creation or strengthening of a dominant position of one or more participants, ERE and/or the Competition Authority, as appropriate, may impose general or specific restrictions on a market participant due to its dominant position.

6. Capacity allocation procedures that establish reserve prices shall be prohibited, except in the case of new interconnection lines benefiting from an exemption pursuant to Article 36 of this Law.

7. The Transmission System Operator shall accept all feasible commercial transactions, including those resulting from trade with neighbouring countries.

8. The Transmission System Operator shall not apply measures restricting market participants' access to interconnection lines, except in the case of limited capacity.

9. The procedure for allocating available transmission capacity shall be carried out within reasonable timeframes before the commencement of the use of such capacity.

10. Access rights arising from capacity allocation shall be considered acquired rights, based on the principles laid down in the capacity allocation regulation.

Article 74

Identification and addressing of structural congestion relating to interconnection capacities

1. Bidding-zone borders shall be based on long-term structural congestion in the transmission grid.

2. Structural congestion shall not exist within a bidding zone unless it affects neighbouring zones. Where this occurs, such congestion may be temporarily tolerated, provided that remedial actions mitigate its impact and do not reduce the use of transmission capacity between zones pursuant to Article 76 of this Law.

3. Bidding zones shall be reviewed with a view to maximising economic efficiency and cross-border trade within the same capacity calculation region while maintaining security of supply.

4. Where ENTSO-E or a regulatory authority for one or more transmission system operators in other control areas submits a report identifying structural congestion, the TSO shall immediately notify ERE.

5. Within six months and in cooperation with the TSO, ERE, on the basis of the EU-level methodology, may decide:

a) to amend the bidding zone; or

b) to require the operator to implement an action plan to reduce congestion.

6. ERE shall notify the Energy Community Secretariat and the Regulatory Board of its decision.

7. Where ERE decides to amend the bidding zone, it shall inform all relevant authorities in EU Member States and Energy Community Parties within the same capacity calculation region in order to seek unanimous agreement.

8. Before adopting its decision, ERE shall consult interested parties and determine the implementation date and any transitional period.

9. Where unanimous agreement is not reached, the Energy Community Regulatory Board shall take the final decision.

10. Where ERE considers that an action plan is more effective than reviewing and amending the bidding-zone configuration, the TSO shall draw up a four-year action plan.

11. Irrespective of implementation progress, the Transmission System Operator shall ensure annual increases in transmission capacity according to a linear trajectory until the minimum capacity specified in Article 76 of this Law is reached by 31 December 2027.

12. The starting value of the linear trajectory shall be the higher of:

a) the capacity allocated at the zone border or on the critical grid element in the year preceding the action plan;

b) the average capacity allocated during the preceding three years.

13. The TSO shall bear the costs of the remedial actions necessary to comply with the linear trajectory or to make capacity available at zone borders or on critical elements.

14. Each year during the action plan and six months after its completion, the TSO shall report to ERE and the Regulatory Board whether the increase in capacity complies with the trajectory and whether the minimum capacity pursuant to Article 76 of this Law has been achieved by 1 January 2028.

15. Before submitting the report, the Transmission System Operator shall make all relevant data available to ERE for approval.

16. Where the report shows that capacity has not increased as required, ERE shall, within six months, initiate the procedure for amending or maintaining the bidding zone.

17. Six months before the end of the action plan, the Transmission System Operator shall resolve the remaining congestion through remedial actions at its own expense or initiate the process for amending the zone pursuant to the Energy Community Treaty.

18. Where the operator does not adopt an action plan, it shall, within 12 months of the identification of structural congestion, report to ERE and the Regulatory Board whether the minimum capacity pursuant to Article 76 of this Law was achieved during the preceding year. All relevant data shall be submitted to ERE for approval.

19. The action plan shall be submitted to ERE for approval.

20. The Transmission System Operator and ERE shall ensure that the detailed rules for identifying and mitigating structural congestion are implemented in the Transmission Code in accordance with Regulation (EU) 2019/943 and the CACM Guideline and in accordance with their provisions on the internal electricity market.

Article 75

Use of revenues from allocation of interconnection capacities

1. Congestion-management procedures relating to a predetermined timeframe may generate revenues only in the event of congestion arising for that timeframe, except in the case of new interconnections benefiting from an exemption granted by the Council of Ministers in the decision approving their construction. The procedure for distributing such revenues shall be subject to review by ERE and shall neither distort the allocation process in favour of any party requesting capacity or energy nor provide a disincentive to reduce congestion.

2. Any revenues resulting from the allocation of cross-zonal capacity shall be used for the following purposes:

a) guaranteeing the actual availability of the allocated capacity, including firmness compensation; and/or

b) maintaining or increasing cross-zonal capacities through optimisation of the use of existing interconnectors by means of coordinated remedial actions or by carrying out grid investments relevant to reducing interconnection congestion.

The TSO and ERE shall take into account ACER's methodology on the use of congestion income.

3. Where the priority objectives laid down in point 2 of this Article have been adequately fulfiled, then, subject to the prior approval of ERE, such revenues may be considered as income up to a specified amount and taken into account in the calculation of grid tariffs, in accordance with the relevant methodologies. The remaining revenues shall be placed in a separate internal account until such time as they can be spent for the purposes set out in point 2 of this Article.

4. The Transmission System Operator shall clearly determine in advance how congestion income will be used and shall report to ERE on the actual use of such income. The use of revenues pursuant to letter "a" or "b" of point 2 of this Article shall be subject to a methodology proposed by the TSO following consultation with ERE and the relevant interested parties and following approval by ACER. The methodology shall specify at least the conditions under which the revenues may be used for the purposes referred to in point 2 of this Article, the conditions under which such revenues may

be placed in a separate internal account for future use for those purposes, and the period for which such revenues may be placed in that account.

5. By 1 March of each year, ERE shall inform the Energy Community Regulatory Board and publish a report setting out:

a) the amount of revenues collected for the 12-month period ending on 31 December of the previous year;

b) how those revenues have been used in accordance with point 2 of this Article, including the specific projects for which the revenues were used and the amount placed in a separate account;

c) the amount used when calculating grid tariffs; and

ç) verification that the amount referred to in letter "c" of this point complies with this Article and the relevant methodology developed by ACER and the relevant ERE decision.

6. Where part of the congestion income is used in the calculation of grid tariffs, the report shall set out how the Transmission System Operator has fulfiled the priority objectives laid down in point 2 of this Article.

Article 76

Management of limited capacity

1. The Transmission System Operator shall draw up the regulation on the management of limited capacity, which shall be approved by ERE.

2. Cases of limited grid capacity shall be addressed through non-discriminatory market-based solutions which provide efficient economic signals to electricity market participants and the transmission system operators involved. Grid congestion problems shall be resolved by non-transaction-based methods, namely methods that do not involve a selection between the contracts of individual electricity market participants. When taking operational measures to ensure that its transmission system remains in a normal state, the Transmission System Operator shall take into account the effect of such measures on neighbouring control areas and shall coordinate those measures with the other transmission systems affected.

3. The regulation on the management of limited capacity shall be based on the following principles:

a) procedures for curtailing transactions shall be carried out in emergency situations where the Transmission System Operator must act expeditiously and where redispatching or countertrading is not possible. Any such procedure shall be applied in a non-discriminatory manner;

b) except in cases of force majeure, market participants shall be compensated for any curtailment applied by the Transmission System Operator in relation to allocated capacities;

c) the maximum capacity of interconnection lines and/or the transmission grid affecting cross-border flows shall be made available to market participants, in compliance with system operational security standards. Countertrading and redispatching, including cross-border redispatching, shall be used to maximise available capacities. A coordinated and non-discriminatory process for cross-border remedial actions shall be applied to enable such maximisation, following the implementation of a methodology for sharing the costs of redispatching and countertrading;

ç) the Transmission System Operator shall, to the extent technically feasible, net energy flows in opposite directions in order to use its maximum capacity;

d) subject to grid security, the Transmission System Operator shall not prevent transactions that reduce the likelihood of limited capacity;

dh) capacity shall be allocated by means of explicit capacity auctions or implicit auctions involving both capacity and energy. Both methods may coexist on the same interconnection. Continuous trading shall be used for intraday trade and may be complemented by auctions;

e) in the event of congestion, the valid bids with the highest value for grid capacity, whether explicit or implicit, offering the highest value for limited transmission capacity within a given timeframe, shall be successful. Except in the case of new interconnectors benefiting from an exemption pursuant to Article 35 of this Law, the setting of reserve prices in capacity-allocation methods shall be prohibited;

ë) capacity shall be freely tradable on a secondary basis, provided that the Transmission System Operator is sufficiently informed in advance. Where the Transmission System Operator refuses any secondary trade or transaction, this shall be clearly and transparently communicated and explained by the Transmission System Operator to all electricity market participants and shall be notified to ERE;

f) transmission system operators shall not limit the volume of interconnection capacity to be made available to market participants as a means of resolving congestion within their own bidding zone or as a means of managing flows resulting from transactions within bidding zones. Without prejudice to the application of derogations pursuant to points 4 and 5 of this Article, this point shall be deemed to be complied with where the following minimum levels of capacity available for cross-zonal trade are reached:

i. for borders using the coordinated net transmission capacity approach, the minimum capacity shall be 70% of the transmission capacity respecting operational security limits after deduction of contingencies, as determined in accordance with the guideline on capacity allocation and congestion management adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009;

ii. for borders using the flow-based approach, the minimum capacity shall be a margin determined in the capacity-calculation process as available for flows induced by cross-zonal exchanges. That margin shall be 70% of the capacity respecting the operational security limits of internal and cross-zonal critical grid elements, taking contingencies into account, as determined in accordance with the guideline on capacity allocation and congestion management adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009.

4. The TSO may request a derogation from the minimum-percentage requirement on security grounds, provided that such derogation is not related to limitations on allocated capacity. Derogations may be granted for one year, renewable for one further year, and shall be necessary for system security without discriminating between internal and cross-border trade. Before granting the derogation, ERE shall consult the regulatory authorities in the relevant capacity calculation region in accordance with international agreements. Where the regional regulators do not agree, the final decision shall be taken by the Energy Community Regulatory Board or ACER, as appropriate. Following the granting of the derogation, the Transmission System Operator shall develop and adopt methodologies and projects to address the underlying issues.

The derogation shall expire either at the end of its term or upon resolution of the issue, whichever occurs first.

5. Market participants shall inform the relevant Transmission System Operators within a reasonable period before the relevant operational period whether they intend to use the allocated capacity. Any allocated capacity that will not be used shall be made available again to the market in an open, transparent and non-discriminatory manner.

6. To the extent technically feasible, transmission system operators shall net capacity requirements for electricity flows in opposite directions on congested interconnection lines in order to maximise the use of their capacity. Taking full account of grid security, transactions that relieve congestion shall not be refused.

7. The financial consequences of failure to fulfil capacity-allocation obligations shall be borne by the Transmission System Operators or NEMOs responsible. Where market participants fail to use capacity they have committed to use or, in the case of explicitly auctioned capacity, fail to trade it on the secondary market or return it in due time, they shall lose their rights to that capacity and pay a cost-reflective fee. Such a fee shall be justified and proportionate. Where the Transmission System Operator fails to fulfil its obligation to guarantee firm transmission capacity, it shall compensate the market participant for the loss of capacity rights. Consequential losses shall not be taken into account for this purpose. The main principles and methods for determining liability for non-compliance shall be established in advance as regards the financial consequences and shall be subject to review by ERE.

Article 77

Cooperation between the Transmission System Operator and the Distribution System Operator

1. The Transmission System Operator and the Distribution System Operator shall cooperate with each other in the planning and operation of their grids. In particular, the Transmission System Operator and the Distribution System Operator shall exchange all necessary information and data concerning the performance of generation assets, energy storage facilities and demand response, the day-to-day operation of their grids and the long-term planning of grid investments, with a view to ensuring the cost-effective, secure and reliable development and operation of their grids.

2. The Transmission System Operator and the Distribution System Operator shall cooperate with each other in order to achieve coordinated access to resources such as distributed generation, energy storage or demand response that may support particular needs of both the Transmission System Operator and the Distribution System Operator.

Article 78

Ownership of energy storage facilities by the Transmission System Operator

1. The Transmission System Operator shall not own, develop, manage or operate energy storage facilities, except for energy storage facilities that are fully integrated network components of the transmission system, as provided for in point 2 of this Article, or where all the conditions laid down in point 3 of this Article are fulfiled.

2. By way of derogation from point 1, the Transmission System Operator may own, develop, manage or operate energy storage facilities where they are fully integrated network components required for the sole purpose of ensuring the secure and reliable operation of the transmission grid in accordance with the principle of the lowest possible cost and are subject to approval by ERE. ERE shall refuse to grant approval where the energy storage facility is not necessary for the Transmission System Operator to perform its tasks laid down in this Law.

3. The Transmission System Operator may own, develop, manage or operate energy storage facilities in accordance with the principle of the lowest possible cost where all of the following conditions are fulfiled:

a) other parties, on a market basis or following an open, transparent and non-discriminatory tendering procedure subject to review and approval by ERE, have not developed or have not been granted the right to own, develop, manage or operate such facilities, or have been unable to provide such services at a reasonable cost and in a timely manner;

b) such facilities or non-frequency ancillary services are necessary for the Transmission System Operator to fulfil its obligations for the efficient, reliable and secure operation of the transmission system and they are not used to purchase or sell energy on the electricity markets; and

c) ERE has assessed the need for such a derogation, has carried out a prior review of the applicability of a tendering procedure, including the conditions of the tendering procedure, and has granted its approval.

4. Detailed regulations on ERE’s procedures for granting the approvals referred to in points 2 and 3 of this Article shall be drawn up and approved by ERE.

5. The decision to grant a derogation shall be notified to the Energy Community Secretariat and the Energy Community Regulatory Board, together with the relevant information concerning the request and the reasons for granting the derogation.

6. At least every five years, ERE shall conduct a public consultation on existing energy storage facilities with a view to assessing the availability and potential interest of other parties in investing in such facilities. Where the public consultation, as assessed by the regulatory authority, indicates that other parties are able to own, develop, operate or manage such facilities in a cost-effective manner, ERE shall ensure that the activities of the transmission system operators in this regard are phased out within 18 months.

CHAPTER V

ELECTRICITY DISTRIBUTION

Article 79
Electricity distribution

1. Electricity distribution shall be carried out by distribution system operators, which are legal persons, licensed by ERE according to the provisions of this Law.

2. The Distribution System Operator shall own the high, medium and low-voltage electricity distribution system for delivery to its customers. The boundary with the transmission system shall be as defined in Article 59, point 2, of this Law.

3. The Distribution System Operator is responsible for:

a) ensuring a safe and sustainable development of the distribution system;

b) meeting electricity distribution requirements;

c) maintenance and safe operation of the electricity distribution system in its licensed area.

4. The Distribution System Operator shall provide electricity distribution services, without discrimination, to all grid users meeting the requirements of this
Law and secondary legislation. The Distribution System Operator shall comply with service quality indicators and the requirements laid down in technical regulations.

5. The electricity distribution grid shall be developed on the basis of the least-cost principle, in accordance with legislation on urban planning, property rights, environmental protection, the protection of human life and health, and energy efficiency.

6. The Distribution System Operator shall install and operate all types of information, communication and technology systems. Subject to availability, part of the communication infrastructure and/or high-speed telecommunications network capacity may be made available for use without impairing or endangering its activities or networks, within the relevant legal framework and in accordance with the opinion of ERE.

7. Upon the request of Distribution System Operators, ERE may authorise the Distribution System Operator to carry out activities other than those provided for in this Law, where such activities are necessary for the Distribution System Operator to fulfil its obligations under this Law, provided that ERE has assessed the need for such a derogation. This provision does not prejudice the right of a Distribution System Operator, to own, develop, manage, or operate grids other than electricity grids, where the Distribution System Operator, has been granted such a right.

8. ERE shall ensure effective regulatory oversight of distribution system activities, including the monitoring, verification of compliance, and enforcement of all obligations related to unbundling, data management, procurement of services, grid development, and the implementation of derogations. ERE shall adopt all regulatory acts and decisions necessary to ensure the proper functioning of the distribution system in accordance with the applicable legal framework and the requirements of Directive (EU) 2019/944.

Article 80
Obligations of the Distribution System Operator

The Distribution System Operator:

a) operates a safe, sustainable and efficient distribution system;

b) develops the distribution grid in accordance with economic development and forecasts of electricity distribution demand;

c) periodically, or where necessary, maintains and repairs distribution transformer substations that are jointly owned or owned by third parties. By way of exception, private non-household customers wishing to carry out maintenance and repairs themselves, and customers who are the sole users of a distribution transformer substation, shall be responsible for its maintenance and repair;

ç) connects all customers and/or generators to the distribution grid on non-discriminatory and transparent terms laid down in the regulations in force;

d) ensures non-discriminatory access to the distribution grid for customers in accordance with the legislation in force;

dh) provides system users with information on access to and efficient use of the distribution grid;

e) collects and submits to the Transmission System Operator the data necessary for electricity market operation in accordance with this Law, the market rules and the rules for switching the supplier;

ë) preserves the confidentiality of commercially sensitive information obtained in the performance of its activity;

f) procures electricity to cover distribution grid losses, acting as a neutral market facilitator, in accordance with transparent, non-discriminatory and market-based procedures;

g) develops standardised load profiles for specific customer categories where the metering data necessary to calculate imbalances are unavailable;

gj) keeps records of licensed electricity suppliers at all connection and metering points in the relevant distribution grid;

h) provides each electricity supplier, free of charge and on the basis of an agreement, with access to metering data for customers with whom it has concluded a supply contract, subject to Article 28 of this Law;

i) provides other services necessary to fulfil its obligations under this Article;

j) ensure non-discriminatory, transparent and timely access to data for all eligible market participants, including suppliers, aggregators, operators of energy storage facilities and other relevant parties, on equal terms, in accordance with Article 28 of this Law;

k) notwithstanding letter "i" of this point, take all necessary measures to ensure that members of the same vertically integrated undertaking do not have privileged access to data for the purpose of carrying out their supply activities;

l) act as a neutral data manager and not use commercially sensitive data to gain a competitive advantage or favour affiliated undertakings;

ll) cooperate with the Ministry, as the designated competent authority, in relation to risk-preparedness planning and risk management pursuant to Article 6 of this Law;

m) participate in the establishment and operation of the Energy Community Distribution System Operators Coordination Group with a view to promoting the completion and functioning of the single electricity market and promoting the optimal management and coordinated operation of distribution and transmission systems.

Article 81
Procurement of products and services by the Distribution System Operator

1. Where the Distribution System Operator is responsible for the procurement of products and services necessary for the efficient, reliable and secure operation of the distribution system, the rules adopted by the Distribution System Operator for this purpose shall be objective, transparent and non-discriminatory and shall be developed in coordination with the Transmission System Operator and other relevant participants in the electricity market. The terms and conditions, including rules and tariffs, where applicable, for the provision of such products and services to the Distribution System Operator shall be established in accordance with the principles laid down in Article 21 and shall be published. Procurement by the Distribution System Operator pursuant to this Article shall not be subject to the legislation in force on public procurement.

2. With regard to the procurement of the products and services described in point 1 of this Article, the Distribution System Operator shall procure the non-frequency ancillary services necessary for its system in accordance with transparent, non-discriminatory and market-based procedures, unless ERE has assessed that the market-based provision of non-frequency ancillary services is not economically

efficient and has granted a derogation. The obligation to procure non-frequency ancillary services shall not apply to fully integrated network components.

3. The procurement of the products and services referred to in point 1 of this Article shall ensure the effective participation of all eligible electricity market participants, including electricity market participants offering energy from renewable sources, electricity market participants engaged in demand response, operators of energy storage facilities and aggregators.

4. ERE, in coordination with the Distribution System Operator and in close cooperation with all electricity market participants and the Transmission System Operator, shall establish the technical requirements for participation in these markets, based on the technical characteristics of those markets and the capabilities of electricity market participants.

5. The Distribution System Operator shall cooperate with the Transmission System Operator for the effective participation of market participants connected to their grid in wholesale, retail and balancing markets. The provision of balancing services arising from resources connected to the distribution system shall be agreed with the Transmission System Operator in accordance with Article 77 of this Law.

Article 82

Procurement of flexibility services by the Distribution System Operator

1. The Distribution System Operator shall procure flexibility services, including congestion management within its area, with a view to improving efficiency in the operation and development of the distribution system, in accordance with transparent, non-discriminatory and market-based procedures, unless ERE has determined that the procurement of such services is not economically efficient or that such procurement would lead to market distortions or increased congestion. The regulatory framework shall ensure that distribution system operators are able to procure such services from providers of distributed generation, demand response or energy storage and shall promote the use of energy efficiency measures where such services cost-effectively reduce the need to upgrade or replace electricity capacity and support the efficient and secure operation of the distribution system.

2. The Distribution System Operator, with the approval of ERE, shall establish, through a transparent and inclusive process involving all eligible system users and the Transmission System Operator, the specifications for the flexibility services to be procured and, where appropriate, standardised market products for such services. The specifications shall ensure the effective and non-discriminatory participation of all market participants, including market participants offering energy from renewable sources, market participants engaged in demand response, operators of energy storage facilities and market participants engaged in aggregation. The Distribution System Operator shall exchange all necessary information and coordinate with the Transmission System Operator with a view to ensuring the optimal utilisation of resources, guaranteeing the secure and efficient operation of the system and facilitating market development. The Distribution System Operator shall be adequately remunerated for the procurement of such services so as to recover at least its corresponding reasonable costs, including the necessary information and communication technology expenditure and infrastructure costs.

Article 83

Integration of electromobility into the electricity grid

1. The Minister, upon the proposal of the DSO, shall approve and publish detailed regulations to facilitate the connection of public and private recharging points to the electricity distribution grid. These regulations shall ensure cooperation, on a non-discriminatory basis, between the Distribution System Operator and any undertaking that owns, develops, operates or manages recharging points for electric vehicles, including with regard to connection to the grid.

2. The Distribution System Operator shall not own, develop, manage or operate recharging points, except where the Distribution System Operator owns private recharging points for its own use and in accordance with point 3 of this Article.

3. The Distribution System Operator may own, develop, manage or operate a recharging point in accordance with the principle of the lowest possible cost where all of the following conditions are fulfiled:

a) other parties, following an open, transparent and non-discriminatory tendering procedure subject to review and approval by ERE, have not been granted the right to own, develop, manage or operate recharging points for electric vehicles, or are unable to provide such services at a reasonable cost and within an appropriate timeframe;

b) ERE has carried out a prior review of the conditions of the tendering procedure referred to in letter "a" of this point and has granted its approval;

c) the Distribution System Operator operates the recharging points on the basis of third-party access and does not discriminate between system users or categories of system users, particularly in favour of its affiliated undertakings.

4. Detailed rules on ERE procedures referred to in point 3 of this Article shall be drawn up and approved by ERE.

5. At least every five years, ERE shall conduct a public consultation to reassess the potential interest of other parties in owning, developing, operating or managing recharging points for electric vehicles. Where the public consultation indicates that other parties are able to own, develop, operate or manage such points and the tendering procedure referred to in letter "a" of point 3 of this Article has been successfully completed, ERE shall notify the relevant Ministry and initiate a review of the regulatory framework in force with a view to phasing out the activities of the Distribution System Operator relating to the operation of recharging points. As part of the conditions of this procedure, ERE shall allow the Distribution System Operator to recover the residual value of its investment in recharging infrastructure.

Article 84
DSO rights associated with secondary sources of energy (backup sources)

1. The Distribution System Operator shall draw up technical conditions, subject to approval by ERE, for installing a back-up electricity supply source for customers requesting this service, including the conditions to be met by the back-up source to prevent grid disturbances.

2. A customer wishing to install its own back-up source shall notify the Distribution System Operator in writing in advance and grant representatives of the supplier with which it has a supply contract access to inspect the installation.

3. The Distribution System Operator may disconnect a customer's electricity supply where the customer fails to fulfil the obligations under points 1 and 2 of this Article.

Article 85
Rights relating to closed distribution systems

1. ERE shall classify as a closed distribution system a system distributing electricity within a geographically confined industrial, commercial or shared-services site that, without prejudice to point 4 of this Article, does not supply household customers, where:

a) for specific technical or safety reasons, the operations or production processes of the users of that system are integrated; or

b) the system distributes electricity primarily to the owner or operator of the closed system or their related undertakings.

2. ERE may exempt the operator of a closed distribution system from:

a) the obligation under Article 83 of this Law to procure electricity to cover grid losses and non-frequency ancillary services through transparent, non-discriminatory and market-based procedures;

b) the obligation for tariffs or the methodologies for calculating them to be approved by ERE under Article 21 of this Law before entering into force;

c) the obligation to procure the flexibility services provided for in Article 82 of this Law and the obligation to develop the operator's system on the basis of the grid development plans provided for in Article 90 of this Law;

ç) the requirement not to own, develop, manage or operate recharging points, as provided for in Article 83 of this Law;

d) the requirement not to own, develop, manage or operate energy storage facilities, as provided for in Article 91 of this Law.

3. Where an exemption is granted under point 2 of this Article, the applicable tariffs or methodologies for calculating them shall, at the request of a closed distribution system user, be reviewed and approved by ERE in accordance with Article 21 of this Law.

4. Incidental use by a small number of households with employment or similar ties to the distribution system owner and located within the area served by the closed distribution system shall not prevent the granting of an exemption under point 2 of this Article.

5. The operator of a closed distribution system shall carry out its activities in accordance with its licence and the relevant operating rules approved by ERE.

Article 86
Distribution transformer substations

1. The technical conditions for the construction and installation of equipment in new distribution transformer substations, and the criteria to be met by entities constructing them, shall be determined by a decision of the Council of Ministers on the proposal of the Minister and harmonised with international technical rules and conditions.

2. Conformity assessment of the construction of distribution transformer substations shall be carried out by bodies approved for this purpose by the Minister. The rules and procedures for approving such bodies shall be adopted by instruction of the Minister.

3. Prices for the construction and maintenance of distribution transformer substations shall be periodically updated in the technical manual of prices for construction works and their technical analyses, approved by a decision of the Council of Ministers.

Article 87
Unbundling of Distribution System Operator

1. The Distribution System Operator shall be unbundled from and independent of activities unrelated to electricity distribution. It shall not own, develop, manage or operate energy storage facilities except where the exemptions under Article 91 of this Law apply. It shall not own, develop, manage or operate recharging points except as provided in Article 97 of this Law.

2. Where the Distribution System Operator is part of a vertically integrated undertaking, it shall maintain a trade name and trademark distinct from those of activities unrelated to electricity distribution, in order to demonstrate its separate legal organisation and operation.

3. When the Distribution System Operator is part of a vertically integrated undertaking, in order to be independent in terms of organisation and decision making from other activities not related to electricity distribution, the following conditions shall apply:

a) shall have effective decision-making rights, independent of the integrated electricity undertaking, over the assets necessary to operate, maintain or develop the distribution grid. For that purpose, the Distribution System Operator shall have the necessary human, technical, physical and financial resources. The parent undertaking may exercise economic and managerial supervision over

the return on assets and approve the operator's economic and financial plan or an equivalent instrument, and may set overall limits on the indebtedness of the subsidiary. The parent undertaking shall not issue instructions concerning day-to-day operations or decisions on the construction or reconstruction of distribution lines, provided that the investment does not exceed the thresholds in the approved financial plans, the undertaking's articles of association or the applicable legislation.

b) shall draw up a compliance programme setting out measures to prevent discriminatory conduct and ensure that compliance with the programme is adequately monitored. The programme shall specify the obligations of employees for achieving this objective;

The person or body responsible for monitoring the compliance programme (the compliance officer of the Distribution System Operator) shall submit an annual report to ERE setting out the measures taken under the programme. The report shall be published on the official website of ERE.

The Compliance Officer of the Distribution System Operator shall be fully independent and shall have access to all information of the Distribution System Operator and any affiliated undertaking necessary for the performance of their duties.

c) the persons responsible for managing the Distribution System Operator shall not participate in structures of the integrated undertaking responsible, directly or indirectly, for the day-to-day operation of electricity generation, transmission or supply, energy storage facility operation, recharging point operation or aggregation;

ç) the persons responsible for managing the Distribution System Operator shall be professionally competent and act independently to fulfil the undertaking's obligations and objectives. The remuneration and benefits of the persons responsible for management and the members of the supervisory board of a State-controlled Distribution System Operator shall be approved by a decision of the Council of Ministers;

d) within a vertically integrated undertaking, the Distribution System Operator shall take measures to avoid confusion among stakeholders over its name and trademark and demonstrate its distinct identity in relation to the supply undertaking;

dh) the activities of the Distribution System Operator shall be monitored by ERE, which shall, in cooperation with the Competition Authority, prevent the operator from obtaining advantages that distort competition.

4. With regard to the Distribution System Operator, ERE shall approve the regulation and detailed procedures for the appointment of the Compliance Officer, including the relevant independence criteria, the conduct, responsibilities and reporting obligations of the Compliance Officer, as well as the Compliance Officer's access to the data necessary for the performance of their duties.

5. ERE shall ensure continuous monitoring and enforcement of the independence of the Distribution System Operator, including the effective implementation of the compliance programme, the independence of the Compliance Officer and the absence of discriminatory conduct, in accordance with the requirements of Directive (EU) 2019/944.

Article 88
Distribution code

1. The Distribution Code shall define the technical requirements for the planning, expansion, operation, control and maintenance of the distribution grid and the specific rules for the connection and access to the distribution grid,as well as the metering rules.

2. The Distribution Code shall be approved by ERE on the proposal of the Distribution System Operator, which shall cooperate with all electricity sector participants in drafting, reviewing and adopting it.

3. The operation of the distribution grid shall be in compliance with the provisions of the Distribution Code.

Article 89

Confidentiality of Distribution System Operator

Without prejudice to its obligations under this Law or any other legal obligation to disclose information, the Distribution System Operator shall preserve the confidentiality of commercially sensitive information obtained in the course of its activities and prevent information about its activities from being disclosed in a discriminatory manner that creates a commercial advantage for another party.

Article 90

Distribution network development

1. The Distribution System Operator shall submit to ERE for approval an investment plan for the development of the distribution grid over the following 5 (five) calendar years. The distribution grid development plan shall ensure transparency concerning the medium- and long-term flexibility services needed and set out planned investments for the following 5 to 10 (five to ten) years, with a particular focus on the main distribution infrastructure required to connect new generation capacity and new loads, including electric vehicle recharging points. The plan shall include demand response, energy efficiency, energy storage facilities or other resources that the Distribution System Operator is to use as alternatives to system expansion.

2. The Distribution System Operator shall consult all relevant system users and the Transmission System Operator on the distribution grid development plan. The Distribution System Operator shall publish the results of the consultation process and submit them to ERE together with the distribution grid development plan. ERE may require amendments to the submitted plan. Following approval by ERE, the Distribution System Operator shall publish the distribution grid development plan.

3. ERE may decide not to apply the obligation laid down in point 1 of this Article to distribution system operators serving fewer than 100,000 customers or small isolated systems.

4. The distribution grid development plan shall contain the measures that the Distribution System Operator plans to undertake:

a) energy efficiency;

b) demand management;

c) development or improvement of the distribution system;

ç) information on the financial resources secured for investment in the distribution system.

5. In drawing up its plans, the Distribution System Operator shall take into account transmission grid development and urban and regional planning for the area in which the distribution system is to be developed.

6. Notwithstanding the provisions of point 1 of this Article, when applying for tariffs or at least every 2 years, the Distribution System Operator shall submit to ERE the updated investment plan corresponding to the relevant regulatory period.

7. Where ERE finds that, other than for overriding reasons beyond its control, the Distribution System Operator has failed to carry out an investment scheduled under the five-year plan for implementation within the following three years, and considers that the investment remains necessary and can be implemented without hindering normal grid operation, ERE may take at least one of the following measures:

a) require the Distribution System Operator to carry out the investment concerned;

b) organise a competitive procedure for carrying out the investment concerned, open to any investor.

8. Where ERE takes the measure under point 7, letter “b”, of this Article, it may require the Distribution System Operator to implement one or more of the following alternatives:

a) secure financing from a third party;

b) require construction by a third party;

c) manage the new assets following construction.

9. The Distribution System Operator shall provide investors with all information necessary to implement the investment, shall connect new assets to the distribution grid and shall, in general, make its best efforts to facilitate the implementation of the investment project.

10. Before exercising its powers provided for in points 1, 2, 7 and 8 of this Article, ERE shall seek the opinion of the Ministry.

11. Where ERE introduces any of the measures listed in point 7 of this Article, the relevant tariffs shall cover the costs of the investments concerned.

12. ERE shall draw up and approve a regulation on the procedures for submitting and approving investment plans.

Article 91

Ownership of energy storage facilities by the Distribution System Operator

1. The Distribution System Operator shall not own, develop, manage or operate energy storage facilities, except as provided for in points 2 and 3 of this Article.

2. The Distribution System Operator may own, develop, manage or operate energy storage facilities where they are fully integrated network components of the distribution system, in accordance with the principle of the lowest possible cost, subject to approval by ERE. ERE shall refuse to grant approval where the energy storage facility is not necessary for the Distribution System Operator to perform its tasks laid down in this Law.

3. The Distribution System Operator may own, develop, manage or operate energy storage facilities in accordance with the principle of the lowest possible cost where all of the following conditions are fulfiled:

a) other parties, following an open, transparent and non-discriminatory tendering procedure subject to review and approval by ERE, have not been granted the right to own, develop, manage or operate such facilities, or are unable to provide such services at a reasonable cost and within an appropriate timeframe;

b) such facilities or non-frequency ancillary services are necessary for the Distribution System Operator to fulfil its obligations for the efficient, reliable and secure operation of the distribution system and they are not used to purchase or sell electricity on the electricity markets; and

c) ERE has assessed the necessity of such a derogation, has carried out a prior assessment of the applicability of a tendering procedure, including the conditions of the tendering procedure, and has granted its approval.

4. Detailed regulations on ERE's procedures for granting the approvals referred to in points 2 and 3 of this Article shall be approved by decision of ERE Board.

5. At least every five years, ERE shall conduct a public consultation on existing energy storage facilities with a view to assessing the availability and potential interest in investing in such facilities. Where the public consultation, as assessed by ERE, indicates that third parties are able to own, develop, operate or manage such facilities in a cost-effective manner, ERE shall ensure that distribution system operators phase out such activity within 18 months.

CHAPTER VI

ELECTRICITY METERING

Article 92

Electricity metering

1. Transmission and distribution system operators are responsible for the metering activity and the meter reading services in their respective grids.

2. Notwithstanding the provisions of Article 94 of this Law, all final customers shall have the right to be provided with individual conventional meters that accurately measure their actual consumption.

The Transmission System Operator and the Distribution System Operator shall ensure that all final customers are able to easily read their conventional meters, either directly or indirectly, through an online interface or another appropriate interface.

3. Subject to approval by ERE and in accordance with the Metering Code, the Distribution System Operator may contract independent operators to carry out metering and/or meter-reading services in its grid.

4. Electricity fed into the grid or supplied to final customers shall be measured using metering equipment in accordance with the Network Code and the legislation in force on metrology. Customers may install additional meters at their own request and expense.

5. Where metering data are temporarily unavailable or inaccessible for up to one month, grid operators shall calculate substitute reference values in accordance with a methodology approved by ERE. Reference values shall not be applied for longer than three months.

6. The meter and/or metering system shall comply with the requirements of the legislation on metrology and, following installation, shall be jointly sealed by the system operator and the General Directorate of Metrology or a legal person authorised by it. The seal shall be approved by the General Directorate of Metrology. The accuracy of electricity meters shall be defined in the Metering Code.

Article 93

Meter verification

1. Electricity meters shall be verified by the General Directorate of Metrology (GDM) or a legal person authorised or licensed by it. A legal person authorised for this purpose shall be accredited in accordance with the legislation in force.

2. Metering equipment shall be verified before being put into service, using random sampling, and periodically thereafter.

3. Meters may be verified at the request of the system operator. Verification may be carried out at the installation site, at the GDM laboratory or at the laboratory of an authorised legal person. The frequency of verification of installed customer meters shall be set out in the Metering Code. A representative of the system operator shall be present in every case.

4. A representative of the system operator shall be present during verification of electricity meters by GDM or an authorised legal person. GDM shall approve the relevant meter-verification procedures in accordance with the legislation in force and international standards.

5. The costs of verification before meters are put into service, periodic verification and verification initiated by the system operator shall be borne by the system operator. ERE shall take these costs into account when approving the relevant tariffs.

6. A customer who doubts the accuracy of metering equipment shall submit a written request to the grid operator or another institution responsible for verifying metering equipment. The procedures for submitting and reviewing a request and the deadline for informing the complainant shall be approved by a decision of ERE Board, in accordance with the time limits under the Code of Administrative Procedures. Where verification is requested by the customer and no inaccuracy is found, the customer submitting the complaint shall bear the verification costs.

7. Where verification identifies metering inaccuracies and there is no evidence of intentional damage by the customer, the quantities of electricity overbilled or underbilled as a result of the inaccuracies and the method of reimbursement shall be calculated in accordance with the rules and procedures in the Network Code.

8. Maximum meter-verification tariffs shall be approved by a joint instruction of the ministers responsible for finance and energy.

9. Where unlawful interference is identified, the system operator shall take immediate measures to repair or replace the affected equipment, calculate the economic damage caused by the unlawful interference and apply the appropriate procedures under the legislation in force. ERE shall approve the regulation and methodology for the calculation of economic damage by the system operator.

10. ERE shall approve the standard contract between the system operator and the GDM or a legal person authorised by it for meter verification.

Article 94

Smart metering systems

1. Smart metering systems may be implemented for final customers in electricity metering activities. ERE shall approve and publish the detailed regulation on the minimum functional and technical requirements for smart metering systems that may be installed.

2. The Distribution System Operator shall prepare an economic assessment which shall take into account all long-term costs and benefits to the market and customers, including the form of smart metering to be selected, which shall be the most economically efficient and have the most appropriate timeframe for the implementation of such metering system. Such assessment shall also take into account the methodology for the cost-benefit analysis and the minimum functionalities for smart metering systems provided for in European Commission Recommendation 2012/148/EU, as well as the best available techniques for ensuring the highest level of cybersecurity and data protection. In this context, best available techniques shall mean the most effective, advanced and practically suitable techniques.

3. On the basis of the assessment referred to in point 2 of this Article, the Distribution System Operator shall prepare a timetable for the implementation of smart metering systems within a 10-year period, which shall be approved by the Minister.

4. Where the systematic rollout of smart metering systems is assessed positively under point 2 of this Article, the Distribution System Operator shall install smart meters in accordance with the technical and functional requirements established by ERE. At least 80% of final customers shall be equipped with smart meters within seven years of the positive assessment.

5. In the case of systematic rollout under point 4 of this Article, ERE shall ensure that final customers contribute to the associated implementation costs transparently and without discrimination through grid tariffs, taking into account benefits across the whole value chain.

6. In the case of a systematic rollout pursuant to point 4 of this Article, ERE shall regularly monitor such rollout in order to track the delivery of benefits to customers.

7. Where the systematic rollout of smart metering systems is assessed negatively as a result of the assessment referred to in point 2 of this Article, the Distribution System Operator shall ensure that every final customer is entitled, upon request and while bearing the associated costs, to have a smart meter installed or, where appropriate, upgraded, under fair, reasonable and cost-effective conditions and in accordance with the technical specifications established by ERE.

8. Where the systematic rollout of smart metering systems is assessed negatively as a result of the assessment referred to in point 2 of this Article, the Distribution System Operator shall review that assessment every four years, or more frequently, in response to significant changes in the underlying assumptions and in response to technological and market developments. ERE shall notify the Energy Community Secretariat of the outcome of the updated cost-benefit assessment as soon as it becomes available.

9. ERE shall ensure the interoperability of the different metering systems to be implemented throughout the territory of the country, as well as their ability to provide *output* for customer energy management systems. In this regard, ERE shall take into account the use of relevant available standards, including those enabling interoperability in accordance with best practices, and the importance of the development of smart grids and the development of the internal electricity market.

10. Where the rollout of smart metering systems is assessed positively as a result of the cost-benefit analysis pursuant to point 2 of this Article, the Distribution System Operator shall set up such systems in accordance with European standards and the following requirements:

a) smart metering systems shall accurately measure actual electricity consumption and shall be capable of providing final customers with information on actual time of use. Validated historical consumption data shall be easily and securely accessible and visualised to final customers upon request and at no additional cost. Non-validated near-real-time consumption data shall also be easily and securely accessible to final customers at no additional cost, through a standardised interface or

through remote access, in order to support automated energy efficiency programmes, demand response and other services;

b) the security of smart metering systems and data communication shall comply with the relevant EU security rules, taking into account the best available techniques for ensuring the highest level of cybersecurity protection, having regard to costs and the principle of proportionality;

c) the privacy of final customers and the protection of their data shall comply with the relevant EU rules on data protection and privacy;

ç) metering operators shall ensure that the meters of active customers who inject electricity into the grid are capable of accounting for the electricity fed into the grid from those customers' premises;

d) where final customers request so, data on the electricity they have injected into the grid and their consumption data shall be made available, in accordance with the implementing acts adopted pursuant to Article 28 of this Law, through a standardised communication interface or through remote access, to them or to a third party acting on their behalf, in an easily understandable format enabling them to compare offers on a like-for-like basis;

dh) final customers shall be given appropriate advice and information before or at the time of installation of smart meters, in particular concerning their full potential with regard to the management of meter readings and the monitoring of energy consumption, as well as concerning the collection and processing of personal data, in accordance with the relevant EU rules on data protection;

e) smart metering systems shall enable final customers to be metered and settled at the same time resolution as the imbalance settlement period.

11. For the purposes of letter "e" of point 5 of this Article, final customers shall be able to receive their metering data or transmit them to another party at no additional cost and in accordance with their right to data portability under EU data protection rules.

12. The provisions of this Law relating to smart metering systems shall apply to future installations and to installations replacing older smart meters. Smart metering systems which have already been installed or for which the installation process commenced before 30 November 2021 may remain in operation throughout their lifetime; however, smart metering systems that do not meet the requirements of this Law shall no longer remain operational after 5 July 2031.

13. In the context of a customer request for a smart meter pursuant to point 7 of this Article, ERE shall:

a) ensure that the offer to the final customer requesting the installation of a smart meter clearly states and describes:

i. the functions and interoperability that the smart meter can support and the services that are feasible, as well as the benefits that can realistically be achieved from the use of that meter at that time;

ii. any associated costs to be borne by the final customer;

b) ensure that the installation is carried out within a reasonable period of time, no later than four months after the customer's request;

c) periodically, and at least every two years, review the associated costs, make them public and monitor their evolution as a result of technological developments and potential improvements to the metering system.

PART SIX

ELECTRICITY SUPPLY

CHAPTER I

Article 95

Supply activities

1. Without prejudice to the exemptions under Article 40 of this Law, electricity may be supplied to final customers by any licensee holding an electricity supply licence issued by ERE.

2. Suppliers shall purchase electricity to supply final customers on the domestic market and/or through imports.

3. Electricity shall be supplied to final customers at unregulated prices determined in negotiated contracts between the supplier and the final customer.

4. By way of derogation from points 2 and 3 of this Article, ERE may set regulated prices for certain categories of customers when imposing public service obligations on licensees, as provided for in Articles 49 and 106 of this Law.

Article 96

Active customers

1. Final customers who qualify as active customers shall be entitled to act as such without being subject to disproportionate or discriminatory technical requirements, administrative requirements, procedures and charges, as well as grid charges that are not cost-reflective.

2. The rights and responsibilities of active customers shall be determined by Council of Minister, upon the proposal of the Minister. The decision of the Council of Ministers may provide for different provisions applicable to individual active customers and to active customers acting jointly, provided that all rights and obligations under this Article apply to all active customers. Any difference in the treatment of active customers acting jointly shall be proportionate and duly justified.

3. Active customers shall:

a) be entitled to operate directly or through aggregation;

b) be entitled to sell self-generated electricity, including through power purchase agreements;

c) be entitled to provide demand response services and participate in flexibility schemes and energy efficiency schemes;

ç) be entitled to own and operate an energy storage facility, notwithstanding the provisions of Article 40 of this Law;

d) be entitled to delegate to a third party the management of the installations required for their activities, including installation, operation, data handling and maintenance, where such third party shall not be considered an active customer;

dh) be subject to cost-reflective, transparent and non-discriminatory grid charges, calculated separately for electricity fed into the grid and electricity consumed from the grid, ensuring that they contribute in an adequate and balanced manner to the overall sharing of system costs;

e) be financially responsible for the imbalances they cause in the electricity system. To that extent, they shall be balance responsible parties or shall delegate their balancing responsibility.

4. Active customers shall not be entitled to participate in self-generation schemes that do not account separately for electricity injected into the grid and electricity consumed from the grid (net billing) after 31 December 2026. In any event, customers participating in existing net billing schemes shall have the possibility, at any time, to opt for a new scheme that separately accounts for electricity injected into the grid and electricity consumed from the grid as the basis for calculating grid charges.

5. Active customers who own an energy storage facility:

a) shall be entitled to a grid connection within a reasonable period after the request, provided that all necessary conditions, such as balancing responsibility and adequate metering, are fulfiled;

b) shall not be subject to any double charges, including grid charges, for stored electricity remaining within their premises or when providing flexibility services to system operators;

c) shall not be subject to disproportionate licensing requirements or charges;

ç) shall be allowed to provide several services simultaneously, where technically feasible.

Article 97

Electricity supply contract

1. The rights and obligations of the supplier and the electricity customer shall be set out in the contract concluded between them.

2. In addition to the terms provided for in Article 96 and civil legislation, the contract may contain other terms depending on the nature and type of service provided by the supplier, including:

a) the date of connection of the customer to the grid and the service quality levels;

b) compensation and reimbursement arrangements where contracted service quality levels are not met, including inaccurate or delayed billing;

c) the price and the procedure for notifying changes in the price or other electricity supply conditions;

ç) dispute handling and settlement procedures.

3. Final customers shall have the right to conclude a contract with their supplier specifying:

a) the name and address of the supplier;

b) the services provided, the service quality levels offered, as well as the time for the initial connection to the grid;

c) the types of maintenance services offered;

ç) the price and the manner of notification of changes to the price and other conditions of electricity supply;

d) the means by which up-to-date information on all applicable tariffs, maintenance charges and product or service packages may be obtained;

dh) the duration of the contract, the conditions for renewal and termination of the contract and services, including product or service packages included with those services and, where permitted, termination of the contract free of charge;

e) any compensation and reimbursement arrangements applicable where contracted service quality levels are not met, including inaccurate or delayed billing;

ë) the method for initiating an out-of-court dispute settlement procedure in accordance with Article 26 of this Law;

f) information on customer rights, including information on complaint handling and all the information referred to in this point, clearly communicated on the bill or on the website of the electricity undertaking.

4. The terms of the contract shall be fair and shall balance the interests of the stakeholders. The contract shall contain the fair and transparent terms and conditions, presented in simple and clear language—free from ambiguity—and must not include non-contractual obstacles to the exercise of customers' rights, such as excessive contractual documentation. Customers must be protected against unfair or deceptive sales practices.

5. Before the contract is concluded, customers shall receive a prominently displayed summary of the main contractual terms in concise, simple language. Where contracts are concluded through intermediaries, the information specified in this point shall also be provided before the contract is concluded.

Article 98

Right to a dynamic electricity price contract

1. The supplier entrusted with the universal supply service obligation and any supplier having more than 200,000 final customers shall offer every final customer equipped with a smart meter the possibility of entering into a dynamic electricity price contract.

2. Suppliers shall ensure that final customers requesting to switch to a dynamic electricity price contract are fully informed by them of the opportunities, costs and risks of such a dynamic electricity price contract and shall provide final customers with information accordingly, including information concerning the need to install an appropriate electricity meter.

3. Suppliers shall obtain the consent of each final customer before that final customer switches to a dynamic electricity price contract.

4. ERE shall monitor and publish an annual report for a period of at least 10 years on the main developments concerning dynamic electricity price contracts, including market offers and their impact on customers' bills and, in particular, the level of price volatility. In particular, in its annual report, ERE shall assess the risks that new products and services may entail and shall address abusive practices. ERE's first annual report shall cover the calendar year in which the first dynamic electricity price contract is offered by a supplier.

Article 99

Aggregation

1. ERE shall prepare and publish detailed regulations concerning aggregation, obtaining an aggregation licence and the implementation of aggregation contracts. All electricity market participants carrying out aggregation shall act in accordance with these regulations.

2. Customers shall be able to purchase and sell electricity services, including aggregation, other than supply, independently from their electricity supply contract and from an electricity undertaking of their choice. When entering into an aggregation contract, the aggregator shall immediately notify the supplier with whom the customer has a contract, the customer's balancing service provider and the relevant grid operator.

3. The customer's contracted supplier shall not take any detrimental action against the customer as a result of the aggregation contract concluded between the customer and the aggregator. In particular, the customer's supplier shall not apply discriminatory charges or technical and administrative requirements and procedures.

4. Before entering into an aggregation contract, the aggregator shall fully inform the customer, generator and owner or operator of the energy storage facility of the contractual terms and conditions of the services offered.

5. The aggregator shall make available to the customer, free of charge, all relevant demand response data or data on electricity supplied and sold, at least once during each billing period, if requested by the customer.

6. ERE shall ensure that the rights referred to in points 2, 4 and 5 of this Article are granted to final customers in a non-discriminatory manner with regard to cost, effort or time. In particular, ERE shall ensure that customers are not subject to discriminatory charges or technical and administrative requirements and procedures by their supplier on the basis of whether they have a contract with a market participant engaged in aggregation.

Article 100

Comparison Tools

1. ERE shall ensure that customers have access, free of charge, to an independent online comparison tool operated by ERE. Such comparison tool shall cover the entire market and compare suppliers' offers, including offers for dynamic electricity price contracts, on the basis of clear and objective criteria for informing customers.

2. The comparison tool shall meet at least the following requirements:

a) be independent from market participants and ensure that electricity undertakings are given equal treatment in search results;

b) clearly disclose the owners of the tool and the natural or legal person operating and controlling the tool, as well as information on how the tool is financed;

c) set out clear and objective criteria on which the comparison is to be based, including services, and publish them;

ç) use simple and clear language;

d) provide accurate and up-to-date information and state the time of the last update;

dh) be accessible to persons with disabilities by being perceivable, useable, understandable and stable;

e) provide an effective procedure for reporting incorrect information on published offers; and

ë) perform comparisons while limiting the personal data requested to those strictly necessary for the comparison.

3. Suppliers shall include in the bills they issue, as well as publish on their website, information on the availability of and means of access to the comparison tool referred to in point 1 of this Article, which is administered by ERE.

Article 101

Bills and billing information

1. ERE shall ensure that bills and billing information issued by suppliers are accurate, easy to understand, clear, concise, user-friendly and submitted in a manner that facilitates comparison by final customers. Upon request, final customers shall receive a clear and understandable explanation of how their bill was calculated.

2. Final customers shall have the right to receive all their bills and billing information free of charge.

3. ERE shall ensure that final customers are offered the option of receiving bills and billing information electronically and are offered flexible arrangements for the payment of bills.

4. Where the supply contract provides for a future change in the product or price or for a discount, this shall be indicated on the bill together with the date on which the change takes effect.

5. ERE, following consultation with customer protection organisations, shall prepare and publish detailed requirements concerning the minimum information to be contained in bills and billing information, including the composition of the energy mix and environmental impact.

6. The following key information shall be prominently displayed to final customers on their bills and billing information, clearly separated from other parts of the bill:

a) the price to be paid and a breakdown of the price, where possible, together with a clear statement that all energy sources may also benefit from incentives that were not financed through the taxes indicated in the price breakdown;

b) the date on which payment is due;

c) electricity consumption for the billing period;

ç) the name and contact details of the supplier, including a customer service telephone line and *e-mail* address;

d) the name of the tariff;

dh) the contract end date, where applicable;

e) information on the availability and benefits of switching supplier;

ë) the final customer’s switching code or the unique identification code for the final customer’s supply point;

f) information on final customers’ rights concerning out-of-court dispute settlement, including the contact details of the responsible entity;

g) the single point of contact referred to in Article 19 of this Law;

gj) a link or reference to where the comparison tools referred to in Article 100 of this Law may be found.

7. Suppliers shall specify on bills the contribution of each energy source to the purchase of electricity by the final customer in accordance with the electricity supply contract.

The following information shall be made available to final customers together with, or referenced within, bills and billing information:

a) the contribution of each energy source to the supplier's overall energy mix during the preceding year, in a comprehensible and easily comparable manner;

b) information on the environmental impact, at least in terms of CO_2 emissions and radioactive waste resulting from the electricity produced by the supplier's overall energy mix during the preceding year.

With regard to letter "a" of point 7 of this Article, for electricity obtained through a power exchange or imported from an undertaking outside the European Union, aggregated data provided by the relevant exchange or undertaking for the preceding year may be used.

8. Electricity from renewable sources shall be disclosed using guarantees of origin, except:

a) for the share of the energy mix corresponding to commercial offers that are not tracked, if any, for which the supplier may use the residual mix; or

b) where it has been decided not to issue guarantees of origin to a generator receiving financial support from a support scheme.

9. ERE shall take the necessary measures to ensure that the information provided by suppliers to final customers pursuant to point 6 of this Article is reliable and is provided at national level in a clearly comparable manner.

Article 102

Citizen energy communities

1. A citizen energy community shall have the right:

a) to generate, consume, store, share and sell electricity and provide aggregation, including through power purchase agreements;

b) to access all suitable energy markets, directly or through aggregation, in a non-discriminatory manner;

c) with regard to the consumption of self-generated electricity, to be treated as an active customer;

ç) to organise within the citizen energy community the sharing of electricity generated by generation units owned by the community, in accordance with the other requirements laid down in this Article, while preserving the rights and obligations of community members as final customers.

2. A citizen energy community shall be financially responsible for the imbalances it causes in the electricity system to the extent that it shall be a balance responsible party or shall delegate its balancing responsibility.

3. Every citizen energy community shall enable and encourage low-income or vulnerable households to become members.

4. A private undertaking may be a member of a citizen energy community, provided that its participation does not constitute its primary commercial or professional activity.

5. Every final customer shall have the right to become a member of a citizen energy community and to retain the status of the final customer, as well as the status of active customer, with the rights and obligations arising in accordance with this Law and other relevant legislation. An final customer shall not be subject to unjustified or discriminatory conditions or procedures that would prevent their participation in a citizen energy community, provided, in the case of private undertakings, that their participation in such a community does not constitute their primary commercial or professional activity.

6. ERE shall ensure an enabling regulatory framework for citizen energy communities, guaranteeing that:

a) participation in a citizen energy community is open and voluntary;

b) members or shareholders of a citizen energy community are entitled to leave the community;

c) members or shareholders of a citizen energy community do not lose their rights and obligations as household customers or active customers;

ç) subject to fair compensation assessed by ERE, the relevant distribution system operators cooperate with citizen energy communities to facilitate electricity transfers within such communities;

d) citizen energy communities are subject to fair, proportionate, transparent and non-discriminatory procedures and charges, including with regard to registration and licensing, as well as transparent, non-discriminatory and cost-reflective grid charges, ensuring that they contribute in an adequate, fair and balanced manner to the overall sharing of system costs.

7. The Minister shall issue an instruction determining:

a) the legal forms in which a citizen energy community may be established;

b) the conditions for open and voluntary participation;

c) the organisation of effective oversight of the measures of citizen energy communities for facilitating access to finance and information;

ç) the provision of regulatory support and capacity building to enable public authorities to establish and set up citizen energy communities and to assist authorities in participating directly;

d) other relevant matters.

8. In the instruction referred to in point 7 of this Article, the Minister may grant citizen energy communities the right to manage distribution grids within their area of operation and establish the relevant procedures, without prejudice to the rules applicable to distribution system operators. Where such a right is granted, citizen energy communities:

a) shall be entitled to conclude agreements on the operation of their grid with the relevant grid operator to which their grid is connected;

b) shall be subject to appropriate grid charges at the connection points between their grid and the distribution grid outside the citizen energy community, and such grid charges for electricity injected into the distribution grid shall be calculated separately from electricity consumed from the distribution grid outside the citizen energy community;

c) shall not discriminate against or harm customers who remain connected to the distribution system.

9. For the purposes of letter “ç” of point 1 of this Article, where electricity is shared, this shall be carried out without prejudice to applicable grid charges, fees and taxes, in accordance with a transparent cost-benefit analysis of distributed energy resources developed by ERE.

Article 103
Participation of demand response through aggregation

1. Participation of demand response through aggregation shall be allowed and promoted. Final customers, including those offering demand response through aggregation, shall be able to participate alongside generators in a non-discriminatory manner in all electricity markets.

2. The Transmission System Operator and distribution system operators, when procuring ancillary services, shall treat market participants engaged in the aggregation of demand response in a non-discriminatory manner alongside generators and on the basis of their technical capabilities.

3. ERE shall ensure that the relevant regulatory framework contains at least the following elements:

a) the right of every market participant engaged in aggregation, including independent aggregators, to enter electricity markets without the consent of other market participants;

b) non-discriminatory and transparent rules clearly defining the roles and responsibilities of all electricity undertakings and customers;

c) non-discriminatory and transparent rules and procedures for the exchange of data between market participants engaged in aggregation and other electricity undertakings, ensuring easy access to data on equal and non-discriminatory terms while fully protecting commercially sensitive information and customers’ personal data;

ç) an obligation on market participants engaged in aggregation to be financially responsible for the imbalances they cause in the electricity system. In this regard, they shall be balance responsible parties or shall delegate this responsibility in accordance with the relevant principles of Regulation (EU) 2019/943;

d) provisions ensuring that final customers who have contracts with independent aggregators are not subject to unjustified payments, penalties or other unjustified contractual restrictions by their suppliers;

dh) a mechanism for the settlement of disputes between market participants engaged in aggregation and other market participants, including responsibility for imbalances.

4. ERE, in close cooperation with market participants and final customers, shall establish the technical requirements for the participation of demand response in all electricity markets on the basis of the technical characteristics of those markets and demand response capabilities. Such requirements shall also cover participation through aggregated loads.

Article 104
Obligations of the suppliers

1. The supplier shall supply electricity to customers securely, reliably and efficiently, in accordance with this Law and the contract concluded.

2. The supplier shall be responsible to the Transmission System Operator for any imbalances it causes. Final customers shall be responsible to the supplier for the imbalances they cause. ERE shall establish exemptions from balancing responsibility for specific categories of final customers supplied under the universal supply service as a public service obligation.

3. In addition to the general contractual obligations, the supplier shall inform its customers directly, comprehensively and transparently about:

a) their right to choose and, subject to Article 111 of this Law, switch supplier free of charge after settling all previous electricity payment obligations;

b) their actual electricity consumption and costs, to enable them to manage their electricity consumption;

c) the different payment methods available, which shall not discriminate between customers. Prepayment systems, where applied, shall be fair and reflect expected consumption;

ç) the availability of simple complaint-handling procedures;

d) changes to contractual terms or adjustments to the supply price, including the reasons and conditions for such adjustments, at least 14 days before they take effect, and their right to terminate the supply contract unilaterally without additional cost following notification. Household customers shall be notified of any adjustment at least one month before it takes effect;

dh) their consumption data, ensuring that each customer has access to metering data under a clear agreement and free of charge;

e) their rights in accordance with the guidelines adopted by the Energy Community.

4. Suppliers shall clearly inform customers, through electricity bills and/or promotional material, of:

a) the contribution of each energy source supplied during the preceding year;

b) main components of the price and respective costs;

c) data on the environmental impact of carbon dioxide emissions and radioactive waste arising from the generation of the electricity supplied during the preceding year.

5. The supplier shall provide to the final customers a wide range of payment methods. These payment methods shall not create unfair distinctions between customers. Any difference in the costs regarding payment methods or prepayment system shall be objective, non-discriminatory and proportional and shall not exceed the direct costs incurred by final customers for the use of a specific payment method or prepayment system. Household customers who have access to prepayment systems shall not be placed at a disadvantage by such systems.

6. Suppliers shall handle complaints in a simple, fair, and prompt manner, to ensure that final customers receive a good standard of service and complaint handling from their suppliers.

7. Suppliers shall provide household customers with sufficient information regarding alternatives to supply disconnection, well in advance of any planned disconnection. These alternatives may include support resources to avoid disconnection, prepayment systems, energy audits, energy advisory services, alternative payment plans, debt management counselling, or disconnection moratoriums; these measures shall not entail additional costs for customers facing disconnection.

Article 105

The rights of the supplier

In addition to its contractual rights under Article 117 of this

Law, the supplier shall have the following rights:

a) to use, under regulated conditions, the services of the market operator, the Transmission System Operator, the Distribution System Operator, according to the market rules, the Network Codes and the respective contracts;

b) access to the transmission and distribution systems in accordance with the third-party access provisions of Article 32 of this Law;

c) to request the Transmission System Operator or Distribution System Operator to disconnect a customer's electricity supply where the customer fails to fulfil contractual obligations, and to reconnect the supply once the customer has fulfiled the obligations that gave rise to the disconnection.

Article 106

Universal supply service as public service obligation

1. Suppliers entrusted with the universal supply service as a public service obligation shall guarantee that all household customers and micro and small enterprises enjoy universal service and the right to be supplied with electricity of a specified quality within their territory at competitive, easily and clearly comparable, transparent and non-discriminatory prices.

2. Suppliers entrusted with the universal supply service as a public service obligation shall purchase electricity through transparent, non-discriminatory procedures at market prices, irrespective of whether the purchase is made on the bilateral or organised market.

Article 107

General conditions of the universal service of supply contract as a public service obligation

1. ERE shall approve the general terms and conditions of electricity supply contracts concluded between final customers and the supplier entrusted with the universal supply service as a public service obligation.

2. In addition to the contractual terms under Article 97 of this Law, the universal service supplier shall:

a) inform the customers about their rights and the supply conditions according to the universal service;

b) inform customers of supply terms and electricity prices, including their right to choose another supplier;

c) supply electricity under universal service conditions to the categories of customers within the Albanian territory for which it is licensed to provide that service under Articles 106 and 108 of this Law;

ç) notify customers of the measures to be taken for compulsory recovery of outstanding payment obligations;

d) supply vulnerable customers in accordance with the conditions laid down in Article 119 of this Law;

dh) pay for electricity delivered under the universal supply service at prices approved by ERE in accordance with the methodology laid down in Article 21 of this Law;

e) publish on its website the universal service supply prices approved by ERE.

3. General conditions of the supply contract shall be published on ERE's and the supplier's websites.

Article 108

Conditions of the regulated prices

1. ERE shall set regulated prices only for final customers supplied under the Universal Supply Service and classified as household customers in energy poverty or vulnerable household customers, as defined in point 1 of Article 106 of this Law.

2. Electricity prices subject to regulation under the Universal Supply Service shall be determined in accordance with the relevant methodologies.

3. ERE shall determine the period of application of regulated prices for specific categories of customers and shall review the approved price level annually.

4. The application of regulated prices when establishing universal service obligations relating to the supply of electricity to vulnerable customers or customers in energy poverty shall comply with the following criteria:

a) it shall pursue a general economic interest and shall not go beyond what is necessary to achieve that general economic interest;

b) it shall be clearly defined, transparent, non-discriminatory and verifiable;

c) it shall guarantee equal access to customers for undertakings operating in the power sector of the Energy Community Contracting Parties;

ç) it shall be limited in time and proportionate with regard to its beneficiaries;

d) it shall not result in additional costs for electricity market participants in a discriminatory manner.

5. For the purposes of a transitional period, with a view to establishing effective competition for electricity supply contracts between suppliers and achieving fully effective market-based retail electricity prices, ERE shall also set regulated prices for household customers and microenterprises supplied as part of the universal service referred to in point 1 of Article 106 of this Law.

6. The application of regulated prices when establishing universal service obligations relating to the supply of electricity to household customers and microenterprises that are supplied under the universal service and are not classified as being in energy poverty or as vulnerable customers shall comply with the criteria set out in point 4 of this Article and shall:

a) be accompanied by a set of measures to achieve effective competition and a methodology for assessing progress with regard to those measures;

b) be established using a methodology that ensures non-discriminatory treatment of suppliers;

c) be set at a price above cost, at a level where effective price competition can occur;

ç) be designed to minimise any negative impact on the wholesale electricity market;

d) ensure that all beneficiaries of such price-setting measures have the possibility to choose competitive market offers and are directly informed at least every quarter of the availability of offers and savings on the liberalised market, in particular dynamic electricity price contracts, and ensure that they are offered assistance in switching to a market-based offer;

dh) ensure that, provided that the promotion of the systematic rollout of smart metering systems is positively assessed pursuant to point 4 of Article 94 of this Law, all beneficiaries of such price-setting measures are entitled to and offered the installation of smart meters without any additional upfront cost to the customer, are directly informed of the possibility of installing smart meters and are offered the necessary assistance;

e) not lead to direct cross-subsidisation between customers supplied on the free market and those supplied at regulated prices.

7. The Ministry shall notify the Energy Community Secretariat of the measures taken pursuant to points 4 and 6 of this Article within one month following their adoption. The notification shall be accompanied by an explanation of why other instruments were not sufficient to achieve the intended objective, how the requirements set out in points 4 and 6 of this Article are fulfiled, and the effects of the notified measures on competition. The notification shall describe the range of beneficiaries,

the duration of the measures and the number of household customers affected by the measures, and shall explain how the regulated prices were determined.

8. By 1 January 2028, the Ministry shall submit to the Energy Community Secretariat reports on the implementation of the provisions of this Article, the necessity and proportionality of the price-setting measures, as well as an assessment of progress towards achieving effective competition between suppliers and the transition to market-based prices. The report shall, in particular, cover the compliance of the measures set out in point 6 of this Article with the conditions laid down therein by the supplier required to implement such a measure, as well as the impact of regulated prices on the financial situation of the affected supplier.

9. With regard to public intervention in price setting for vulnerable customers and households affected by energy poverty, the competent authorities referred to in Article 118 of this Law shall ensure the continuous assessment, monitoring and reporting of the number of households in energy poverty in accordance with the obligations arising from the law on energy efficiency, the National Energy and Climate Plan and Article 118 of this Law. The assessment and reporting framework shall serve as the basis for the justification, implementation, monitoring and periodic review of public intervention measures in electricity price setting, ensuring that such measures are targeted, proportionate, transparent and limited to the extent necessary to address energy poverty and protect vulnerable customers.

Article 109
Supplier of last resort

1. The supplier of last resort shall supply customers left without a supplier where:

a) the previous supplier defaults on payments or is subject to bankruptcy proceedings;

b) the previous supplier’s licence has been revoked or temporarily suspended;

c) the customer failed to find a supplier in the market.

2. ERE shall approve rules establishing the criteria for selecting the supplier of last resort in accordance with the decision of the Council of Ministers referred to in Article 90 of this Law, its obligations, the transfer of customers to and from that supplier and the rights of final customers to be supplied by it.

Article 110
Designation of the supplier of last resort

1. The Council of Ministers shall approve the conditions and procedures for designating the supplier of last resort on the basis of competitive, transparent and non-discriminatory criteria.

2. ERE shall designate the supplier of last resort on the basis of the conditions under point 1 of this Article.

3. The supplier of last resort shall be designated for a three-year period. The designation decision shall set out the conditions of the supply-of-last-resort service, information on price setting and changes, and the contractual terms.

4. The price, at which the supplier of last resort shall supply with electricity, shall be determined according to the methodology approved by ERE in accordance with the definitions of Article 21 of this Law.

Article 111
Switching the supplier

1. Supplier switching shall take place at the request of the final customer and without additional cost to that customer, except as provided for in point 3 of this Article. The current supplier shall continue supplying the final customer until the switching procedure is completed.

2. Household customers and micro and small enterprises shall not be charged supplier-switching fees.

3. Suppliers may charge contract termination fees to customers other than those referred to in point 2 of this Article, where those customers voluntarily terminate fixed-price, fixed-term electricity supply contracts before expiry, provided that the fees form part of the contract voluntarily entered into by the customer and were clearly communicated before its conclusion. The fees shall be proportionate and shall not exceed the direct economic loss incurred by the supplier as a result of termination, including the cost of investments or bundled services already provided under the contract. The burden of proving the direct economic loss shall rest with the supplier or market participant engaged in aggregation, which shall calculate that loss using a transparent methodology approved in advance by ERE. ERE shall monitor the permissibility of such fees.

4. Rules for switching the electricity suppliers shall be adopted by ERE and shall include:

a) the maximum period, in accordance with the rules under point 1 of this Article;

b) the conditions to be met by the new supplier in relation to balancing rules;

c) obligations of the system operator to which the final customer is connected;

ç) obligations of the final customers:

i. settle all obligations towards the previous supplier;

ii. have an agreement to repay the debt to the previous supplier in instalments; or

iii. have an agreement between the suppliers under which the new supplier assumes the customer's previous debt.

5. Notwithstanding the provisions of points 1, 2 and 3 of this Article, the rules for switching the electricity supplier shall ensure that the right to switch the supplier shall be granted to all customers in a non-discriminatory manner with regard to cost, effort, and time.

6. Household customers, as well as micro and small undertakings, shall have the right to participate in collective schemes to switch the electricity suppliers. The rules for such schemes shall guarantee maximum protection of the customer and of the business, avoiding abusive practices and unjustified administrative barriers.

7. Supplier switching shall be completed as quickly as possible. A customer wishing to switch supplier while complying with contractual conditions shall be entitled to do so within three weeks of the request. The technical switching process shall not exceed 24 hours.

8. Complaints concerning the supplier-switching procedure shall be submitted to ERE. A complaint shall not suspend the switching deadline or the entry into force of the new supply contract.

9. For the purposes of this Article, supplier switching shall also cover switching aggregators.

Article 112
Record keeping

1. Electricity supply licensees shall retain data on their electricity supply contracts and contracts with wholesale customers, the Transmission System Operator and the Distribution System Operator for at least five years. Such data shall be made available to ERE and/or the Competition Authority upon request.

2. The data shall include details of the characteristics of transactions, such as duration, delivery and settlement rules, quantities, execution details, transaction prices, identification of the wholesale customer concerned, and details of all outstanding electricity supply contracts and electricity derivatives.

3. ERE may make available to market participants parts of this information, maintaining the confidentiality of the commercially sensitive information.

Article 113
Emergency situations in electricity supply

1. The Council of Ministers may, on the proposal of the Minister, declare an emergency in electricity supply only in the following cases:

a) force majeure event, including a drought, which reduces hydropower generation in Albania;

b) measures taken by governmental bodies to guarantee national security and national defence;

c) accidents and breakdowns affecting generation, transmission or distribution equipment of the electricity system;

ç) long-term shortages of primary energy resources for electricity generation.

2. During emergencies, licensees and customers shall comply with restrictions on electricity use. The decision of the Council of Ministers under point 1 of this Article shall determine the extent and manner of electricity supply restrictions.

3. The limitations of supply in emergency situations shall be based on predefined criteria relating to the management of imbalances by the Transmission System Operator. Any safeguard measures shall be taken in close consultation with transmission system operators of the neighbouring countries, respecting relevant bilateral agreements, including agreements on the exchange of information.

4. Licensees shall not be liable for sanctions as a result of the restriction or interruption of electricity in cases under point 1 of this Article except for emergency situations occurring as the direct result of the licensee's fault.

5. During emergencies, the Council of Ministers may, on the proposal of the Minister and following an opinion from the Civil Emergency Committee, impose a public service obligation on a licensee relating to security of supply, including electricity imports, supply to specified customer categories only, or other special conditions for carrying out licensed activities. The obligation shall be proportionate to the emergency and shall not extend beyond the period necessary to overcome it.

6. Additional costs incurred by a licensee as a result of the public service obligation, as assessed by the Ministry of Finance and ERE on the proposal of the Minister responsible for energy and the Civil Emergency Committee, shall be compensated from the State Budget. Compensation shall comply with Article 49 of this Law and the legislation in force on State aid.

7. Non-market-based measures shall be activated during an electricity crisis only as a last resort, where all market-based options have been exhausted or it is clear that market-based measures alone are insufficient to prevent further deterioration of electricity supply.

8. The provisions of this Article shall remain in force until the adoption of the Risk Preparedness Plan, in accordance with Article 6 of this Law. Following the adoption of the Risk Preparedness Plan, the management of emergency situations in the electricity supply shall be governed by said plan, and the relevant provisions of this Article shall be superseded in accordance with it.

SECTION II

PAYMENT OF ELECTRICITY DEBTS TO THE SUPPLIER ENTRUSTED WITH THE UNIVERSAL SUPPLY SERVICE AS A PUBLIC SERVICE OBLIGATION

Article 114

Payment of electricity debts to the supplier entrusted with the universal supply as a public service obligation

The final electricity customer shall pay amounts due for electricity in accordance with the supply contract. Where the customer fails to pay, the supplier entrusted with the universal supply service as a public service obligation shall notify the customer in writing of the measures to be taken to recover the debt under the contract and/or this Law.

Article 115
Compulsory enforcement of unpaid debts

To recover unpaid debts, the supplier shall take the following measures in accordance with the contract:

a) initiate the electricity disconnection procedure;

b) initiate compulsory enforcement proceedings by requesting an enforcement order under the Code of Civil Procedure and the legislation in force on treating electricity bills as enforceable instruments;

c) impose a mortgage charge on the immovable property supplied with electricity where a non-household customer's unpaid debt under the electricity supply contract exceeds ALL 1,500,000 (one million five hundred thousand).

Article 116
Imposition of a mortgage charge

1. For unpaid electricity debts under Article 115, letter "c", of this Law, the supplier shall notify the customer of the initiation of the procedure to impose a mortgage charge. Notice shall be given in writing and sent by post with acknowledgement of receipt.

2. Within 30 calendar days of receiving the notice, the customer may complain to the supplier about the initiation of the mortgage-charge procedure. The supplier shall review the complaint within 15 days of its submission.

3. Where the supplier considers the customer's complaint well founded and/or establishes that the customer has paid the outstanding debt within the complaint period, it shall not continue the procedure to impose a mortgage charge.

4. The supplier shall submit a written request to impose a mortgage charge on the immovable property to the local immovable property registration office for the area in which the property is situated. The final customer shall be notified of the request by post with acknowledgement of receipt. The request shall contain the information necessary to identify the customer, the unpaid debt and the property subject to the mortgage charge.

5. Upon the issuance of an execution order by the competent court for the imposition of a mortgage burden, the supplier shall initiate compulsory enforcement proceedings through a judicial bailiff, in accordance with the provisions of the Code of Civil Procedure and the legislation in force regarding the treatment of an electricity consumption invoice as an enforceable title.

6. The customer may challenge the mortgage charge before a court.

PART SEVEN

CUSTOMERS AND CUSTOMER PROTECTION

Article 117
Rights and obligations of the customers

1. All customers shall have the right to choose a domestic or foreign electricity supplier at unregulated prices under a supply agreement, in accordance with the market rules and general supply conditions approved by ERE.

2. The final customer shall have the right to:

a) be supplied with electricity in accordance with the conditions set on the contract;

b) submit a complaint to ERE if not supplied according to the conditions set on the contract;

c) receive non-discriminatory treatment from the supplier;

ç) receive all relevant information from the suppliers, in accordance with Article 104 of this Law;

d) receive full information about the prices, tariffs, terms and standard conditions, regarding the access and use of electricity services;

dh) use different payment methods and be protected against unfair billing practices;

e) switch supplier without additional cost;

ë) benefit from transparent and simple complaint-handling procedures which, where possible, provide for reimbursement and/or compensation;

f) be informed of its rights concerning the universal supply service under article 106 of this Law;

g) be informed of its electricity consumption and the associated costs, depending on the metering equipment installed, at no additional cost;

gj) be informed of its final consumption and financial account following a change of electricity supplier, no later than 20 days after the switch.

3. The final customer shall:

a) pay for electricity in accordance with the contract;

b) allow the Transmission System Operator or Distribution System Operator to install, maintain and read electricity consumption metering equipment;

c) comply with the terms of the supply contract.

4. All customers may contract with several suppliers simultaneously, provided that the necessary connection and metering points are established.

Article 118

Vulnerable customers

1. The ministry responsible for social affairs shall, in cooperation with the ministries responsible for energy and finance and in consultation with ERE and stakeholders, draw up the criteria and procedures for obtaining vulnerable customer status and the arrangements for supporting such customers, subject to approval by a decision of the Council of Ministers.

2. The criteria to benefit from the vulnerable customer status shall take into account:

a) low-income customers using electricity to supply their permanent residence;

b) customers connected to a single-phase electricity supply with a maximum current of approximately 16 amperes;

c) the maximum electricity consumption per person, depending on the season;

ç) customer's age;

d) any other criterion approved by Council of Ministers.

3. For the purpose of determining the number of household customers in energy poverty, the Ministry responsible for social affairs—in cooperation with the Ministry responsible for energy and the Ministry responsible for finance, and in consultation with ERE and stakeholders—shall develop a set of criteria (which may include low income, high expenditure on energy relative to available income, and poor energy efficiency), which shall be approved by Council of Minister's Decision.

4. Vulnerable customers receiving financial support from the State Budget shall be entered in a dedicated register by the relevant structures of the ministry responsible for social welfare. This information shall be submitted to the Distribution System Operator and the electricity supplier.

5. Vulnerable customers receiving financial support from the State Budget shall use the funds to pay electricity debts.

6. Financing and support for vulnerable customers shall be non-discriminatory and shall not be financed by other categories of electricity customers.

7. The financing and support of vulnerable customers shall not impede the effective opening of the Albanian market or its operation.

8. The Ministry shall inform the Energy Community Secretariat of measures taken to protect vulnerable customers.

9. Where changed circumstances cause a customer to lose vulnerable customer status, the relevant structure of the ministry responsible for social welfare shall remove the customer from the register

and notify the Distribution System Operator and the supplier. The data of customers removed from the register shall be retained for five years from deregistration.

10. On the basis of the data received, the Distribution System Operator and supplier shall establish and maintain a register of vulnerable customer data, which shall be available to the vulnerable customer at any time upon request.

Article 119

Supply to vulnerable customers

1. Household customers granted vulnerable customer status under the conditions laid down in Article 118 of this Law shall be entitled to the universal supply service in accordance with this Law.

2. A vulnerable customer's supply contract shall take effect on the date the customer is registered as vulnerable by the Distribution System Operator. The operator shall provide the universal service supplier with information on vulnerable customers within five days of registration.

3. The supplier shall provide the vulnerable customer with the contract and inform the customer of their rights and the conditions of universal supply.

4. Vulnerable customers shall be supplied with electricity at tariffs approved by ERE in accordance with Article 108 of this Law.

5. The supplier supplying a vulnerable customer may terminate the service under the specific conditions applicable to that category of customer, in accordance with the relevant regulations approved by ERE.

6. The supply contract of a vulnerable customer shall terminate at the end of the second month following deregistration as a vulnerable customer by the Distribution System Operator. At the end of each month, the operator shall provide the supplier with information on deregistered customers in accordance with the notification of removal from the vulnerable customer category.

PART EIGHT

ELECTRICITY MARKET

Article 120

Electricity market

1. The electricity market shall include:

a) the bilateral electricity market;

b) the electricity balancing market;

c) the organised electricity market;

ç) the market for transmission capacity between bidding zones;

d) the market for ancillary services.

According to the trading timeframes, the electricity market may comprise:

i. forward market;

ii. day-ahead market;

iii. intraday market.

The Transmission System Operator shall manage and administer the markets listed in letters "b", "ç" and "d" of this point.

The entity operating the organised electricity market (hereinafter: the market operator) shall manage and administer the market referred to in letter "c" of this point in accordance with the principles of transparency and non-discrimination.

2. The Minister, in cooperation with stakeholders in the power sector and after obtaining the opinion of the Competition Authority, shall develop the electricity market model, which shall be approved by Council of Ministers Decision and shall determine:

a) the arrangements for cooperation between electricity market participants;

b) the necessary contractual relationships;

c) the information and exchange of key data required between market participants.

3. Electricity market participants shall include:

a) the electricity generator;

b) the supplier

c) the trader;

ç) the final customer;

d) the Transmission System Operator;

dh) the Distribution System Operator;

e) the closed distribution system operator;

ë) the market operator;

f) the Nominated Electricity Market Operator (NEMO);

g) the electricity storage operator;

gj) the aggregator.

In addition to the participants listed above, other legal entities may also participate in the organised electricity market in accordance with its operating rules.

Electricity market participants shall be required to submit all necessary data to the Transmission System Operator or the Distribution System Operator, in accordance with the rules of Article 19 of this Law relating to the power sector.

4. Electricity traders and suppliers registered in another Contracting Party to the Energy Community shall have the right to participate in electricity markets on the basis of reciprocity and in accordance with the legislation in force.

Article 121
Market operator

1. Organised wholesale electricity markets and electricity derivatives markets shall be organised and managed by the market operator licensed by ERE. The market operator shall be responsible for managing and administering organised electricity markets through day-ahead and intraday trading platforms and for related activities, including clearing and settlement between market participants, in accordance with the Market Rules, regulatory acts, regulations and the market model.

2. The legal form and capital ownership structure of the market operator shall be approved by Council of Ministers Decision, upon the proposal of the Minister and the Ministry responsible for the ownership of the Transmission System Operator.

3. The Council of Ministers, upon the proposal of the Minister, shall approve the selection of the shareholders of the market operator, as well as the specific criteria to be met by such entities.

4. The market operator may, without limitation, contract and transfer to third parties services for the operation of electronic platforms for the day-ahead and intraday markets and the electricity derivatives market, as well as clearing and settlement activities. Any third party providing such services shall base these services on the market operator, using a day-ahead auction trading system and the relevant matching algorithm based on a configuration compatible with Single Day-Ahead Coupling (SDAC), using the relevant intraday market auction order platform or a trading system compatible with Single Intraday Coupling (SIDC) and the relevant matching algorithm, or a financial clearing and settlement system, as well as an information technology risk management tool for clearing and settlement. Where one or more institutions in the Republic of Albania or public entities/undertakings established under the legislation of the Republic of Albania do not hold more than half of the registered capital of the market operator and/or do not control more than half of the voting rights attached to the shares in the capital of the market operator and/or do not appoint more

than half of the members of the Supervisory Board or management board of the market operator, the market operator shall not qualify as a contracting authority within the meaning of the legislation in force on public procurement.

Article 122
Market rules

1. ERE, upon the proposal of the Transmission System Operator and in cooperation with all participants in the power sector, shall approve the Market Rules governing the electricity markets, in accordance with this Law and the electricity market model, including rules on scheduling, dispatching, balancing, dispute settlement and reserve management requirements.

2. ERE, upon the proposal of the market operator and in cooperation with all electricity market participants, shall approve the electricity Market Rules governing day-ahead and intraday market activities.

3. The Market Rules shall ensure that electricity markets operate in accordance with the following principles:

a) prices shall be formed on the basis of demand and supply;

b) the Market Rules shall encourage free price formation and avoid actions that prevent prices from being formed on the basis of demand and supply;

c) the Market Rules shall facilitate the development of more flexible generation, sustainable low-carbon generation and more flexible demand;

ç) customers shall benefit from market opportunities and increased competition in retail markets and shall be empowered to act as participants in the energy markets and in the energy transition;

d) market participation of final customers and small enterprises shall be enabled through aggregation in order to provide joint offers on the electricity market and operate jointly in the electricity system in accordance with competition law;

dh) the Market Rules shall enable the decarbonisation of the electricity system and the economy, including the integration of energy from renewable sources and the promotion of energy efficiency;

e) the Market Rules shall provide appropriate investment incentives for generation, in particular for long-term investments in a decarbonised and sustainable electricity system, energy storage, energy efficiency and demand response, enabling fair competition that ensures security of supply;

ë) barriers to cross-border electricity flows and cross-border transactions in energy markets and related service markets shall be progressively removed;

f) the Market Rules shall provide for regional cooperation where effective;

g) safe and sustainable generation, energy storage and demand response shall participate in the market on an equal footing;

gj) all generators shall be directly or indirectly responsible for selling the electricity they generate;

h) the Market Rules shall allow for the development of demonstration projects in sustainable, secure and low-carbon energy sources, technologies or systems that are implemented and used for the benefit of society;

i) the Market Rules shall enable the efficient dispatching of generation assets, energy storage and demand response;

j) the Market Rules shall allow the market entry and exit of electricity generation, energy storage and supply undertakings based on their assessment of the economic and financial sustainability of their activities;

k) in order to enable market participants to hedge against the risk of price volatility on a market basis and to reduce uncertainty regarding future returns on investment, long-term hedging products shall be traded on exchanges in a transparent manner and long-term energy supply contracts may be negotiated over the counter (OTC), in accordance with competition law;

l) the Market Rules shall facilitate the trading of products between the Energy Community Contracting Parties, and regulatory changes shall take into account the effects on both short-term markets and products and long-term markets and products;

ll) electricity market participants shall have the right to access the transmission and distribution grids under objective, transparent and non-discriminatory conditions.

4. The Market Rules shall also ensure that there is neither a maximum nor a minimum limit on the wholesale electricity price. This provision shall apply, inter alia, to bidding and clearing in all timeframes and shall include balancing energy and imbalance prices, without prejudice to technical price limits that may be applied in the balancing timeframe and in the day-ahead and intraday timeframes, in accordance with point 5 of this Article.

5. NEMOs may apply harmonised limits on maximum and minimum clearing prices for day-ahead and intraday trading. Such limits shall be sufficiently high so as not to unnecessarily restrict trading, shall be harmonised for the internal market and shall take into account the maximum Value of Lost Load. NEMOs shall implement a transparent mechanism for automatically adjusting the technical bidding limits in due time where the established limits are expected to be reached. The adjusted higher limits shall remain applicable until further increases are required under that mechanism.

6. The Transmission System Operator shall not take any measures for the purpose of changing wholesale prices.

7. ERE shall identify applied policies and measures that may lead to an indirect restriction of wholesale price formation. Where ERE identifies a policy or measure that may have led to a restriction of wholesale price formation, it shall take all appropriate actions to eliminate or, where this is not possible, mitigate the impact of that policy or measure on bidding behaviour. ERE shall submit a report to the Energy Community Secretariat by 31 December 2026.

Article 123
Day-Ahead and Intraday Markets

1. The Transmission System Operator and the Nominated Electricity Market Operator (NEMO) shall jointly organise and manage the integrated day-ahead and intraday markets. The Transmission System Operator and NEMO shall cooperate with other transmission system operators and NEMOs of the European Union and Energy Community Contracting Parties in order to maximise the efficiency and effectiveness of day-ahead and intraday electricity trading.

2. Day-ahead and intraday markets shall:

a) be organised in such a way as to be non-discriminatory;

b) maximise the ability of all electricity market participants to manage imbalances;

c) maximise the opportunities for all market participants to participate in cross-zonal trade as close to real time as possible in all bidding zones;

ç) provide prices that reflect market fundamentals, including the real-time value of energy, on which market participants are able to rely when entering into long-term hedging products;

d) ensure operational security while allowing maximum use of transmission capacities;

dh) be transparent while protecting the confidentiality of commercially sensitive information and ensuring that trading takes place anonymously;

e) make no distinction between trades carried out within a bidding zone and those between bidding zones;

ë) be organised in such a way as to ensure that all electricity market participants have the opportunity to access the market individually or through aggregation.

3. The Nominated Electricity Market Operator shall cooperate with ACER, comply with its individual decisions, take into consideration its opinions and recommendations, and provide it with information upon request.

4. The Nominated Electricity Market Operator shall allow market participants to trade energy as close to real time as possible and at least up to the intraday cross-zonal gate closure time.

5. The Nominated Electricity Market Operator shall provide market participants with the possibility to trade energy in time intervals that are at least as short as the imbalance settlement period for both day-ahead and intraday markets.

6. The Nominated Electricity Market Operator shall provide products for trading on the day-ahead and intraday markets that are sufficiently small in size, with minimum bid sizes of 500 kW or less, to allow the effective participation of demand response, energy storage and small-scale renewable energy sources, including direct participation by customers.

7. The imbalance settlement period shall be 15 minutes in all scheduling areas. The imbalance settlement period shall not exceed 30 minutes where a derogation has been granted by all regulatory authorities within a synchronous area.

Article 124

Forward markets with predetermined prices

1. Transmission System Operators shall allocate long-term transmission rights or have equivalent measures in place to allow market participants, including owners of generation facilities using renewable energy sources, to hedge against price risks across bidding zones, except where an assessment of the forward market on the bidding-zone borders, carried out by the competent regulatory authorities, shows that there are sufficient hedging opportunities in the relevant bidding zones.

2. Long-term transmission rights shall be allocated in a transparent, market-based and non-discriminatory manner through a single allocation platform.

3. The market operator shall develop long-term financial trading instruments for hedging purposes without restricting their use solely to domestic bidding zones.

Article 125

Balance responsibility of electricity market participants

1. Each electricity market participant shall be responsible for its own balancing. For this purpose, market participants shall either be balance responsible parties or shall contractually delegate their responsibility to a balance responsible party of their choice. Each balance responsible party shall be financially responsible for its imbalances and shall strive to be balanced or shall help the electricity system to be balanced.

2. The Council of Ministers, upon the proposal of the Minister, may choose to provide exemptions from balancing responsibility for:

a) demonstration projects for innovative technologies, subject to approval by ERE, provided that such exemptions are limited to the time and extent necessary to achieve the demonstration objectives;

b) generation facilities using renewable energy sources with an installed electricity capacity of less than 200 kW.

3. Where the Council of Ministers grants an exemption pursuant to point 2 of this Article, it shall ensure that the financial responsibility for the imbalances caused is fulfiled by another electricity market participant.

4. Electricity market participants may arrange balancing responsibility through a contract with the Transmission System Operator by acquiring the status of a balance responsible party or by entering into a contract for the transfer of balancing responsibility to another balance responsible party, thereby becoming a member of a balancing group, in accordance with the balancing market rules.

5. The Transmission System Operator shall be responsible for preparing the financial statements for the settlement of mutual obligations relating to imbalances caused by electricity market participants.

6. The manner of handling imbalances caused by priority electricity generators and the respective costs for covering them shall be approved by Council of Ministers Decision.

Article 126

Electricity balancing market

1. The Transmission System Operator shall procure system balancing services from providers of such services in the balancing market in accordance with the balancing rules.

2. Balancing markets shall:

a) ensure effective non-discrimination between market participants, taking into account the different technical needs of the electricity system and the different technical capabilities of generation sources, energy storage and demand response;

b) ensure that services are defined in a transparent and technologically neutral manner and are procured in a transparent, market-based manner;

c) ensure non-discriminatory access for all market participants, individually or through aggregation, including electricity generated from variable renewable energy sources, demand response and energy storage;

ç) respect the need to accommodate the increasing share of variable generation, increased demand response and the introduction of new technologies.

3. The price of balancing energy shall not be predetermined in balancing capacity contracts. Procurement processes shall be:

a) transparent, non-discriminatory and market-based procedures;

b) open to the participation of all eligible electricity undertakings and market participants, including market participants offering energy from renewable sources, market participants engaged in demand response, operators of energy storage facilities and market participants engaged in aggregation.

For the purposes of letter "b" of point 2 of this Article, the regulatory authorities and transmission system operators, in close cooperation with all market participants, shall establish the technical requirements for participation in those markets, based on the technical characteristics of those markets, while protecting the confidentiality of commercially sensitive information.

4. Balancing markets shall ensure operational security while allowing maximum use and efficient allocation of cross-zonal capacity across timeframes.

5. The settlement of balancing energy for standard and specific balancing products shall be based on marginal pricing (pay-as-cleared), unless all regulatory authorities approve an alternative pricing method on the basis of a joint proposal by all transmission system operators, following an analysis demonstrating that the alternative method is more efficient. Market participants shall be allowed to submit bids as close to real time as possible, and the balancing energy gate closure time shall not be before the intraday cross-zonal gate closure time.

6. Imbalances shall be settled at a price that reflects the real-time value of energy.

7. Each imbalance price area shall be equal to a bidding zone.

8. The sizing of reserve capacity shall be performed by transmission system operators and shall be facilitated at regional level.

9. The procurement of balancing capacity shall be carried out by the Transmission System Operator and may be facilitated at regional level. The reservation of cross-border capacity for this purpose may be limited. The procurement of balancing capacity shall be market-based and organised in such a way as to be non-discriminatory between market participants in the prequalification process, irrespective of whether market participants participate individually or through aggregation. The procurement of balancing capacity shall be based on a primary market, except to the extent that the regulatory authority has provided for an exemption to allow the use of other forms of market-based procurement due to a lack of competition in the balancing services market. Exemptions from the obligation to base the procurement of balancing capacity on the use of primary markets shall be reviewed every three years.

10. The procurement of upward and downward balancing capacity shall be carried out separately, unless the regulatory authority approves an exemption from this principle on the grounds of higher economic efficiency, as demonstrated by an assessment carried out by the Transmission System Operator. Contracts for balancing capacity shall be concluded on the day before the provision of

balancing capacity and the contracting period shall not be longer than one day, except to the extent that the regulatory authority has approved earlier contracting or longer contracting periods to ensure security of supply or improve economic efficiency.

Where an exemption is granted, for at least 40% of the standard balancing products and a minimum of 30% of all products used for balancing capacity, contracts for balancing capacity shall be concluded no more than one day before the provision of balancing capacity and the contracting period shall not be longer than one day. Contracting of the remaining share of balancing capacity shall be carried out no more than one month before the provision of balancing capacity and shall have a maximum contracting period of one month.

11. At the request of the Transmission System Operator, ERE may decide to extend the contractual period for the remaining share of balancing capacity referred to in point 9 of this Article up to a maximum period of twelve months, provided that such a decision is limited in time and that the positive effects in terms of reducing costs for final customers outweigh the negative impacts on the market. The request shall include:

a) the specific period during which the exemption would apply;

b) the specific volume of balancing capacity to which the exemption would apply;

c) an analysis of the impact of the exemption on the participation of balancing resources; and

ç) a justification for the exemption demonstrating that such an exemption would lead to a reduction in costs for final customers.

12. Notwithstanding point 11 of this Article, from 1 January 2027, contractual periods shall not be longer than six months.

13. Transmission system operators or their delegated operators shall publish, as close to real time as possible, but with a delay after delivery of no more than 30 minutes, the current system balance in the scheduling areas, the estimated imbalance prices and the estimated balancing energy prices.

14. Transmission system operators, where standard balancing products are not sufficient to ensure operational security or where certain balancing resources cannot participate in the balancing market through standard products, may propose, and the regulatory authorities may approve, exemptions from points 2 and 4 of this Article for specific balancing products that are activated locally without being exchanged with other transmission system operators.

Proposals for exemptions shall include a description of the proposed measures to minimise the use of specific products, subject to economic efficiency, a demonstration that the specific products are efficient and do not create distortions in the balancing market within or outside the scheduling area, and, where applicable, the rules and information concerning the process for converting balancing energy bids from specific products into balancing energy bids from standard products.

15. The balancing rules shall establish conditions relating to:

a) balancing service providers, the provision of balancing services, the determination of energy quantities to be used by balancing service providers and the settlement of financial obligations towards balancing service providers;

b) responsible members of the balancing group, including the establishment and management of balancing group accounts, the determination of energy quantities to be used for imbalances and the financial responsibilities of the balance responsible parties of the balancing group.

16. The balancing rules shall include the terms, conditions and methodologies provided for in Regulation (EU) 2017/2195 establishing a guideline on electricity balancing, as well as any other rules necessary for the operation of the balancing market, approved by ERE.

17. The Transmission System Operator shall cooperate with the transmission system operators of neighbouring countries for the provision of the balancing market at regional level, with a view to ensuring operational security and the efficient operation of the balancing market based on the principles of effective competition, non-discrimination and transparency.

18. By 1 January 2028, ERE shall report to the Energy Community Secretariat and the Energy Community Regulatory Board on the share of total capacity covered by contracts with a duration or procurement period longer than one day.

PART NINE

PROPERTY RIGHTS

Article 127
Property rights of the licensee

1. For the security of the electricity service, the licensee may request the recognition and exercise of one or more of the following rights over property:

a) the right to install lines;

b) the right of use;

c) the right ofServitude;

ç) expropriation.

2. Where the rights referred to in point 1 of this Article are exercised, damage caused by:

a) the placement of signs, measurements or tests;

b) the installation of equipment, access thereto or the performance of work thereon;

c) the prevention or restriction of the use of the property, shall be compensated by the licensee to the owner or user of the property, in accordance with the Civil Code and the legislation on expropriation and temporary use of privately owned property in the public interest.

3. In protected areas, the rights provided for in point 1 of this Article shall be exercised in compliance with the legislation in force on protected areas. In areas under the administration of local government units, the approval of the local self-government units shall be obtained and the sectoral legislation shall be complied with, depending on the category of land.

4. Upon termination of the rights specified in point 1 of this Article, the licensee shall take measures for the full rehabilitation of the property used.

5. Where the final customer is located in a multi-unit residential building or a structure accommodating several businesses, the licensee shall have the right to exercise all the rights provided for in point 1 of this Article that are necessary for the security of supply to that customer.

Article 128
Servitude

1. Based on the provisions of Articles 58 and 79 of this Law, the right of Servitude shall be guaranteed to the TSO or DSO for the installation and operation of the distribution or transmission grid on third-party property, while ensuring the use of the property in accordance with the provisions of the Civil Code.

2. In accordance with the Servitude, the licensee for transmission or distribution activities may carry out the following activities on third-party property:

a) install and place underground and/or above ground electricity lines and electronic communications lines;

b) install supporting structures and the transformation and switching equipment placed thereon;

c) install and operate on third-party property suspended lines (cableways and lines) used for the purposes of the construction and operation of the power plant, substations, transmission lines and their supporting structures;

ç) operate, maintain, repair, transform and remove the installed equipment referred to in letters “a” and “b” of this point;

d) remove trees, shrubs, their branches and roots located within the safety zone of the lines that compromise the safe operation thereof;

dh) connect to and cross transport routes, rivers, watercourses, lakes, canals and buildings, in accordance with the procedures provided for in the technical regulations and the legislation in force.

3. Any Servitude established pursuant to this Article shall be granted in accordance with the provisions of the Civil Code of the Republic of Albania.

4. The Transmission System Operator and the Distribution System Operator shall be exempt from the application of any tax or tariff imposed by local government bodies on the respective assets, grids and installations belonging to these operators.

Article 129
Obligations of operators in relation to their grids

1. The Transmission System Operator and the Distribution System Operator shall manage the grids and take measures to ensure that, during their construction and operation, all technical and safety requirements and conditions are complied with, including compliance with the safety distances of the grids in relation to other structures belonging to third parties.

2. The Transmission System Operator and the Distribution System Operator shall have no liability in respect of claims by natural or legal persons for damage caused as a result of the distance of the transmission or distribution grids from any structure or facility owned or possessed by them, where the structure or facility, or parts thereof, were constructed or placed within such distances after the construction of the distribution or transmission grid.

Article 130
Right of temporary use

1. Parts of generation plants and equipment of the transmission and distribution systems and ancillary equipment may be installed, operated and maintained on third-party property on the basis of the right of temporary use.
2. The right of temporary use shall be regulated in accordance with the legislation on expropriation and the temporary use of privately owned property in the public interest.

Article 131
Expropriation

1. For the installation of generation plants, substations, distribution transformer substations or electricity transmission lines, a licensee may request the initiation of proceedings to expropriate third-party property in accordance with the legislation on expropriation and temporary use of privately owned property in the public interest.
2. The initiation of the expropriation procedure for the purpose of installing and operating transmission and distribution grids and their supporting structures may be requested only where the Servitude pursuant to Article 128 of this Law substantially prevents or disrupts the regular use of the property.
3. The expropriation procedure for the installation and operation of transformation equipment and switching equipment that is not installed on supporting structures and belongs to the electricity generation plant may be initiated only where the parties fail to agree on the right of use pursuant to Articles 127 and 128 of this Law, or where the authorities responsible for territorial planning and development have not approved it.

PART TEN

OTHER PROVISIONS

Article 132

Administrative investigations

1. ERE may, in accordance with its responsibilities under Article 19 and Article 20, letter "i", of this Law and on the basis of evidence of an infringement of this Law, decide to initiate an administrative investigation into that infringement.

2. Administrative investigations shall be conducted in accordance with the Code of Administrative Procedures and the procedures for imposing and reducing fines approved by ERE.

Article 133

Administrative offences

1. The following infringements committed by licensees, where they do not constitute criminal offences, shall constitute administrative offences punishable by ERE with a fine ranging from ALL 500,000 to 3% of the licensee's revenue in the financial year in which the infringement was committed:

a) failure to comply with ERE's decisions;

b) refusal to submit periodic data and reports, late submission or submission of inaccurate data by a licensee;

c) failure to comply with the obligations regarding the calculation and application of the costs and tariffs;

ç) failure to comply with the public service obligations, according to Article 52 of this Law;

d) failure to implement the obligations for the unbundling of the licensed activities;

dh) failure to comply with the obligations of keeping separate accounts according to articles 38, 59 and 87 of this Law;

e) failure to comply with the obligations regarding third party access to the grid, as required by this Law and the secondary legislation implementing it;

ë) failure to implement the obligations defined in the regulated contracts;

f) failure to publish information on tariffs and general terms for grid access and use of grid services;

g) failure to submit investment programmes and/or carry out planned investments as required under Article 20, letter "g", Articles 67 and 90 of this Law and the relevant ERE regulation;

gj) violation of the conditions and terms for the quality of supply approved by ERE;

h) failure to comply with ERE decisions on dispute settlement;

i) violation of the licence obligations and terms as well as ERE regulations which are not mentioned on the above points;

j) refusal by market participants to sign regulated contracts within 15 calendar days;

k) failure by a licensee to pay the regulatory fee within the prescribed period. In this case, in addition to a fine, ERE may charge late-payment interest on the outstanding regulatory fee for each day of delay. The interest shall be determined in accordance with Law No 48/2014, "On late payments in contractual and commercial obligations", as amended.

2. The upper limit of the fines under point 1 of this Article shall be 10% of the annual turnover of the Transmission System Operator or up to 10% of the annual turnover of the vertically integrated undertaking, as applicable, for failure to comply with the relevant obligations under this Law.

3. ERE shall impose a progressive fine for each day of infringement by a licensee in the following cases:

a) where a licensee fails to comply with an ERE decision requiring an infringement to be remedied within the specified period, it shall be fined 0.1% of its average daily turnover for the preceding year for each day of delay following the deadline in that decision;

b) where a licensee fails to pay the regulatory fee to ERE, it shall be fined 0.2% of its average daily turnover for the preceding financial year for each day of delay following the payment deadline.

4. ERE may reduce the fines under point 1 of this Article in the following cases and by the following amounts:

a) by 50%, where the infringement giving rise to the fine is reported by the licensee itself;

b) by one third, where the licensee actively cooperates in the administrative investigation by ERE that establishes the infringement;

c) by 40%, where the licensee demonstrates that it took concrete action to remedy or eliminate the consequences of the infringement before or while ERE identified it.

5. ERE shall draw up and approve a specific regulation on the conditions and procedures for imposing and reducing fines.

6. An ERE decision establishing an infringement and imposing a fine on a licensee shall constitute an enforceable instrument and shall be enforced in accordance with the Code of Civil Procedure.

7. ERE decisions shall be appealed in accordance with the provisions of the legislation in force on administrative offences.

8. The fines imposed according to this Article shall be deposited to the State Budget.

Article 134
Secondary legislation

1. Within 12 months of the entry into force of this Law, the Council of Ministers shall, on the proposal of the Minister, adopt the secondary legislation provided for in Article 4, points 9 and 12; Article 6, point 2; Article 8, point 2; Article 34, point 2; Article 36, point 4; Article 37, point 1; Article 39; Article 45, point 5; Article 49, point 2; Article 50, point 2; Article 51, point 2; Article 52, point 2; Article 53, point 10; Article 56, point 2; Article 58, point 2; Article 86, points 1 and 3; Article 87, point 3, letter "ç"; Article 96, point 2; Article 110, point 1; Article 113, point 1; Article 118, points 1 and 3; Article 120, point 2; Article 121, points 2 and 3; and Article 125, points 2 and 6, of this Law.

2. Within 12 months of the entry into force of this Law, the Minister shall adopt the secondary legislation provided for in Article 4, point 2; Article 5, point 2; Article 6, points 5, 8 and 12; Article 28, point 1; Article 53, point 14; Article 55, point 6; Article 83, point 1; Article 86, point 2; Article 94, point 3; and Article 102, point 7, of this Law.

3. The ministers responsible for finance and energy shall adopt the secondary legislation provided for in Article 93, point 8, of this Law.

4. Within 12 months of the entry into force of this Law, ERE shall adopt the secondary legislation provided for in Article 7, point 1; Article 8, point 1, letter "a"; Article 9, point 2; Article 19; Article 20, letter "b"; Article 30, point 3; Article 40, point 10; Article 41, point 1; Article 42, point 1; Article 47, point 1; Article 51, point 4; Article 63, point 4; Article 65, point 2; Article 67, point 9; Article 76, point 1; Article 78, point 4; Article 79, point 8; Article 83, point 4; Article 90, point 12; Article 94, point 1; Article 99, point 1; Article 108, point 1; Article 109, point 2; and Article 122, points 1 and 2, of this Law.

Article 135
Transitional provisions

1. The licence of the Transmission System Operator issued before the entry into force of this Law shall remain valid for the performance of licensed activities until certification under the procedure laid down in this Law and the issue of a new licence.

2. The Chairperson and Board members in office when this Law enters into force shall continue to perform their duties until the end of their terms of office.

3. Until a public service obligation is imposed on a licensee under Article 49 of this Law, those functions shall continue to be performed by the licensee carrying them out when this Law enters into force.

4. Market participants shall continue to exercise their existing rights and fulfil their obligations until the entry into force of secondary legislation under this Law.

5. All system users connected to the transmission grid shall comply with this Law and the secondary legislation adopted for its implementation by 31 December 2027. Where a system user fails to comply within that period, the Transmission System Operator may disconnect that user from the transmission grid.

6. Notwithstanding Article 108 of this Law, during a transitional period ending no later than 31 December 2027, regulated prices set by ERE shall also apply to household customers and microenterprises already supplied by the universal service supplier.

7. Notwithstanding Article 108 of this Law, during a transitional period ending no later than 31 December 2027, regulated prices set by ERE shall also apply to small enterprises already supplied by the universal service supplier.

8. Article 80, point 1, letter "f", of this Law shall apply only after the Renewable Energy Operator becomes operational and ERE has issued a positive market readiness assessment under the Law on the promotion of the use of energy from renewable sources, but no later than 31 December 2027. Until then, the procedure for procuring electricity to cover distribution grid losses shall be determined by a decision of the Council of Ministers within the framework of public service obligations.

9. Notwithstanding Article 49 of this Law, a competitive, transparent and non-discriminatory procedure to impose a public service obligation on a licensee for the provision of the universal supply service shall be initiated no later than 12 months after the entry into force of this Law. Until that procedure begins, existing public service obligation arrangements for the universal supply service may continue to apply.

Article 136

Repeal of legislation

1. Law No 43/2015, "On the electricity sector", as amended, is repealed.

2. Secondary legislation issued to implement Law No 43/2015, "On the electricity sector", as amended, shall continue to apply insofar as it does not conflict with this Law until the entry into force of this Law.

Article 137

Entry into force

This Law shall enter into force 15 days after its publication in the Official Gazette.

Adopted on 18 June 2026.

Promulgated by Decree No 376 of 30 June 2026 of the President of the Republic of Albania, Bajram Begaj.