





situation and the treaty provisions implied that electricity and gas roadmaps to be prepared and adopted by all Contracting Parties. After a common approach of the Parties with Energy Community Secretariat, they were prepared and finally approved by the last Ministerial Council (17 November 2006 in Skopje) the Electricity and Gas Roadmaps for each Contracting Party, including Albania. The Roadmap is composed of three parts: structure, action plan and check list or guidelines for each action, both in electricity and gas issue. The structure of the Roadmap contains six chapters, from which the first one aims to ensure that provisions of the EC Directives for electricity and gas, are transposed. The information required in this chapter is a reference to the national legislation, indicating both the legal disposition and the relevant articles, in case that the Directive's provisions are adopted accordingly.

The overall deadline for the transposition of the electricity and gas acquis is the 1<sup>st</sup> of July 2007, except for the eligibility calendar, which is January 2008 for non-household consumers and January 2015 for household consumers. The relevant acquis to be transposed during that period of time are in regard with General Rules, Generation, Transmission and Distribution Unbundling, Transparency of Accounts, Access to the System as well as Final Provisions. There are a lot of provisions included in the subchapter General Rules of acquis, which are addressed in our existing legal framework, such as provisions on the Imposition of Undertaking, Customer Protection, Public Service Obligation, Security of Supply and Technical Rules. The Customer Protection issue is addressed by both the Customer Protection Law and the Power Sector Law, but is not fully compatible with EU standards. We have foreseen in the Roadmap a particular action in order to review the Customer Protection Law, and to make it fully compatible with EU Directive, by the end of May 2007.

The Public Service Obligation requirements of the relevant acquis are defined by the Power Sector Law and also by the Grid Codes and Type of Contract, adopted by the Albanian Electricity Regulatory Body (ERE). The Security of Supply issue is addressed by the Power Sector Law, the National Strategy of Energy and the Transitory Market Model adopted by the Government of Albania (GoA), in 2004. But we have updated the Market Model during 2007, in order to make it fully compatible with Energy Community Treaty requirements. The Technical Rules subchapter is covered by the Power Sector Law, the Transitory Market Model and Grid Codes approved by ERE, in 2005. In Generation Area they are two very important provisions of the EU Directive to be filled in; Authorization and Tendering Rules for new generation capacities. The Authorization procedures for generation capacities are covered by the Power Sector Law. Based on their provisions, the ERE grant licenses for the construction, installation and operation of the Power Plants. The ERE has adopted for this purpose Licensing Practices and Procedures, since 2004.

The Tendering Rules for new capacities are included in a new Concession Law which was prepared by GoA and has to be adopted by the Parliament, within March 2007. There are foreseen a lot of interventions to implement the provisions of the EC Directives regarding Transmission and Distribution System Operators, such as designation, tasks, unbundling, dispatching,

balancing, transparency, etc. The Albanian Transmission System Operator (TSO) was established in July 2004, pursuant to the Power Sector Law. The TSO general tasks are defined by the Power Sector Law as well as its amendments. The TSO tasks are addressed also by the Transmission Code, approved by the ERE. The TSO is unbundled in its legal form, organizational and decision making and the Market Operator is situated within it. In the Roadmap is predicted to complete full TSO ownership unbundling by the end of 2006 and later to develop its Market Operator functions. The Albanian Distribution System Operator (DSO) existing status is in the form of Distribution Division within KESH. The DSO tasks are defined by the Power Sector Law and by the Distribution Code, approved by the ERE. There is a very important action included in the Roadmap regarding restructuring and consolidation of the DSO, before its unbundling and privatization, within 2007. During the reviewing of the Transitory Market Model we have to consider a distribution public supplier option related to the provision of network services and electricity supply to regulated customers.

The Market Rules adopted by the ERE define responsibilities regarding Dispatching, Balancing and Use of Interconnectors. On the other side Confidentiality provisions are addressed by the Grid Codes, as well as by the Market Rules. The Power Sector Law envisages the unbundling of accounts of transmission and distribution competition activities. But we have to continue with a practice of an independent audit and publishing of the accounts of all electricity undertaking. The Third Party Access (TPA) to Transmission and Distribution Grids is in place according to stipulation from the Transitory Market Model and Market Rules.

Based on the Power Sector Law provisions, the ERE has approved Cost Reflective Methodologies to determine Network Tariff Access. The access to the network is allowed on the basis of transparency and non discrimination. In the frame of Market Structure we have to promote competition in the power sector and extend cooperation between the ERE and the Competition Authority. Following the generation unbundling and privatization, we have to take measures for improvement of market competition applying analytical techniques consistent with the best practices. The promotion of further structural developments of the KESH and the finalization of a detailed action plan for the implementation of the National Strategy of Energy, by 2015, is another intervention foreseen in our Roadmap.

In the Wholesale Market issues, the development of a balancing market and an auxiliary services market as well as the implementation of the Transitory Market Model, remain very important actions of the Roadmap. In this prospective a continuous review of the Market Rules in parallel with Market Model, has to be done. In the retail market issue we have to ensure that all non household customers will be granted the eligibility status, as from January 2008 according to the Treaty, Annex 1, Paragraph 2. Regarding that Treaty provision, we have to bring out appropriate decisions concerning the market opening and permit to all non households consumers to take electricity from wherever they want, from 1<sup>st</sup> of January 2008, without any additional costs or consequences that prevent them to change their suppliers.

