



REPUBLIKA E SHOIPERISE

ENERGY REGULATOR AUTHORITY
REGULATION
ON DEFINING THE APPROVAL OF THE REGULATORY FEES

*Approved with ERE Board Decision no. 190, dated 23.11.2017, as
amended with Decision no.129, dated 10.08.2020.*

Article 1
Authority

The regulation on defining the regulatory fees for all the electricity and natural gas market licensees by Energy Regulator Authority, is drafted in conformity with the requirements of Law No. 43/2015 “On Power Sector”, as amended and Law no. 102/2015 “On Natural Gas Sector” as amended.

Article 2
Purpose

The purpose of this regulation is to define the rules of calculating the regulatory fees for all the licensees in the electricity market as one of ERE main financing resources, to cover the costs in the regulation activity.

Article 3
Object

The object of this regulation of calculating the regulatory fees is to define specific regulatory fees for all the licensees in electricity production, transmission, distribution, closed distribution system operation, electricity supply, trading and electricity market operation activities. As well as for all the licensees in natural gas transmission, distribution, supply, trading activities, operation of natural gas storage facilities activity, the operation of LNG plant activity, the activity of natural gas market operator.

Article 4
The terms used on this methodology

The terms used on this regulation shall have the meaning as follows:

- 4.1 **Regulatory fee** – shall mean the annual fee that all the licensed companies in power and natural gas sectors shall pay on ERE account to cover the costs of the regulatory activities.

- 4.2 **Licensee** – shall mean companies that are licensed by ERE for the activities according to point 2, article 37 of Law no. 43/2015 “On Power Sector”, as amended, and point 2, article 22 of Law no. 102/2015 “On Natural Gas Sector” as amended.
- 4.3 **Incomes** – shall mean the annual incomes realized from the licensed activity, declared at the financial statements audited referring to the effective Accounting Standards
- 4.4 **Power market** – shall mean the electricity and natural gas market within the meaning of Law no. 43.2015 “On Power Sector” as amended, and Law no. 102/2015 “On Natural Gas Sector”, as amended.

Article 5

General rules and the main principles

- 5.1 This Regulation is drafted in conformity with article 17 of Law No. 43/2015 “On Power Sector”, as amended and article 14 of Law no. 102/2015 “On Natural Gas Sector” where it is provided that:
- a. ERE financial sources are composed of the regulatory fees, imposed by ERE for the licensees in the power sector and from the license payments.
 - b. ERE keeps full account for the incurred expenses in compliance with accounting legislation in force.
 - c. ERE defines and approves the application for license fees and the regulatory fees for the licensee in natural gas sector, in conformity with the methodology approved by ERE
- 5.2 The regulatory fees, implementing point 52 article 3 of Law 43/2015 “On Power Sector” as amended and point 69, article 4 of Law no. 102/2015 “On Natural Gas Sector” as amended is calculated and collected on annual basis for any licensing company, despite the fact that if at the moment of calculating this payment the company has not initiated the activity for which it is licensed.
- 5.3 The payment shall be in proportion with the annual incomes coming from the licensed activity.
- 5.4 The licensee implementing articles 45 and 46 of Law No. 43/2015 “On Power Sector”, as amended and article 30 of Law no. 102/2015 “On Natural Gas Sector” as amended and the conditions of the license submit at ERE within 31 January of the next year complete financial statements for the previous exercising year and then until on 30 June audited copies of the financial statements for the previous period from which results the information on the incomes realized from the licensed activity that shall be used in calculating the regulatory payments.

- 5.5 The regulatory fees shall be approved not later than 60 calendar days after the approval of ERE budget for the current year.

Article 6

Defining the regulatory fee for the licensees on power sector

- 6.1 The regulatory fees shall be calculated based on the specific weight of the incomes realized from the activity of any licensee during the previous year to the total of the incomes in the power and natural gas sectors, realized for the same period.
- 6.1.1 Incomes to calculate the regulatory payments shall be considered:
- a. **For the electricity production companies** – the incomes realized from the sale of the produced electricity.
 - b. **For the electricity/natural gas transmission and distribution companies** – shall be considered the incomes realized from the electricity/natural gas transmission and distribution activity;
 - c. **For the electricity/natural gas supply and trading companies** – shall be considered the incomes (added value) realized from electricity/natural gas sale-purchase.
 - d. **For the companies exercising the electricity/natural gas market operator** – shall be considered the incomes realized from the licensed activity.
 - e. **For the companies exercising the operation activity of natural gas storage facilities** – shall be considered the incomes realized from the licensed activity.
- 6.2 The regulatory fee for any licensee is equal with the specific weight product calculated according to point 6.1 with the value to be distributed on ERE budget (after there are deducted the fix fees from the licensee) defined according to point 1 article 17 of Law No. 43/2015 “On Power Sector”, as amended.
- 6.3 For the companies licensed in electricity and natural gas production, supply and trading activities which on the previous year do not have any activity, the regulatory fee shall be a fix amount of 100 thousand ALL.
- 6.4 When a company licensed on electricity or natural gas activities has not submitted the financial statements, according to the terms provided on the legislation in force, ERE shall calculate this payment according to the assessments from taken by the Official Publications.

Article 7
Correction

ERE, with the submission of a request from the licensee in case of inaccuracies in calculation of the incomes from the licensed activity, recalculates and corrects the regulatory payment of the current year in the regulatory payment of the next year.

Article 8
Notification

- 8.1 ERE after defining the regulatory fees notifies the licensee for the value, payment deadline for the exercising year, the place to liquidate these payments and the penalties if this payment is not executed on time.
- 8.2 The regulatory fees are deposited by ERE in a specific account, open in one of the banks that operate according to the Albanian legislation in force.

Article 9
Penalties

- 9.1 If the licensee does not make the regulatory fee within 30 days from the date of receiving the ERE decision on defining the regulatory fee, sanctions shall be applied in conformity with article 107 of Law 43/2015 “On Power Sector”, as amended and article 106 of Law no. 102/2015 “On Natural Gas Sector”, as amended
- 9.2 The refusal to submit the financial statements on time or delayed submission of them compose administrative offence and is sanctioned according to point 1 letter (b) article 107 of Law 43/2015 “On Power Sector”, as amended and point 1, letter a) (ii) article 106 of Law no. 102/2015 “On Natural Gas Sector”.
- 9.3 In case the licensee does not met the obligation to perform the regulatory fee even after the measure taken according to point 9.1 and 9.2 of this article, then ERE Board may open the procedures to terminate the license, as defined on point 1 (ç) article 42 of Law no. 43/2015 “On Power Sector”, as amended and point 1 letter (ç) article 27 of Law no. 103/2015 “On Natural Gas Sector”, as amended.

Article 10
Final provisions

Regulation on defining the regulatory fee for all the licensee of the electricity market from the Energy Regulator Authority, is object of amendments and reviews only with ERE Board Decision.