

# **Decision of Council of Ministers no. 463, of 05.07.2006 “On the Approval of National Plan for the Implementation of Stabilisation and Association Agreement.”**

## 3.15 ENERGY

### 3.15.1 ENERGY SECTOR

#### **1. Political objective in the domain**

Real opening of energy market remains a priority of Albanian Government in this domain, a priority that will become compulsory after the signature of the Community Treaty on Energy. Main focus will be integration into the regional electric power market. Opening of this market will urge attractiveness of private capitals and will notably increase producing and supplying capacities of Albanian electric energy system. To the purpose of realisation of this objective, the process of reconstruction and privatisation of Albanian Power Utility (KESH) will be carried out during the short-termed period.

Initially, it will be conducted division of different activities of KESH into separate companies, like production, transmission and delivery of power.

Also, regulating capacities of Energy Regulating Entity will be increased, with the objective that the aforementioned Entity be able to play an impartial role in the liberalised energy market.

The middle-term objective will consist in the harmonisation of the complete legal frame with the *acquis communautaire*, so that the Albanian energy market will approximate to European standards and norms. Next middle-term objective is support of Albania's integration into regional and European transmission network of all kinds of energy.

#### **2. Current Situation**

##### **2.1 Legal Frame**

Activity of functioning and energy in the Republic of Albania is regulated through the following laws and sub laws.

- Law no. 9501, of 03.04.2006 "On the Ratification of Treaty of Creation of Energy Community“;
- Law no. 9379, of 28.04.2005 "On Energy Efficiency", which urges efficient utilisation of all kinds of energy;
- Law no. 9072, of 22.05.2003 "On electric energy sector", which defines conditions of consumers supply with electric energy, in compliance with standard parameters, through efficient functioning of energy market and development of competition in this sector, taking into account protection of consumers' interests, minimisation of service costs and observation of environment. This law embodies a „complete“ compatibility with Directive 2003/53/EC;
- Law no. 8937 of 12.09.2002 "On the preservation of heat in the buildings“, which defines establishment of rules and makes compulsory taking of measures for the preservation of heat in the buildings.
- DCM no. 539, of 12.08.2004 "On the approval of transitory model of electric energy market“, which is based on the gradual implementation of Directives 96/92/EC and 2003/54/EC;

To the implementation of basic legislation, Energy Regulating Entity has approved Code of Delivery, Measuring, Transmission and Market rules.