



REPUBLIC OF ALBANIA
ENERGY REGULATOR AUTHORITY
BOARD

DECISION
No. 148, Dated 25.07.2024

ON
THE IMPLEMENTATION OF THE 15-MINUTE TIME INTERVAL IN THE
OPERATION OF BALANCING MARKET PROCESSES

Based on Article 16, point 5 of Law no. 43/2015 "On Power Sector" as amended; as well as Article 15 of the *Regulation for ERE Organization, Operation and Procedures*, approved with Energy Regulator Authority (ERE) Board decision no. 96, dated 17.06.2016; ERE Board on their meeting dated 25.07.2024, after reviewing the report Protocol no. 1511/1 dated 22.07.2024, prepared by Market Monitoring and Inspections Directory "On the implementation of the 15-minute time interval in the operation of balancing market processes",

Observed that:

- ERE Board with decision no. 106, dated 02.07.2020, decided to approve the Albanian Electricity Balancing Market Rules. The period from the adoption of these rules until April 1, 2021 was accompanied by the Dry Run exercise of the rules in the balancing market and in the DRY Run period the 1-hour resolution was implemented.
- ERE Board with decision no. 108, dated 22.04.2021, approved "the Common settlement rules for exchanges of energy in accordance with the articles 50(3) and 51(1), of Commission Regulation (EU) 2017/2195". These rules are applied by the TSOs of continental Europe, members of ENTSO - E, as of June 1, 2021. Currently, for TSO company the application of these rules is being carried out with a time interval of 1 hour. In this context, the application of the time interval of 1 hour in the internal balancing market of electricity does not bring any consequences for this mechanism, on the contrary, the application of the time interval of 1 hour also in the internal balancing market affects the harmonization of these processes.
- ERE Board with decision no. 347, dated 27.12.2022, decided to approve the Electricity Market Rules (ALPEX rules, definitions, trading procedure as well as the clearing and settlement procedure) and the Albanian Power Exchange from April 12, 2023 has started the operation of the Day-Ahead Market (DAM) market in Albania on an hourly basis. Also from February 1, 2024, ALPEX company started the operation of the DAM market on an hourly basis.

- ERE Board with decision no. 51, dated 02.04.2024 " *On the request of TSO company for the time interval of 1 hour in the operation of balancing market processes, and nominations of commercial transactions*" among other things, in point (1) of this decision decided: " *To partially accept the request of TSO company deciding: The time period of the processes that include the nominations and the respective calculations of the imbalances to be carried out with a time interval of 1 hour for until July 1, 2024*".
- Throughout this period of operation of the electricity balancing market in the periodic reports prepared by TSO company, no problem has been identified in the balancing market which is related to the time interval of 1 hour in which the processes involving the nominations and the respective calculations of imbalances in the market are carried out.
- Similarly, other participants of the electricity market who operate in the balancing market have not submitted at ERE throughout this period of time concerns or issues related to the time interval of 1 hour in which the processes involving nominations and respective calculations of imbalances in the market.
- Currently, four Balancing Service Providers (BSP) operate in the electricity balancing market in our country, which are: KESH company, Devoll Hydropower/Shtatkraft, Ayen AS Energy and Kurum International. TSO company via email addressed to these balancing service providers requesting them to assess whether they are technically ready to carry out all the necessary changes for the transition from hourly resolution to 15-minute resolution for all balancing market processes, which are managed in the portfolio of these BSP.
- Three of these balancing service providers (BSP), respectively KESH company, Devoll Hydropower/Shtatkraft, Ayen AS Energy, have submitted the respective answers (highlighted above in this report) where they present the impossibility of realizing the 15-minute resolution in the balancing market.
- Albania has interconnection with Greece, Montenegro and Kosovo. TSO company communicated with the Transmission Operators of Montenegro and Kosovo who evidenced the impossibility of implementing the 15-minute resolution in bilateral processes in the near future.
- In the consultation section of ERE on 20.06.2024, the complete request of TSO company was published, including the communications of TSO company with the above-mentioned parties, in order to carry out a wide public consultation with all the interested parties, and currently ERE has not received any comments from interested parties.
- It is evaluated that the extension of the legal effects of ERE Board decision no. 51, dated 02.04.2024, would provide the opportunity for TSO company and to the participants of the balancing market, in particular DSO, who have informed in the relevant communications that the transition to the 15-minute resolution requires technological intervention in the SCADA systems and sensors, respectively, to make the relevant assessments and interventions for the transition to the 15-minute resolution in the future.

- At the same time, the settlement of imbalances is done on a monthly and ex-post basis, therefore the calculation for the settlement of the imbalances of July is realized after the end of this month, the extension of the legal effects of ERE Board decision no. 51, dated 02.04.2024, eliminates any problem for their calculation for July 2024.
- Besides the importance of harmonizing the scheduling processes of TSO company with the system operators of adjacent countries, the harmonization of these processes in the internal electricity market is of particular importance. We currently have the functional market of the day-ahead, which is operated by ALPEX company on an hourly basis and the balancing market which is operated by TSO company on an hourly basis. ALPEX company informs that there are no plans to switch to 15-minute products within 2024, for this purpose it is evaluated that the extension of the legal effects of ERE Board decision no. 51, dated 02.04.2024 also in the first months of 2025 would establish clearer evidence of the progress of the Power Exchange processes throughout this year.
- Under these circumstances, ERE, following the dynamics of the development of internal markets, but also of harmonizing the processes with the transmission operators of the countries of the region through TSO company evaluates the extension of the legal effects of ERE Board decision no. 51, dated 02.04.2024.

For all of the above mentioned, ERE Board

Decided:

1. To extend the legal effects of ERE Board decision no. 51, dated 02.04.2024, until 01.03.2025.
2. Market Monitoring and Inspections Directory shall inform the 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