

		<h1>Update on the status of Transmission Interconnection, Generation and Regional Energy Market</h1>
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The Regional Electricity Market

- **Directive KE**
- **Salaniko Agreement**
- **Memorandum of Understanding**

REM Objectives

- Increasing trust among participating countries in the system.
- Trading and exchanging power between participating countries.
- Drawing vital investments from strategic investors.

Difficulties in implementing a competitive electricity market

- Inability to privatize the majority of the system and draw capital investments, in order to rehabilitate and extend the system, and to design and open the market.
- Lack of a good size market capable to cover the country's needs.
- Trading among neighboring countries requires a secure supply system of a high quality.
- Disparities in the power production costs.

Obligations on participating countries to bring about the REM

- Unbundling – (the role of TSO as an auxiliary to the market)
- Introducing third parties in the transmission process
- Regulations on selection of legal consumers
- An active regulatory agency
- Full cost recovery rates
- Existing regulations on exporting-importing electrical power
- Participation of private capital

Interconnectivity

- Length of transmission lines: approx. 3,500 km
of which approximately 377 km are for interconnection.
Transmission capacity: 1,900 MVA
Installed power of sub-stations: 4,750 MVA
- Actual condition of the transmission system:
 - Strengthening the sub-stations
 - Access for third parties
 - Designating legal consumers

Generation

- **Structure – 97% on HHP and 3% on TPP**
- **Installed capacity – 1,640 MW (1,446 Hydro and 196 Thermal)**
- **Production – 3,681 GWH**
- **Consumption – 5,431 GWH**
- **Exchanges – 2,000 GWH**

- **Present situation**
 - separate activity
 - privatization of small H-power stations
 - independent producers (IPP)