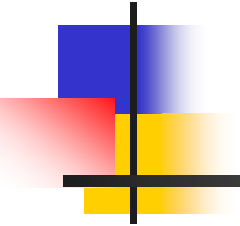


Status and Future of ERE's Licensing and Concession- granting authorities



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Licensing

- **Licenses shall be granted by the ERE pursuant to procedures that assure equal, non-discriminatory treatment and transparency of the license process. Such procedures shall specify the information that must be filed with request for each type of license application.**



Licensing Conditions

ERE shall determine the conditions for every license taking into consideration:

- the term requested for the validity of the license;
- the locations and territories on which the licensed electric power activities will be performed;
- operating safety and reliability of facilities, equipment or the network;
- requirements for the nature of primary energy sources;



Licensing Conditions (Cont.)

- requirements connected with national security, citizens' life, property and health and public order;
- financial requirements;
- environmental protection;
- promotion of energy efficiency in the electric power sector;
- public service obligations as provided for by this law;



Licensing Conditions (Cont.)

- **promotion of a competitive electric power market and least-cost principles in electric power supply; and**
- **the effect upon security and reliability of electric power supply within the territory of the Republic of Albania.**



Concession authority

- Actually, the concession practices are followed by the Ministry responsible for Energy.



Concession procedures

- We follow the same procedures based on our Rules and Practices of licensing as for concession licensees and others.
- We grant them the same license – type based on their type of activity



Future

- The Law on Concessions is in the process of being developed, and there is a working group dedicated to that.
- Essential changes should be made to the procedures for concession granting.

Licensing Data

Type of License	Year 2003 (No. of licenses)	Year 2004 (No. of licenses)	Year 2005 (No. of licenses)	Total
License for generation of electricity under 5 MW	8	4	1	13
License for generation of electricity over 5MW	1	1	0	2 (KESH, ESSEGEI – Smokthina)
License for distribution and supply of electricity	0	1	0	1 (KESH)
License for transmission of electricity	0	1	0	1 (TSO)
Eligible customer	0	1	1	2 (Darfo Albania, Kurum International)
License for qualified supplier	0	0	3	3 (Darfo Albania, Kurum International, GSA)
License for import of electricity	0	1	3	4 (KESH, Darfo Albania, Kurum International, GSA)
License for export of electricity	0	1	0	1 (KESH)
TOTAL	9	10	8	27



Concessionary licensees

No.	Company	Generation (000 kWh)	Investments (000 leke) 1 USD = cca 105 leke
	With Concession		
1	AMAL	1,021	1,480
2	EMIHEL	3,065	21,850
3	SPAHIU - GJANÇ	3,037	70,922
4	WONDER POWER	4,734	8,942
5	HCA	12,623	82,364
6	ESSEGEI SMOKTHINA	12,815	57,721
	Total	37,295	243,279



Private licensees

No.	Company	Generation (000 kWh)	Invetments (000 leke)
	Private		1 USD = cca 105 leke
1	MARJAKAJ	125	0
2	KORSEL	548	2,270
3	WTS ENERGJI	109	0
4	SARMIER	0	0
5	SAROLLI	192	2,670
6	JUANA	88	0
7	DARDANIA	0	790
	Total	1,062	5,730



The actions taken by ERE so that a company can comply with its rules

Transparency in drafting and approving all the secondary legislation, granting licenses, transferring licenses, etc. by publishing the data before approval by the Board of Commissioners so that all stakeholders will be able to state their opinion and also become familiar with what the Regulator is doing.

After the decision is reached, it is published in the media, in the official gazette and on ERE's website.



The actions taken by ERE so that a company can comply with its rules (Continued)

Official and unofficial hearing sessions are held based on the "Rules of practice and Procedure of ERE"

Based on the Law No. 9072 dated May 22, 2003 "On Power Sector," the measures taken by ERE to penalize the licensees based also on the Rules approved by ERE.