

Albania: KESH to start using WB funds for electricity imports

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The World Bank has authorized Albanian Power Corporation (KESH) to use the 22.4 million euros worth loan to finance electricity imports, which are necessary due to severe drought in the country.

After the authorization, KESH addressed electricity traders to submit their bids for the supply of 126,000 MWh of electricity in the period between 1 and 30 September. However, this is just a part of electricity needed to cover the consumption in September, since it is estimated that over 400,000 MWh will be needed, same as in August. The purchase of the remaining amount will be financed by electricity distribution system operator OSHEE.

In the past two months, Albania spent over 50 million euros on electricity imports, since it is forced to meet up to 80 % of its electricity demand from import because it is highly dependent on production from hydropower plants and the severe drought has caused water levels to drop significantly. At the same time, electricity consumption has increased in the past two months due to heat wave.

The country produces almost 100 % of its electricity at HPPs, majority of which is produced at three HPPs on the Drin river: 600 MW HPP Koman, 500 MW HPP Fierza and 250 MW Vau te Dejes. The water level at HPP Fierza has dropped below the minimum and the plant is operating at minimum capacity, while the situation is similar with the other two HPPs.

In 2014, Albanian Government signed a 150 million dollars loan agreement with the World Bank in order to fund the reforms of its energy sector. Part of that loan envisaged a batch of some 23 million euros that should be used in extraordinary situations, such as extreme drought.