

Albania: EnC continues dispute settlement procedures for the lack of OSHEE unbundling

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The Energy Community (EnC) Secretariat said in a statement that it continues the preliminary dispute settlement procedures launched against Albania in January 2018 for the lack of effective unbundling of the electricity distribution system operator OSHEE.

Albania was not able to remedy the arguments raised in the Secretariat's Opening Letter as regards the failure to comply with its obligations under the Energy Community Treaty: the country has not correctly transposed the requirements for unbundling of electricity distribution system operators into national legislation and has not taken measures to effectively implement legal and functional unbundling of OSHEE.

In the view of the Secretariat the accomplished registration of separate legal entities responsible for distribution and supply in Albania, still does not sufficiently put in place effective operation of de facto unbundled companies. Only when separated from other segments of the energy supply chain can distribution system operators act independently and consumers benefit from greater choice of electricity supply companies, which in turn offer improved services at a fair price.

In April 2018, OSHEE successfully completed the process of legal unbundling of its operations by registering three separate business entities. OSHEE will function as a parent company that will manage and coordinate the operation of all three subsidiaries - electricity distribution system operator, electricity supplier on the free market and universal service provider, with initial capital of some 25,000 euros each. In late 2018, OSHEE said that it plans to launch a tender procedure for assessing the company's value, which is a first step towards the financial unbundling of the company.