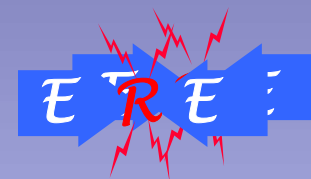


Partnership between IURC and ERE



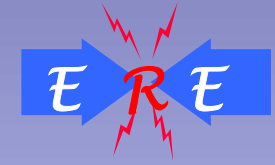
**New Legislation of the Regulatory Commission.
Current developments in the Sector.
Regional market activities.**

Pjeter DEMA – Chairman

ERA- Albania

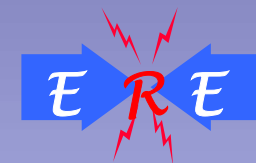
22.11. 2004

Nentor 2004



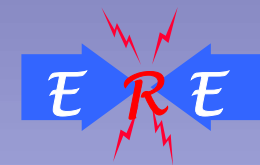
- Based on the law No. 9072, May 22, 2003
“On Electric Energy Sector”
Secondary Legislation adopted by ERE
- Regulation on procedures for license issuing.
- Rules of ERE’s practice and procedures.
- The license for the construction and installation of the plant.
- The license for the generation of Electric Energy.

Legislation



- The license for the transmission activity.
- The license for the distribution of energy.
- The Code of Ethics in the functioning of ERE's Board.
- The Transitory Model of Energy Market. This market design was adopted by the Albanian Government through its decision No. 539 of August 12, 2004.
- The regulation of simple procedures for the construction and utilization of electric stations with a capacity no greater than 5 MW.
- Regulation on the organization and running of ERE along with its organizational structure.
- The Code of Conduct for the Technical Staff and other employees of ERE.

Secondary Legislation



We are working on:

- **Drafting the Rules of the Energy Market**

- **Drafting and Approval of the Codes for:**

- a) **Transmission**

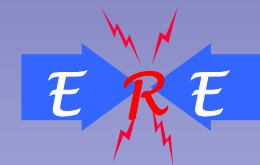
- b) **Distribution**

- c) **Measuring**

We have established the respective Task-Force units that are working to complete these codes within the deadlines.

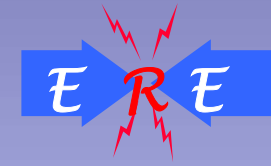
- **Drafting a strategy on transmission tariffs.**

Secondary Legislation



Regarding the Secondary Legislation, much has been done, but there is still much left to do and other acts to be adopted. In order to do that, a qualified assistance is needed in this direction, on drafting these acts.

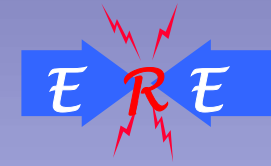
The situation in the energy sector in Albania



II. The situation in the energy sector :

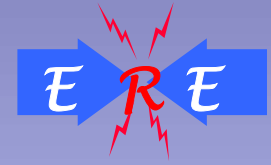
- a. K.E.SH (APC), a share-holding company continues to be a company with 100 % state capital, vertically integrated.**
- b. The Transmission System Operator was established on August 1, 2004. Its separation from KESH is in process. Currently, it has applied for license to ERE.**

The situation in the energy sector- cont.



- c. **An increase in the sale price of energy has been proposed by KESH for the year 2005.**
- d. **The procedures for the adoption of prices are forecast to end by November 2004.**

Regional activities

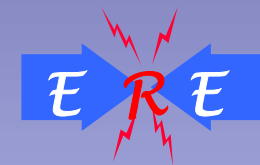


Albania's goal is to join the EU.

The Albanian Government (AG) has signed the Stabilization and Association Agreement with the EU.

- The Document of Energy Policies of AG.
- The National Strategy for Energy
- The Transitory Energy Market Model
- Other sub-legal acts under way

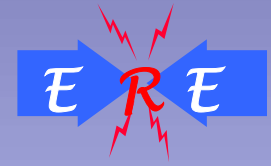
Regional activities



The activity of the Regulator during this process:

- We refer to the Athens Memoranda in compliance with the EU directives.
- The beginning of the process for opening the market by respecting the requests of the regional energy market.
- The implementation of the Energy Market Design.
- Cooperation with the regional Regulatory Commissions and beyond.

Opening of the market



Thank you for your attention!