

The price of electricity paid to the priority producers in 2018 amounts to 8.56 Albanian leks (0.064 €) per KWh, according to the methodology approved by the ERE Regulatory Agency. This price will be paid by OSHEE to private producers with whom the contract has been concluded. In 2016 and 2017, the price was 7.4 Albanian leks (EUR 0.056), which means that in 2018 it increased by 15.6%. This is a good news for manufacturers, but not for the budget of OSHEE.

A few years ago, the Government changed the method of calculating the price paid to private hydroelectric power plants, which, according to the Government's assessment, was extremely high, especially in 2013, when it amounted to 9.73 Albanian leks (EUR 0.073) per KWh. This decision was the subject of a wide debate, especially among the investors that had projects of hydroelectric power plants and who estimated that this decision of the Government disturbed their business plans.

The price for 2018 did not accidentally jump, as the new methodology takes into account the average price on the Hungarian stock market in the previous year. The price for 2018 is the highest in the previous five years.

In accordance with the Government's decision, when calculating the price paid to the priority producers, there are limitations for maximum and minimum levels.

The minimum level of the purchase price of electricity cannot be lower than the price ERE approved in 2016 for these manufacturers. The maximum level is 15% higher than the price approved by ERE in 2016.

The annual purchase price (lek/KWh) according to the methodology is calculated on the basis of the average annual HUPX DAM for base load (eurocents/KWh), including a bonus for the promotion of renewable energy sources and the average euro/lek course in the previous year.