

Albania: Electricity Market Liberalization Process Delayed

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Electricity market exit for the customers connected to 35 kV grid should not be expected soon, although legal framework was set for July 2016. Sources from OSHEE explain that new investments are necessary in order to achieve this, along with additional legal regulations.

Energy Regulatory Authority ERE must approve at least two regulations, Regulation on suppliers and the contract between the distribution company and the supplier.

On the other hand, the measurement system for customers connected to 35 kV grid has not been installed yet. Having this in mind, there is no possibility that electricity market could be liberalized in the first months of 2017.

The Energy Law, adopted in 2015 envisaged that customers connected to 35 kV grid should exit the free electricity market not later than July 2015, customers connected to 20 kV grid by December 31, 2016, and small customers by December 31, 2017. These deadlines are clearly defined in the law, but face problems in their practical implementation.

High-voltage consumers pay to OSHEE company 11 leks (EUR 0.08) per KWh at the moment, but if OSHEE would not be a bidder in the market, the electricity price that will be offered by smaller operators, will logically be higher, say these clients.

Deadlines for markets liberalizations have been exceeded considering that by July 1, 2016 customers connected to 35 kV grid should be separated from OSHEE, while additional 6200 customers should exit the free market as of January 1, 2017. On the other hand, there is no single electricity market where operators could exchange electricity so it is unlikely that electricity market will be liberalized before the elections in 2017.