Albania: OSHEE bought 18,000 MWh of electricity for June delivery

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Albanian electricity distribution system operator OSHEE bought a total of 18,000 MWh of electricity worth some 862,000 euros, which will be delivered in the 1-30 June period, via auction organized between 28-29 May.

A total of eight electricity traders have participated in the auction, of which OSHEE selected the offer of local subsidiary of Slovenian GEN-I. The average price achieved at the auction was 47.89 euros/MWh for baseload delivery.

Albanian state-owned Power Corporation (KESH) recorded a significant drop in electricity production in the past six months due to unfavorable hydrological conditions. Given the fact that Albania's electricity production is almost 100 % hydro based, the country is forced to regularly import electricity.

In the first three months of 2019, three largest hydropower plants operated by KESH generated a total of 694 GWh of electricity, which is by 1,410 GWh less compared to the same period last year. Besides, in the last quarter of 2018, electricity generation was 12.5 % lower than in the same period in 2017. KESH expects that electricity production in the first half of 2019 would reach 1,033 GWh, which is by 52 % less than in 2018. In April, water flow at Fierza accumulation was 80 cubic meters per second, which is 74 % lower than the average for this month.

With such drop in generation, Albanian electricity distribution system operator OSHEE was forced to significantly increase electricity imports in the past six months. In the first two months of the year, the cost of electricity imports was 29.6 million euros higher than planned for the period and in the past six months the company spent some 128 million euros on electricity imports, which significantly affected the solvency of the company.

However, with increased precipitation in the second half of May, the situation improved, although OSHEE still need to import certain amounts of electricity.