



REPUBLIKA E SHQIPËRIË

ENERGY REGULATORY AUTHORITY

BOARD

DECISION

No. 16, Dated 20.01.2021

“ON APPROVING THE ANNUAL PRICE OF ELECTRICITY PURCHASE THAT SHALL BE PAID TO EXISTING PRIORITY PRODUCERS FOR 2021”

Based on article 16 of Law no.43/2015 “On Power Sector”, as amended; article 22 of Law no. 7/2017 “On promoting the use of energy from the renewable resources ” and Council of Ministers Decision no. 687 dated 22.11.2017 “On approving the methodology for defining the annual electricity purchase price that shall be paid to existing priority producers ” as amended with Council of Ministers Decision no.396, dated 13.05.2020 «On some amendments in Council of Ministers Decision no. 687 “On approving the methodology for defining the annual electricity purchase price that shall be paid to existing priority producers” » as well as article 15 of the “Rules on ERE organization, operation and procedures”, approved with ERE Board Decision, no. 96, dated 17.6.2016, ERE Board on their meeting dated 20.01.2021, after reviewing the report of Tariff and Prices Directory protocol no. 9/11, dated 16.01.2021, on the annual price of electricity purchase that shall be paid to existing priority producers for 2021,

Observed that:

- ERE Board Decision no.270, dated 28.12.2020, let into force decision no. 94, dated 08.06.2020, “On the applicable price for the existing priority producers for 2020, pursuant to the amendments approved with Council of Ministers Decision no. 396, dated 13.05.2020 ” to the approval of a price by ERE, supported on the publication of the annual report of the Hungarian Power Exchange (HUPX), as well as the publication of the Albanian Bank for the exchange rate ALL/EUR.
- Since the annual report for the day in advance market (HUPX/DAM) of the Hungarian Power Exchange as well as the exchange rate ALL/EUR of the Albanian Bank are published on their official websites, following ERE Board Decision no. 270, dated 28.12.2020, are presented the calculations for the annual price of electricity purchase that shall be paid to existing priority producers for 2021.
- From the data of the annual report of the Hungarian Energy Exchange (HUPX) it is taken the average annual price for the day in advance market (HUPX/DAM) of electricity in the base load for 2020 that results 39.00 Euro / MWh.
- From the current data published from the Bank of Albania about the exchange rate Euro/ALL for each month of 2020 it results that the average exchange rate for 2020 shall be 123.77 Euro / ALL.
- From the elements defined above and the implementation of the calculation formula point 3 of Council of Minister Decision no. 687 dated November 22 2017, regarding the methodology of defining the electricity purchase annual price that shall be paid to the existing priority producers, the calculations shall be reflected as follows:

➤ $P_u = 39.00/1000 * 1.2 * 123.77 = 5.7924 \text{ ALL/kWh}$.

•Meanwhile, in letter “ç” and “d” of point 2 of Council of Ministers Decision no. 687, dated 22.11.2017, are defined the minimum and maximum limits of electricity purchase price from the existing priority producers which are respectively: not lower than the price approved by ERE for 2016 and not higher than 15% of the price approved by ERE for 2016.

• From the calculations performed, the price calculated according to the formula cited in the methodology is lower than the price approved by ERE for 2016, according to the provisions of letter "ç" in point 2 of the Council of Ministers Decision mentioned above, the annual electricity purchase price which shall be paid to priority producers for 2021 results in 7,448 ALL / kWh.

For all of the above mentioned, ERE Board

Decided:

1. To approve the annual electricity purchase price of about 7.448 ALL /kWh, which shall be paid to existing priority producers for 2021.
2. With the publication of the annual report of the Bank of Albania for 2020, if the exchange rate ALL/EUR shall result different from the value published until taking the decision, ERE shall correct the annual electricity purchase price which shall be paid to priority producers for 2021.
3. Tariff and Prices Directory shall inform the interested parties about ERE Board Decision.

This decision enters immediately into force.

This decision shall be published on the Official Gazette.

For this decision may be complained the review within 7 calendar days and shall also complain on Tirana Administrative Court, within 30 calendar days from the publication in the Official Gazette.