

Albania: Power exchange platform aims to regulate electricity imports primarily

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Albania ministry of energy aims to improve the electricity market framework and regulate further the ongoing electricity imports.

At the beginning of July 2015 the Albanian Ministry of Energy announces the plans for the opening of a power exchange platform.

Announcement that follow the enactment the new Law of the Electricity Sector nr. 43 on 30th April 2015. The new law aims a fully aligned with Directive 2009/72/EC of the European Parliament and the Council, dated 13 July 2009 "On common rules for the internal market in electricity". A process that ranks the country in the second post among the rest of the West Balkans (only Serbia have done it until now).

In regard the ECS release on 15 July 2015 the Draft for Consultation on the Policy Guidelines on the Promotion of Organised Electricity Markets in the Contracting Parties developed with the support of an ad-hoc working group comprising academia and industry professionals.

The part of the Rules governing trading activity and market entry report the "a comprehensive set of rules governing market entry, trading activity, product development and market oversight is needed for operating an organised market which is suitably designed to swiftly couple with connected markets. Joining existing market couplings that have a well established structure and standards for these rules offers not only a focal point, but should deliver all guiding principles in order to ensure a harmonised set of rules, ready for coupling".

A framework that is address in the Part VIII "The Electricity Market" by the Law 43 / 2015 that in the Article 98 "Market Rules" state "ERE, upon proposal of the Transmission System Operator and in collaboration with all participants of the electricity sector, shall adopt the Electricity Market Rules, in accordance with this law and the Electricity Market Model, including the rules for planning, dispatching, balancing, settlement of disputes and requests for reserve management. In regard, the Market Rules shall be adopted by the ERE, within 1 (one) year from the date of entry into force of this law."

Indeed the Draft for Consultation on the Policy Guidelines on the Promotion of Organised Electricity Markets in the Contracting Parties bring in brief that market coupling will lead to sufficiently harmonised trading rules. No additional regulation of these will be required. Nevertheless, a few elements will facilitate market participation: All documents should be made available in English, what at best is also the language of working documents. All standard contracts between the power exchanges or operators of the organised market and the market participants should also be in English.

Despite the fact that rules for the supervision of market activity or market surveillance practices will be needed, as well as a code of conduct developed by the operator of the trading platform to be followed by the market participants, the present Policy Guidelines recommend the adoption of the REMIT Regulation into the Energy Community acquis. In order to avoid discrimination between market participations, the same standards for market monitoring should be applicable in an integrated market. Following existing European standards may lead to lower implementation and transaction costs as compared to a separate and potentially different scheme resulting in undue discrimination and hampering overall market monitoring.

In general, quality in trading and security for clearing and settlement should be coming from the internal rules agreed between the parties running the processes and those participating in the market. Most importantly, the contractual requirements from the side of the power exchange, the TSOs (requirements for balance responsible parties) and, in case separately organised, the clearing house provide for the most important elements and constitute market participation requirements which do not require further regulation.

Then even the fully implementation will require a further time and efforts the country gives an important signal, probably also due to its guide role as the actual holder of the Energy Community Presidency for the 2015, in the path on the reforms necessary to be followed. Indeed, it constitutes a decisive step forward a long path of reforms in energy sector in Albania for which the Law 43 / 2015 lays a solid foundation.

In regard, it can be conclude with what in the ECS Draft for Consultation state “It is in the interest of all parties to have functioning markets based on the best possible rules; existing standards have largely proved this. Still, market participation requirements should provide for low market entry barriers and receive regulatory facilitation to be harmonised and gradually reduced where outdated. Where these rules provide for all minimum requirements, no additional trading licenses should be required”.