



REPUBLIKA E SHQIPËRISË  
ENERGY REGULATORY AUTHORITY

BOARD

DECISION

No. 139, Dated 14.04.2023

ON

**APPROVING THE PERMITTED MINIMUM AND MAXIMUM PRICE LIMIT FOR THE DAY AHEAD MARKET**

Based on article 16,18, point 1, letter “a”and “dh”; 19, letter “a”; 57 and 98 of Law no. 43/2015 “On Power Sector”as amended; point 3.5 of Council of Ministers Decision no.519, dated 13.07.2016 “On approval of the the electric power market model”as amended; as well as article 15 of the Regulation for ERE Organization, Operation and Procedures, approved with ERE board decision no.96, dated 17.06.2016; Electricity Market Rules approved with ERE Board decision no.347, dated 27.12.2022; ERE Board on their meeting dated 14.04.2023, after reviewing the report Protocol no. 1177/1, dated 13.04.2023, prepared by the Working Group “On approving the permitted minimum and maximum price limit for the day ahead market”

**Observed that:**

- ERE Board with decision no. 347, dated 27.12.2022, decided to approve the Electricity Market Rules (General conditions, definitions, trading procedure as well as clearing and settlement procedure) and with decision no. 106, dated 23.03.2023, ERE board has approved some additions to the electricity market rules.
- ALPEX company, with official letter Protocol no. 106 dated 31.03.2023, submitted a proposal for the approval of the permitted Minimum and Maximum Price Limit for the Day ahead Market (Maximum and Minimum Price Threshold), for the operation of the Non-Union of the Markets, for which ALPEX is referred to as an opportunity to conduct a second auction, according to the provisions of the Trading Procedure of the Electricity Market Rules, approved with ERE Board decision No. 347/2022.
  - *The Permitted Maximum Price Limit for the Day Ahead Market: + €900/MWh.*
  - *The Permitted Minimum Price Limit for the Day Ahead Market: 0 €/MWh*
- Pursuant to provision B.2.3.1 of the Trading Procedure of the Electricity Market Rules, it is determined that: "The procedure for a Second Auction is enabled by ALPEX in cases where the Market Clearing Price resulting from the settlement through the Day Ahead Market Merger Algorithm, is equal to or exceeds the permitted Minimum and Maximum Price Limit for the Day Ahead Market defined for the Second Auction for one or more Market Time Units for one or more Bidding Area".

- The approval of these limits by ERE is in accordance with appendix A, table A.1 "product specifications of the day-ahead market segment" and is an important mechanism that protects the electricity market from prices that lead to unnecessary distortions because this market is still immature. These limits shall serve for a transitional period until it is estimated that the organized wholesale electricity market has stabilized.
- This proposal is based on the Methodology provided in accordance with Article 41(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 "On Capacity Allocation and Congestion Management" as well as referring to the practices followed by the Power Exchanges of European countries, for setting the permitted Minimum and Maximum Price Limits for the Day Ahead Market .
- In addition to the above, since the Power Exchange is currently functional only in the bidding area in Albania, these limits shall serve only for this area and not for the unification of the markets between Albania and Kosovo. At the moment when the Power Exchange shall become operational for the bidding area of Kosovo and ALPEX company assesses that these limits shall still be necessary, then it shall submit for approval also the limits for the union area of markets which shall be subject to approval by the regulatory authorities of both countries.

For all of the above mentioned, ERE Board

**Decided:**

1. To approve the permitted Minimum and Maximum Price Limit for the Day Ahead Market for the operation of the Non-Union Markets, as follows:
  - The Permitted Maximum Price Limit for the Day Ahead Market: + €900/MWh.
  - The Permitted Minimum Price Limit for the Day Ahead Market: 0 €/MWh
2. The Legal Directory shall inform the Albanian Power Exchange-Alpex company, the Ministry of Infrastructure and Energy and the other interested parties about ERE Board decision.

This decision enters immediately into force.

Any party involved in this procedure may request from ERE, - within 7 calendar days from the date of the decision, to review the board decision if it has provided new evidence that could lead the board to obtain a decision different from the previous one or for material errors ascertained. This decision can be appealed in the Administrative Court of Tirana, within 30 calendar days from the day of publication in the Official Gazette.

This decision shall be published on the Official Gazette.

**ERE CHAIRMAN**

**Petrit AHMETI**