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NEWSLETTER

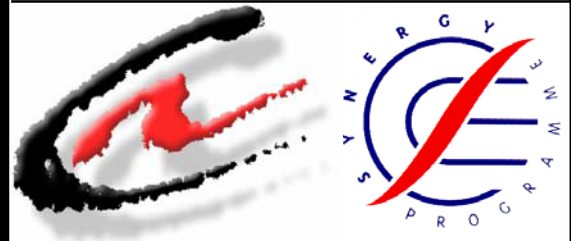
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THE ENERGY IN ALBANIA



THE ENERGY IN ALBANIA (NEWSLETTER)

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ALBANIAN ELECTRICITY MARKET DEVELOPMENTS

1. Introduction

Since the adoption of the existing Power Sector Law (Law No. 9072, date 22.05.2003), Albania has tried to establish a competitive electricity market. Initially, the Government of Albania (GoA) adopted a Transitory Market Model (TMM) (Decree No. 539, date 12.08.2004), which was superseded by the Albanian Market Model (AMM) approved by the Decree No. 338, date 19.03.2008, which is still effective. Based on the Market Model and requirements of the Power Sector Law, the Albanian Energy Regulatory Authority (ERE) adopted the market rules that govern the operation of the market.

Albania aspires to join the EU, and the EU accession is described as "an important national goal" in the Power Sector Policy Statement adopted by the GoA in April of 2002. In this context, Albania signed the Stabilization and Association Agreement with the EU, which was ratified by the Law No. 9590, date 27.07.2008. For the implementation of this agreement, the GoA adopted the Decree No. 463, date 5.07.2006 "On approval of the national plan for implementation of the stabilization and association agreement", which has established different objectives for the energy institutions to comply with the Albanian commitment for approximation of the domestic legislation with the EU Energy Acquis.

On the other hand, the GoA has signed in Octo-

ber 2005 and ratified in April 2006 the Energy Community Treaty, a regional treaty supported by the EU for the purpose of establishing the energy market in the Southeast Europe, whose initial focus was further enlarged with the accession to this Treaty of the Republic of Moldova in May 2010 and Ukraine in February 2011 as the eighth and ninth Contracting Parties. One of the objectives of the Energy Community Treaty was the establishment of a competitive electricity market in the region based on the EU Directive 2003/54/EC and Regulation 1228/2003 of June 26, 2003 on conditions for access to the network for cross-border exchanges in electricity and its integration with the European electricity market.

The privatization of the Distribution System Operator (DSO) and the retail public supply functions by the GoA in June 2009 was another important reform to commercialize and liberalize the power sector, which would complement the power sector reform initiated with the Power Sector Law.

2. Electricity Market Opening

The existing Power Sector Law, and the Albanian Market Model and Market Rules guarantee the access of Third Parties, Eligible Customers and Qualified Suppliers, and require by Transmission System Operators (TSO) and DSO to provide this access on non-discriminatory bases. In order to comply with this requirement both, transmission and distribution activities, were fully unbundled from KESH generation based on the respective GoA Decrees of December 2003 and December 2006.

On the other hand, the Energy Community Treaty stipulates that all contracting parties, including Albania, were required to open the retail market for all non-household electricity customers by January 1, 2008. Based on this provision, the ERE decided that starting from January 1, 2008 all non-household customers may become eligible choosing freely their own suppliers. However, based on the ERE decision only very few large customers decided to leave the system and choose to be supplied by a Qualified Supplier different from the Retail Public Supplier (RPS), and it happened only because of very high import prices of wholesale public supplier for supplying tariff customers during 2007 and 2008. In 2010 and 2011, given good hydrologic situation in the country and low energy prices, all eligible customers decided to go back to the status of tariff customers.

The provision of AMM to allocate all benefits of the less expensive domestic hydro generation to tariff customers, and the possibility of the customers either to remain in or leave the system, give no incentives to large customers to leave the status of tariff customers. In 2011, only one large customer exercised the right to be eligible and be supplied by a Qualified Supplier other than DSO/RPS.

(.....continued on next issue.....)

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ENER-SUPPLY PROJECT NEWS - NOVEMBER 2011

1. General Information about ENER-SUPPLY

The project ENER-SUPPLY, financed by EU South East Europe Transnational Cooperation Programme, started in April 2009 and will finish in March 2012. The project aims to strengthen the expertise of the local and regional authorities (LRAs) in 11 South-East European countries in the field of Renewable Energy Sources (RES) and Energy Efficiency (EE). Our activities will show the opportunities to manage energy wisely, which will result in better utilization of the energy resources and greenhouse gas emissions reduction. Until now almost all partners have concluded the local trainings in RES and Energy Management. Representatives of many Municipalities in the involved territories took part in them, gaining knowledge and experience in biomass, wind, geothermal, and hydro power, as well as in the practices to obtain energy audit of a building, to prepare an energy balance of a Municipality and to make an analysis of energy supply.

ENER-SUPPLY seeks also to promote new cities in the voluntary initiative The Covenant of Mayors. The initiative goals are to exceed the 20-20-20 targets of the European Union, included in Climate and Energy package. So far, 2 cities (Potenza and Budors) have joined and other 3 from the involved territories showed the will to take part in it.

2. RES Training

RES trainings have already been completed in almost all 11 territories from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Hungary, Italy, Romania, Serbia, Slovakia and the Former Yugoslav Republic of Macedonia. The training in Skopje was held in October 2011. After completing the 40 hours course, the participants received additional training materials in order to cover another 20 hours of e-learning teaching. The materials were supplied to the trainees through the e-learning platform (<http://www.cres.gr/crescampus/moodle/>). The last training will take place in Albania in January 2012. Until now 195 representatives from 82 administrations attended the courses and the organizers received excellent feedback by them.

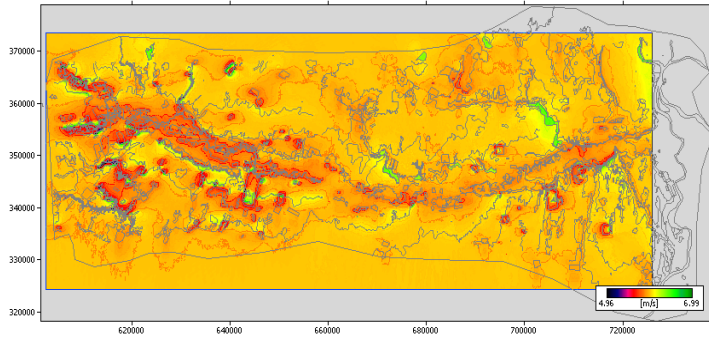


RES Trainings in Bosnia and Herzegovina and Croatia

3. RES Potential Maps

The activities of developing RES potential maps in selected territories are in progress. The technical experts - CRES, responsible for wind and micro-hydro potential, UNIVPM - for biomass, and CERS-GEO - for geothermal, are collecting the necessary data in order to draw maps wherever a resource is available. The difficulties, which the technical partners are facing

are related to the costs of land maps requested (especially for geothermal resources) and sometimes also of the data itself (especially for micro-hydro resources). The territories of the countries, for which hydro potential maps will be elaborated, are the Province of Vojvodina (Serbia), the Central Bosnia Canton (Bosnia and Herzegovina) and Dambovita (Romania). Until now UNIVMP managed to develop biomass potential maps for territories in Bosnia-Herzegovina, Croatia, Hungary and (partially) in Romania. CERS -GEO is working on geothermal potential maps in Italy and Bulgaria, and is trying to collect the necessary data in Hungary, Slovakia and Croatia, where high enthalpy potential was identified.



Wind potential of Ialomita County

The elaboration of wind potential maps is done by the ENER-SUPPLY Partner CRES in Romania (for both territories selected - Dambovita and Ialomita) and work is in an advanced stage for Greece, Serbia, Italy and Bosnia and Herzegovina). The second important activity of this WP, development of feasibility studies is also in progress, partners are trying to define projects with a big chance of being implemented.

4. RES Handbook

RES handbook aims to make the stakeholders more familiar with the basic sources of renewable energy. It contains four main chapters: biomass, small hydro, wind, geothermal and in addition one final annex, dedicated to financial evaluation of RES projects. The handbook will be released in English and in the language of each partner.

5. Energy Management Training

A 40-hours course was designed in order to provide the theoretical background for the "EMS experimentation". This course has been divided in three sessions and the main topics were Local and National Status as regards Energy Management, Analysis of Supply, How to carry out an Energy Balance and an Energy Audit. Up to now, 10 courses have been held and the one in Albania will be organized in December 2011. 170 participants from 91 administrations attended the organized courses, where EE experts showed how to set up an analysis of supply, balance and audit. The sharing of knowledge, skills and experience was highly evaluated by the LRAs. Training materials in order to cover additional 20 hours e-learning have been prepared and are supplied to the trainees through the e-learning platform. (<http://www.cres.gr/crescampus/moodle/>).

6. Energy Management System (EMS) Experimentation

Each partner has selected a local/regional authority in his country and an energy audit, energy balance and analysis of supply are in progress to help the administration in managing their energy resources. The EMS experimentation is on-going and the

local missions to organize the working teams for all the 3 experiments have been completed. The trained LRAs employees in all the 11 involved territories are expected to deliver:

- Proposals for the optimization of the consumption based on the *energy supply* analysis;
- Data on standard consumption for a type of public buildings through *energy audits*;
- Elaborated *energy balances* for public side or the entire territory of the LRA's areas and proposals of EE improvement measures.

The EMS experimentation will deliver 8 Analysis of Supply, 31 Energy Audits of buildings and 8 Energy Balances in the framework of ENER-SUPPLY project. The Municipalities will be also able to use the Energy balance for Baseline Emissions Inventory (BEI) of Covenant of Mayors.

7. Local Energy Day

The Local Energy Day's mission is to make people more familiar with energy and its impact on nature. During this day are organized many events, which made people from all generations involved. So far five Partners have organized their Local Energy Day - BSREC in Bulgaria (April 2011) - students from schools took part in the activities in Dobrich, ENERO in Romania (May 2011) - a contest on "The Energy Future of Earth - Renewable Energy Sources" was organized, Municipality of Potenza in Italy (June 2011) - parts of the day were an art exhibition and cinema playing, REIC in Bosnia and Herzegovina (September 2011) - the event took place in Fojnica jointly with the UNESCO Summer School (<http://reic.org.ba/summer-school.html>) and EARM in Former Yugoslav Republic of Macedonia (October 2011) - the participants attended a conference and the international fair for metallurgy, electronics, energy and construction - TEHNOMA. The Slovak Partner EUKE will organize their Local Energy Day on 9 - 10th of November 2011 in Kosice.



8. Upcoming Activities

The main action for the next month is the Video Competition, opened for all Partner countries. Its aim is to inspire the people to share their view for greener world, involving the territories in the project. The deadline for participation is 30th of December 2011 and you can read more on (www.ener-supply.eu/video-competition). In the framework of ENER SUPPLY Project activities in Albania, the Energy Management Training will take place in December 2011 while RES Training will be organized in January 2012. Both trainings will be held in Korça.

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DECLARATION

TIME TO GET INTO ACTION ABOUT ENERGY EFFICIENCY IN BUILDINGS WITH THE IMPULSIVE FORCE OF THE GOVERNMENTS

As IMSAD, Association of Turkish Building Material Producers, since 2010, we are carrying on working on Energy Efficiency in Buildings with regard to EUbuild EE Project and we are putting extra effort on it. Today for the countries who are struggling with economic crisis, the steps they take about EE in buildings is crucial. In order to encourage this important topic, which has a positive effect on the current account deficit, we prepared this declaration to draw the public's attention that there exists no thematic program, financial and incentive base devices and the most importantly no coordinating body in public-private partnership.

This declaration is prepared by IMSAD and accepted by our project partners Albania-EU Energy Efficiency Centre (EEC), Bosnia and Herzegovina Sarajevo Canton Chamber of Economy (CESC), Macedonian Energy Efficiency Center (MACEF), Montenegrin Employers Federation (MEF) and Serbian Belgrade Chamber of Commerce, who are almost in similar positions. This is a public call especially for the governments, to take the initial steps on EE in Buildings.

The following comments are denoted not only for representatives of financial sector specialists, NGOs, public sector, academicians, private sector (producers, contractors) and energy managers, which can be listed among the target groups of "EUbuild Project Workshop", analyzing current funding scheme for building energy efficiency activities and developing recommendations for sustainable future, but also for all individuals being consumers in the society.

• **Common Terminology:** In order to understand each other, there should be a common language that is adequate to international norms and standards in regard to basic targets and definitions.

• **Keeping up with the Developments:** In order to observe improvements by successful current/developed funding schemes in terms of energy, economy and environment, relevant, independent and verifiable indicators should be clearly defined. These developments should reach the end users with effective communication activities.

• **Future Plans:** We should set targets and action plans about EE and these are not to be short or middle term plans but long term plans.

• **Objectives:** Clear and achievable objectives should be set with public-private sector partnership as well as governments' initiating activities.

• **Incentives:** Incentives should be targeted to building sector for the reliable market formation and sample best practices.

• **Financial Methods:** In order to support EE in Buildings, new financing alternatives which are being used in EU mem-

ber countries should be set.

• **Public Buildings:** Remembering that, one of the best possible practices could be realized in the public buildings with huge energy saving potentials, Public Procurement Law should be changed to reflect a green procurement procedure through inclusion of public-private partnership.

• **Awareness of End Users:** It is very useful that owners and tenants in old/existing buildings should be informed about simple measures for energy saving that give cheap and instantaneous results meaning "Low Hanging Fruits".

• **A way out of Economical Crises:** The step that is taken today is a way to cope with economic crises. And also acting as an earthquake safety measure which Turkey is extremely suffering.

• **Data:** Establishing integrated information system (IMIS)/ network among all stakeholders with the main goal to support sustainable development by enhancing information integration, data management and monitoring should be established.

• **Media:** Prime time is not just for the serials, also for creating awareness in the society as the newspapers do, actually remembering that each of us is a consumer in any kind of building.

• **Conclusion:** Last but not least, a powerful and independent Agency-Energy Efficiency Center should be established for the sake of all listed crucial activities.

This declaration could be accepted as a SWOT analysis in financing energy efficiency in building sectors. Keeping in mind that "every toe of energy you saved can result in a bulk of money in your pocket towards low carbon society", the discussion is already over and this is the time for not thinking but acting.

We, as the organizations with signatures below, are determined and ready to cooperate with public, finance and private sector, NGOs and BROs, universities and media as well as the end users on EE in Buildings.

This declaration is an invitation, in the short run, an indicator for the success of EUbuild Project but in the long run it is an indicator of our unity and solidarity for a sustainable future.

 IMSAD, Ass. of Turkish Building Material Producers	 Hiseyin Bilmeç (Turkey)	 EEC, Albania-EU Energy Efficiency Centre	 Edmond Hido (Albania)
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