

Priority producers of electricity in Albania, which include all hydropower plants with an installed capacity of up to 15 MW, saved the state 250 million euros this year.

Official data from state energy companies for the first eight months show that hydropower plants connected to the Transmission System Operator's network produced 606,203 MWh and HPPs connected to the Distribution System Operator 748,785 MWh.

Electricity from priority producers is purchased by the distribution company OSHEE at a price approved by the energy regulator, in accordance with a formula that includes the average annual price for the base load on the day-ahead market of the Hungarian stock exchange HUPX expressed in euros, the bonus for the promotion of renewable sources and the average exchange rate euro/ medicine.

It is estimated that this price will increase significantly in 2023 due to the significant increase in the stock price.

In 2022, it amounted to 8.5652 lek (0.07 euros) per kWh, which means that in the period January - August 2022, HPPs with a capacity of up to 15 MW delivered electricity worth a total of 100 million euros to the OSHEE network.

If OSHEE had provided the same amount of energy at the market price, the purchase costs would have reached 350 million euros.

While before the energy crisis, thanks to contracts with OSHEE, small HPPs received a higher price than the market price, now they see an opportunity to enter the free market. Thus, several requests were submitted for the termination of these contracts, but the introduction of a state of emergency in the energy sector, which was extended by a recent government decision until the middle of next year, complicates the situation.

Namely, with this decision priority producers are assigned the obligation to sell electricity to the Supplier on the free market during the state of emergency, at a price determined by the Energy Regulatory Agency ERE, based on the changed methodology.

In the event that the public service obligation entails additional costs, the law provides that the Ministry of Finance and ERE, upon the proposal of the Minister of Energy and the Committee for Emergency Situations, compensate producers from the state budget.

Source: monitor.al