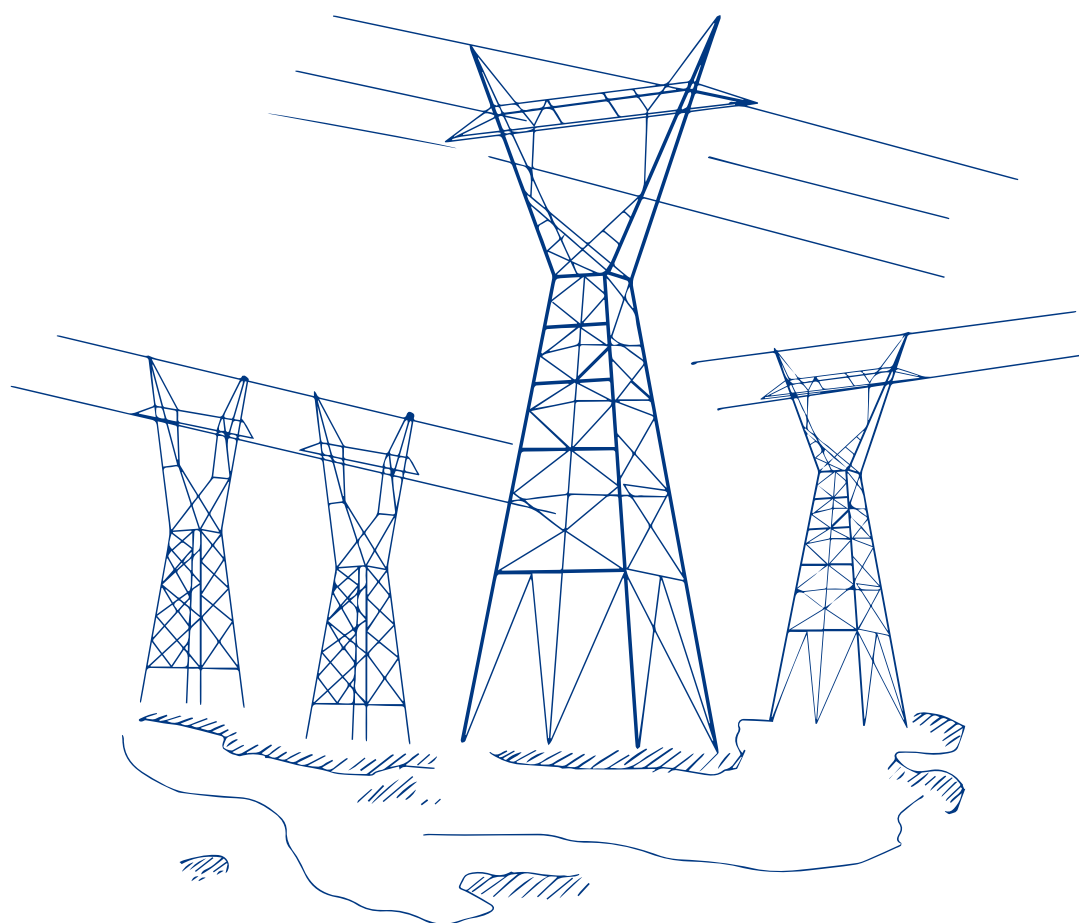


Albania

Annual Implementation Report
























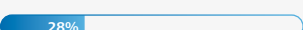





1 November 2021





Albania

Summary Implementation

Summary Indicators	Transposition Assessment	Implementation Status	Descriptions
 Electricity		 66%	Implementation in the electricity sector of Albania is well advanced.
 Gas		 52%	Implementation in the gas sector of Albania is moderately advanced.
 Oil		 50%	Implementation in the oil sector of Albania is moderately advanced.
 Renewable Energy		 55%	Implementation in the renewable energy sector of Albania is moderately advanced.
 Energy Efficiency		 48%	Implementation in the energy efficiency sector of Albania is moderately advanced.
 Environment		 75%	Implementation in the environment sector of Albania is well advanced.
 Climate		 72%	Implementation in the climate sector of Albania is well advanced.
 Infrastructure		 28%	Implementation in the infrastructure sector of Albania is still at an early stage.
 Statistics		 59%	Implementation in the statistics sector of Albania is moderately advanced.
 Cybersecurity		 68%	Implementation in the cybersecurity sector of Albania is well advanced.

Overall number of cases: **2**

Procedure
by Article **91**

ECS-4/17 Electricity

ECS-03/19 Environment



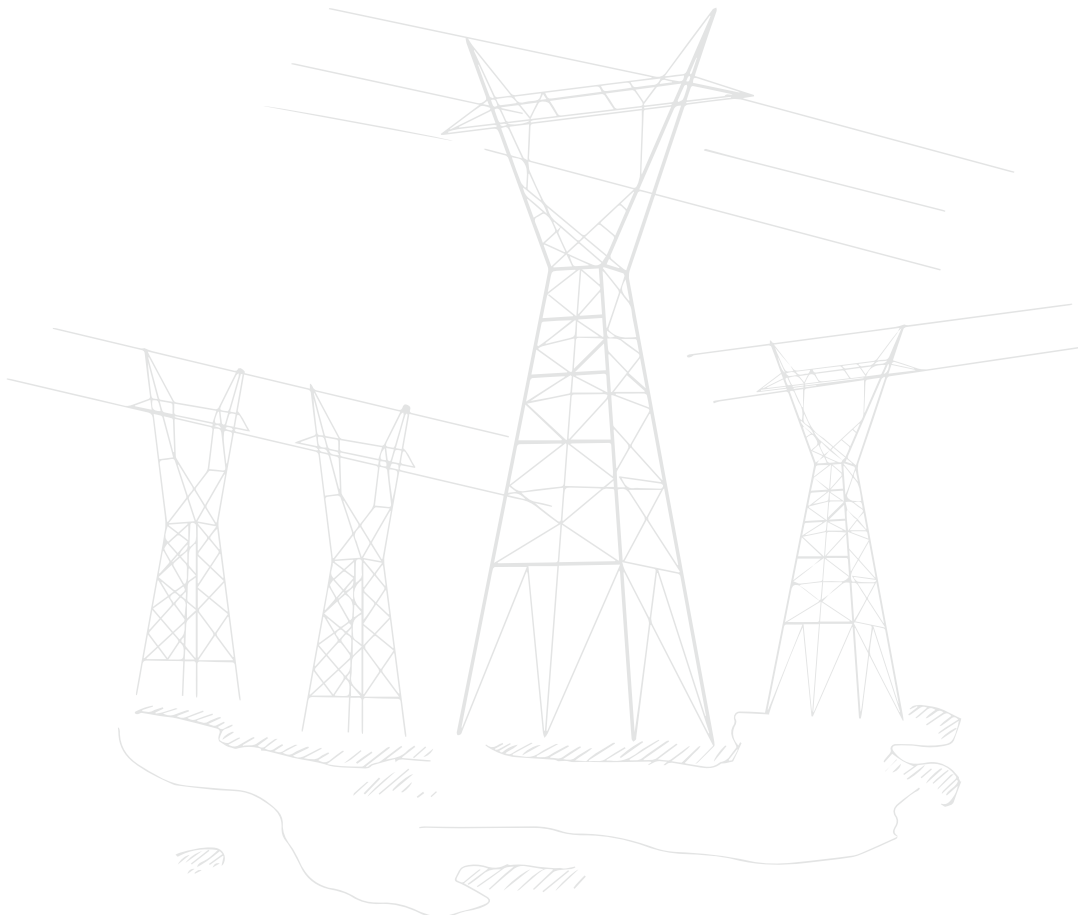
Albania

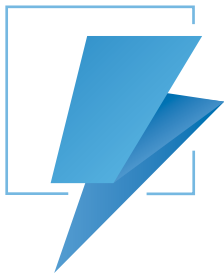
State of Energy Sector Reforms

Albania has advanced in terms of unbundling its distribution system operator for electricity, but the establishment of a power exchange is delayed. In the gas sector, the Trans Adriatic Pipeline (TAP) has become operational at the end of last year, yet without supplies to the national market. Auctions for renewable energy

projects continue successfully. The plans for comprehensive environmental protection of the rivers Vjosa and Valbona should be put in action. As other Contracting Parties, Albania needs to amend its legislation on environmental impact assessment.

Albania is in an excellent starting position for the Green Deal, with a power sector fully based on carbon-free hydropower. With the exception of traders, suppliers and a number independent hydropower and solar producers, the players on the electricity market are all state-owned. Albania is a transit country for the TAP, and hopes to increase the role of gas in its domestic energy mix as well. Discussions on making the Vlora power plant operational and connecting it to gas have not yielded concrete results. The production of electricity from solar plants is yet to begin. Like all Western Balkan Contracting Parties, Albania is well interconnected with its neighbours.





Albania Electricity

Electricity Implementation

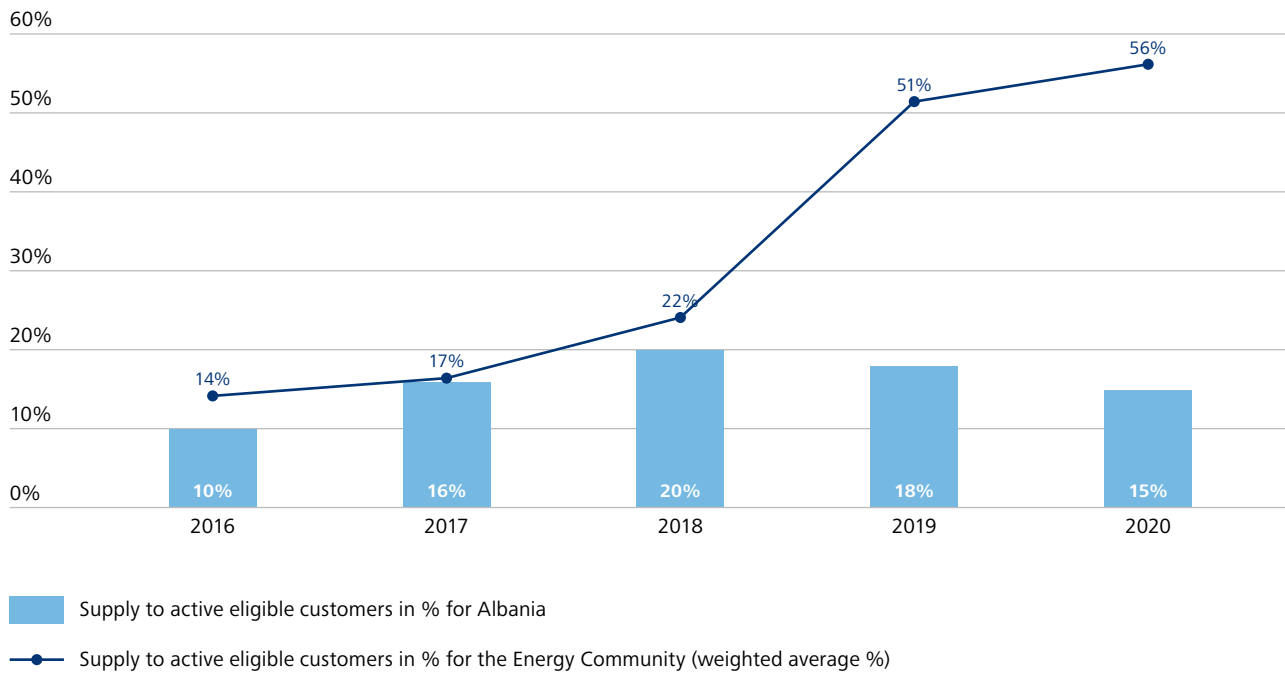
Electricity Indicators	Transposition Assessment	Implementation Status	Descriptions
Unbundling			The transmission system operator is unbundled and certified. The distribution system operator is legally unbundled.
Access to the system			Network access tariffs are approved and published. The Connection Network Codes are transposed but not implemented despite the expiry of the deadline. The Transparency Regulation is transposed and partially implemented.
Wholesale market			As long as there is no power exchange, competition is distorted by a public service obligation. A competitive balancing market is operational as of April 2021. The REMIT Regulation was transposed.
Retail market			All customers below 35 kV continue to be supplied by the universal supplier at regulated prices without the possibility of switching. The distribution system operator published standard load profiles in April 2021.
Regional integration			Cross-border capacities are allocated through the Coordinated Auction Office in South East Europe (SEE CAO), except split auctions on the interconnection with Serbia. The transmission system operators of Albania and Kosovo* implemented a common dimensioning of the balancing reserve within the Albania - Kosovo* (AK) control block, as well as joint provision of secondary control.

Albania has not made further progress in the full opening of the wholesale and retail market, with the notable exception of the balancing market.

Unbundling of the distribution system operator, which is subject to an infringement case since 2017, is still ongoing. While legal unbundling was ensured by the restructuring of the former integrated utility OSHEE into a holding of three subsidiaries, licensed respectively as universal service provider (FSHU), electricity supplier (FTL) and distribution system operator (OSSH), functional unbundling is still to be completed. In December 2020, the compliance programme of OSSH was approved by the national regulatory authority (ERE), but the monitoring of its implementation and appointment of a compliance officer is pending. The statute was amended to grant independent decision-making rights to the distribution system operator related to network management and network development.

Development of competition in the wholesale market is impeded by a non-compliant public service obligation replicating a bulk contract between state-owned companies. Under that scheme, the supplier FTL purchases electricity from the generation company KESH and renewables producers, and sells it to FSHU for needs of universal supply and to OSSH for covering distribution losses, respectively. This concerns 86% of the total electricity consumption in 2020. Such a practice eliminates the possibility for market participants to compete for these volumes. All customers below 35 kV continue to be supplied by the universal supplier, despite that the deadlines set by the Electricity Law for these customers to enter the free market have expired. Furthermore, the distribution system operator has not yet informed these customers that metering requirements for them to enter the free market were fulfilled. To allow customer switching without interval meters, the distribution system operator OSSH started publishing standard load profiles as of April 2021.

Retail Market Opening



Source: Ministry of Infrastructure and Energy, compiled by the Energy Community Secretariat

The establishment of the day-ahead and intraday market is again delayed. The Albanian power exchange company ALPEX, which is responsible for setting up these markets both in Albania and in Kosovo*, is currently tendering for a service provider of electronic trading platforms and corresponding services. After two unsuccessful attempts, ALPEX has launched a third tender which is suspended due to a complaint. The day-ahead market in Albania should be operational after nine months, and the coupling with Kosovo* should commence 11 months upon signature of the contract with the successful bidder.

A major development in the electricity market was the start of a competitive balancing market as of April 2021, when balancing rules approved by ERE in 2020 entered into force. Frequency restoration reserve (FRR) is procured through weekly auctions, with four balancing service providers active so far. Balancing capacity is procured based on pay-as-bid, while for balancing energy the marginal price is used (with no price caps applied).

In addition, common dimensioning of FRR has been implemented with Kosovo* pursuant to the agreement establishing the Albania - Kosovo* (AK) control block. Automatic FRR (aFRR) is procured and activated jointly for both transmission system operators, while manually activated FRR is procured separately. A balance group arrangement between KESH and HPP Ashta ended the long-standing dispute on balance responsibility of their mutually cascading assets. The dispute was mediated by the Secretariat's Dispute Resolution and Negotiation Centre.

Implementation of the Transparency Regulation is still to be completed. Most recently, balancing market data started to be published on the ENTSO-E Transparency Platform.

All three network codes on network connections were transposed by ERE in 2018, however, transmission and distribution network codes are still to be aligned. Most recently, ERE transposed the REMIT Regulation in May 2021.



Albania

Gas

Gas Implementation

Gas Indicators	Transposition Assessment	Implementation Status	Descriptions
Unbundling			The TAP certification conditions were fulfilled before its commercial operational date on 31 December 2020. The domestic transmission system operator Albgaz was certified but the conditions in the certification decision are not yet implemented.
Access to the system			Network Codes are transposed and operationalised by TAP and Albgaz in separate codes. Implementation of third party access is performed only by TAP, in line with the exemption conditions.
Wholesale market			There is no national natural gas market. The REMIT Regulation was transposed.
Retail market			Despite the lack of a national gas market, secondary legislation regulating supply to customers was developed.
Interconnectivity			Following the operation of TAP, Albania is formally connected to gas markets. Gas emergency rules are in place. The Gas Law was amended in 2021 to transpose some elements from Regulation (EU) 2017/1938 on security of supply.

Building on the regulatory framework of the 2015 Gas Law, the start of the commercial operation of the Trans Adriatic Pipeline (TAP) in late 2020 is the most important event for the development of Albania's gas market so far. TAP, which at the moment transits gas from Azerbaijan to Italy via Albania, is certified under the independent transmission operator model following an exemption decision, and has fulfilled all certification conditions before the operational date. The on-going construction of exit facilities of TAP towards a future Albanian network is another milestone for the country's ambition to establish a gas market. In spite of the positive momentum, there was no progress in Albania developing its own gas infrastructure.

Albgaz, a state-owned company established to kick-start gas penetration in Albania, has not commenced any activities so far. It adopted the network code approved by the regulatory authority, ERE, and was unbundled and certified under the ownership model as a combined operator for transmission and distribution. Not having any meaningful infrastructure for transmission and distribution in place means that Albgaz' network code remains unimplemented in practice. In addition, Albania failed to address the certification decision's conditions requiring

the complete transfer of competences over investment decisions to the ministry exercising control over Albgaz.

TAP implements its own network code, in line with the exemption decision. It has performed the first market test and concluded that at present there is no need for additional capacity. The new phase of the 2021 market test is in progress.

ERE has progressed with the finalisation of all necessary secondary acts under its competences; it transposed the REMIT Regulation and the gas Network Codes. During the reporting period, ERE adopted metering, LNG and storage codes, as well as rules on public supply and exemptions.

Albania did not progress with the implementation of its Gas Master Plan since its adoption three years ago. The country lacks focus and coherent actions. Most notably, this is evident in the failure of Albgaz to come up with any viable solutions. The Government has not implemented its plan to switch the non-operational TPP Vlore from oil to gas, a project that has been high on Albania's agenda for many years. Albania's potential demand for gas – especially in the industrial sector – remains untapped.

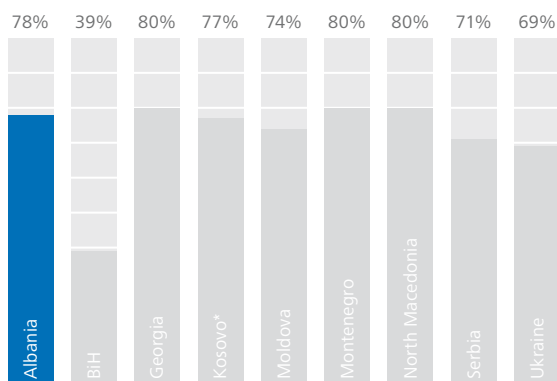


Albania

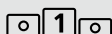
National Authorities



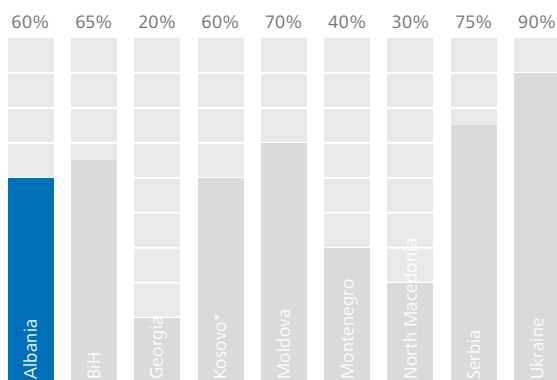
Regulatory Authority



The Energy Regulatory Entity (ERE) issued decisions that contributed to the better functioning of the retail and wholesale electricity market such as on the use of standardized load profiles. ERE also launched steps for implementation of the REMIT Regulation, approved rules for designation of the NEMO in line with EU practice, and decided on kicking-off balancing market operation in April 2021. However, a complaint about third party access and supplier switching, while finally closed, is evidence of lack of effective functional unbundling of the distribution system operator and raises concerns about regulatory independence. Moreover, the regulator neither enforced full opening of the electricity retail market nor made available a price comparison tool for customer switching. A methodology for the calculation of the renewable energy surcharge to be paid by all final consumers of electricity is pending.



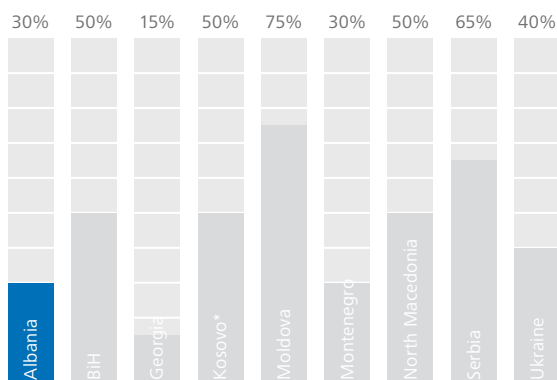
Competition Authority



The activities of the Albanian Competition Authority (ACA) in the energy sector mainly focus on opinions and recommendations regarding compliance of decisions by ERE with the Law on Protection of Competition. However, full compliance with the Treaty's obligation on enforcement of the competition acquis requires more rigorous enforcement activity by ACA.



State Aid Authority



The institutional structure and the enforcement mechanism continue to be a cause of concern. Staff originally assigned to the State Aid Control Unit (SACU), which provides technical and administrative support to the decision-making body (the State Aid Council, SAC), was transferred to other departments; they only provide support to the SAC on an ad hoc basis. Furthermore, the independence of the members of the SAC from the Ministry of Economy and Finance is questionable. Full compliance with the Treaty's obligations in the area of State aid would require an independent State aid authority with sufficient human and technical resources which actively enforces the acquis.



Albania Oil

Oil Implementation

Oil Indicators	Transposition Assessment	Implementation Status	Descriptions
Stockholding obligation			Albania's current emergency oil stockholding system is assigned to the oil industry (oil refineries and wholesale oil companies), which is required by law to hold stocks equal to at least 90 days of average annual sales. The system is not compliant with Directive 2009/119/EC. A draft Law on the Establishment, Maintenance and Management of Security Minimum Stocks of Crude Oil and Petroleum Products was prepared in 2018.
Emergency procedures			The measures to be taken in the event of a petroleum emergency have been laid down in the new draft Law. The Government is tasked to draft the National Response Plan, which should include among other measures the determination of the market price and detail the use of security stocks.
Fuel specifications of petrol, diesel and gas oil for non-road mobile machinery (NRMM)			Starting from 1 January 2009, only petrol and diesel fuels that meet the requirements of European standards are permitted to be placed into the market and used in road vehicles. The sulphur content limit in gas oil for NMRR is not defined by law.
Monitoring compliance and reporting including the lay down the rules on penalties			A system for fuel quality control is in place and specified in legislation. Fuel quality monitoring is ensured through Annual Monitoring Programmes.

For the fourth year in a row, Albania failed to adopt the draft Law on the Establishment, Maintenance and Management of Security Minimum Stocks of Crude Oil and Petroleum Products. The draft Law continued to be discussed by stakeholders, but no progress was achieved during this reporting period. The current oil stockholding system is not compliant with Directive 2009/119/EC.

The main provisions of Directive 98/70/EC were transposed into Albanian legislation through the Government's Decision on the Quality of Fuel, Petrol and Diesel. Legislation to ensure that sulphur content in gas oil for non-road mobile machinery (NMRR) is less than 10 mg/kg is scheduled to be adopted within the second half of 2022.



Albania

Renewable Energy

Renewable Energy Implementation

Renewable Energy Indicators	Transposition Assessment	Implementation Status	Descriptions
National Renewable Energy Action Plan			The share of renewable energy sources in Albania's energy consumption reached 36,67% in 2019. The deadline to meet the 2020 target of 38% was unilaterally extended until the end of 2021.
Quality of support schemes			The Renewables Law defines support schemes in the form of administratively set feed-in tariffs (FiT) and Contracts for Difference (CfD). Auctions with a fixed purchase price were conducted, envisaging conversion into CfD once a day-ahead market is operational. All renewable producers were made balance responsible on 1 April 2021. However, producers under support scheme have not yet taken balance responsibility in practice.
Grid integration			Renewable energy producers enjoy guaranteed and priority access to the grid. The network operators have developed medium and long-term plans to accommodate new renewable electricity generators to the grid.
Administrative procedures and guarantees of origin			No progress has been made to simplify administrative procedures and establish a one-stop shop. Albania has expressed interest to join the Energy Community regional initiative to establish an electronic system for guarantees of origin.
Renewable energy in transport			Provisions related to sustainability of biofuels are still not transposed and the legal framework remains completely non-compliant with Directive 2009/28/EC. Thus, biofuels, which presently make up more than 10% of the fuel market, cannot be calculated towards the target.

Albania proceeded with the implementation of auctions for renewable energy projects and drafted amendments to the existing legislation to provide clarity on the support scheme. Although the electricity sector is almost completely renewable in Albania, additional efforts are needed, in particular in heating and cooling as well as in the transport sector, to reach the overall 2020 renewables target.

In February 2021, Albania adopted a decision to prolong the revised National Renewable Energy Action Plan (NREAP) and to extend the 2020 renewable target until the end of 2021, with the aim to bridge the gap until targets for 2030 are adopted.

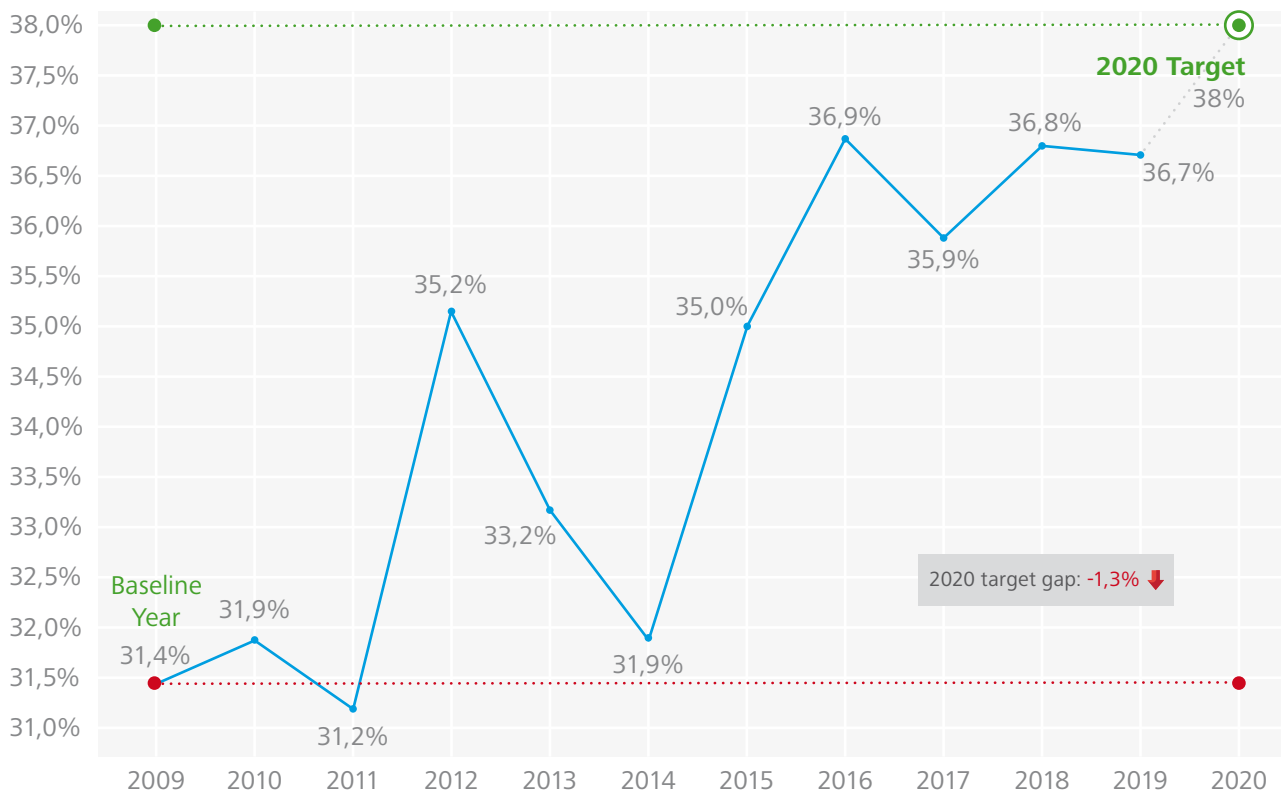
Albania's legislation enables a net-metering scheme for consumers with installed capacity up to 500 kW. Surplus electricity can be sold to the universal service supplier. However, it is not yet implement-

ed and the methodology that should define the price at which the surplus is to be redeemed is yet to be adopted.

Although envisaged by the Renewables Law, the appointment or creation of an agency responsible for renewable energy sources, which, among others, would be in charge of keeping a register of priority producers and their energy balances, has not taken place yet. The same goes for the Renewable Energy Operator, which is to act as counterparty for projects under the support scheme.

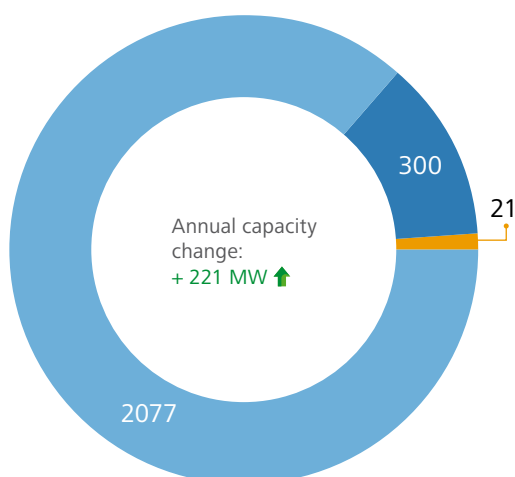
Following the progress made in conducting auctions, Albania should focus on updating its legal framework to assure clarity and predictability of the support scheme. Other priorities should be the transposition of provisions related to sustainability of biofuels and establishment of a functional electronic system for guarantees of origin.

Shares of Energy from Renewable Sources



Source: EUROSTAT

Total Capacities of Renewable Energy 2020 (MW)



- Large hydropower
- Small hydropower <10 MW
- Solar

Source: Ministry of Infrastructure and Energy

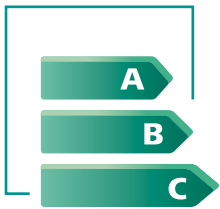
Albania's high dependence on hydropower means hydrology has a significant impact on the achievement of the 2020 target. According to the amendments to the NREAP, additional efforts are envisaged for the diversification of the electricity sector by adding 490 MW of solar PV, 150 MW of wind and 57 MW of hydropower energy by the end of 2021.

In March 2021, the Albanian Ministry of Infrastructure and Energy announced the winner of the auction for the solar power plant Spitalle with a bid of 29,89 EUR/MWh. 70 MW are envisaged to be supported via an offtake agreement for 15 years, while an additional 30 MW will be sold on the market. A power purchase agreement (PPA) is signed and being implemented.

In June 2021, Albania announced a 100 MW wind auction. Bidders can compete with projects between 10 MW and 75 MW and the winners will be awarded a 15-year power purchase agreement. Developers are invited to submit their qualifications by June 2022. This will be followed by a request for proposals from applicants successful in the first phase.

Total capacities of renewable energy (MW):

2398



Albania

Energy Efficiency

Energy Efficiency Implementation

Energy Efficiency Indicators	Transposition Assessment	Implementation Status	Descriptions
Energy efficiency targets and policy measures			Amendments to the Energy Efficiency Law adopted in March 2021 transposed Directive 2012/27/EU. 2030 energy efficiency targets as well as renovation targets for public buildings are to be set as part of the NECP. Targets and policy measures for the energy efficiency obligation have not been developed. The fifth Annual Progress Report was not submitted to the Secretariat.
Energy efficiency in buildings			Albania adopted by-laws implementing the 2016 Law on Energy Performance of Buildings, including the methodology for calculation and setting of minimal energy performance requirements and certification of buildings. A long-term building renovation strategy has not been adopted.
Energy efficiency financing			No financing framework (state fund) for energy efficiency exists. Amendments to the Energy Efficiency Law promote the development of the ESCO market, with a strong facilitating role by the Energy Efficiency Agency. Several international technical assistance and investment programmes support energy efficiency improvements, especially in the buildings sector.
Energy efficient products - labelling			There was no progress with respect to updating existing, or adopting new regulations as required by the Ministerial Council Decisions adopted in September 2014 and November 2018.
Efficiency in heating and cooling			Albania has no district heating or cooling systems. The 2021 amendments of the Energy Efficiency Law envisage development of guidelines and a comprehensive assessment of the potential for the application of high-efficiency cogeneration and efficient district heating and cooling by April 2022.

Albania made progress with the adoption of legislative amendments transposing Directive 2012/27/EU and the adoption of by-laws implementing the Energy Performance of Buildings Directive. Progress was also achieved in implementation of energy audits and production of first building energy performance certificates.

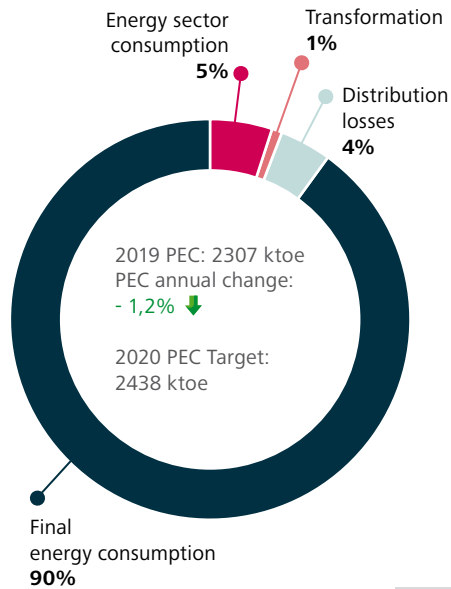
With primary legislation in place, Albania should shift its focus to implementation: adoption of by-laws to implement the Energy

Efficiency Law, including establishment of the energy efficiency obligation scheme, as well as a monitoring and reporting mechanism. The adoption of the new labelling regulations also remains a priority.

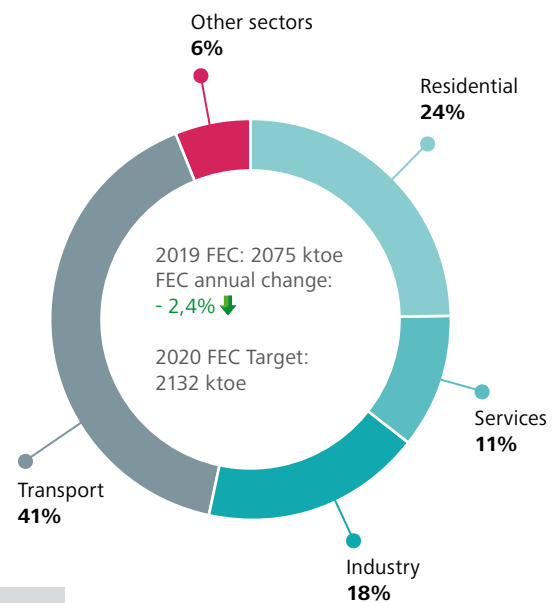
The country should focus on the timely finalization and adoption of its integrated National Energy and Climate Plan (NECP), which is important for the design and implementation of the energy efficiency targets and policy measures by 2030.

2019 Energy Efficiency Indicators and Trends

Primary Energy Consumption (PEC)



Final Energy Consumption (FEC)



Energy intensity,
2019 value and trends:
0,21 ktoe/mil EUR, -2,1% ↓

Source: EUROSTAT 2021 data and Contracting Party's Reports

Energy Efficient Products – Overview of Implementation of Labelling Regulation

FRAMEWORK REGULATION*											
Household dishwashers	●										
Fridges and freezers*		●									
Household washing machines			●								
Televisions				●							
Air conditioners and fans*					●						
Household tumble driers						●					
Electrical lamps and luminaires							●				
Solid fuel boilers*								●			
Space heaters*									●		
Water heaters & storage tanks										●	
Domestic ovens and range hoods											●

● Adopted and implemented ● Compliance or implementation issues detected ● No progress with adoption/implementation

* The new labelling package adopted by the Ministerial Council in November 2018 was assessed, as the transposition deadline expired in January 2020.

Source: multiple sources of data (EECG reports, NEEAPs etc.), compiled by the Energy Community Secretariat



Albania

Environment

Environment Implementation

Environment Indicators	Transposition Assessment	Implementation Status	Descriptions
Environmental impact assessment (EIA) and strategic environmental assessment (SEA)			The current EIA legal framework is only partially compliant with the acquis. The EIA Law needs to be aligned with Articles 8 and 8(a) of the EIA Directive. Secondary legislation on EIA must be adopted to ensure the Law's implementation. The SEA of plans and programmes should be conducted in parallel with the drafting of such documents.
Sulphur in fuels			Albania must ensure that the testing of fuels falling under the scope of the Directive are carried out in accordance with the standards stipulated in the transposing legislation. Secondary legislation on the quality control of sampling and analysis of the fuels is still not adopted.
Large combustions plants and industrial emissions			The thermal power plant Vlora is still not in operation, and plans to convert it into a gas-fired plant have not materialized. As any new plant, it would have to comply with the emission limit values of the Industrial Emissions Directive.
Nature protection			Borders and categories of 44 protected areas are defined by a decision of the National Territorial Council, including new areas like the Vjosa river. Individual designation decisions for each site to determine its management have not been adopted by the Government. The country's policy of limiting the development of energy projects in protected areas is in line with the goals of the Birds Directive. The capacities of the national authorities, in particular the supervisory authority and prosecutors, should be strengthened.
Environmental liability		n/a	The Law on Environment transposes most provisions of the Environmental Liability Directive into national law. Adoption of secondary legislation is still necessary to achieve full alignment with the Directive.

Amendments to the Law on Environmental Impact Assessment (EIA) were adopted in late 2020. However, they are still not in line with Articles 8 and 8(a) of Directive 2014/52/EU. Secondary legislation, in particular by-laws on certification of EIA experts and EIA screening criteria, is lacking. Concerns raised by the Secretariat related to the possibility of approving a project contrary to the decision on the preliminary EIA or the environmental EIA statement have not been addressed. Furthermore, the prospects of hydropower development on the Valbona and Vjosa rivers remain unclear. Early and effective consultations with the public as well as with other relevant national authorities in the decision-making process should be supported by various traditional and modern media and information channels.

The strategic environmental assessment (SEA) procedure for the draft NECP was initiated. SEAs should be synchronized with the preparation of the plan or programme in order to secure integration of environmental considerations.

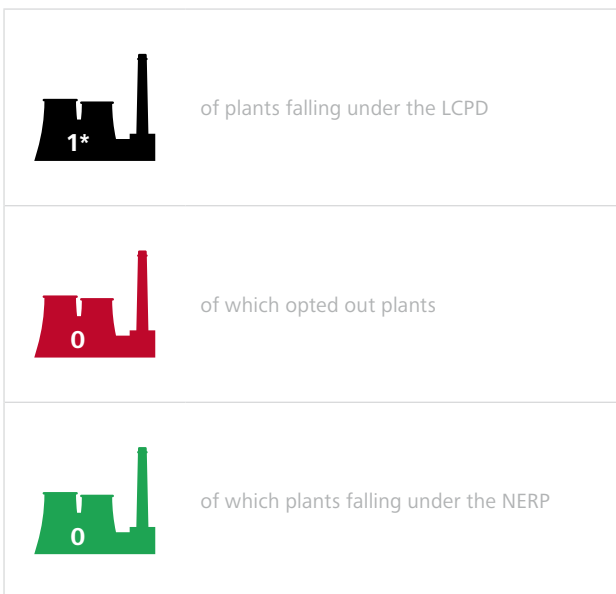
The Decision on the Quality of Certain Liquid Fuels Used for Thermal, Civil, Industrial Use and Sea Transport of June 2019 transposes the Sulphur in Fuels Directive, including provisions on marine fuels. Ministerial level decisions to implement and enforce the obligations for reduction of the sulphur content of certain liquid fuels, especially with regard to the provisions on sampling and analysis, are missing.

The only large combustion plant in Albania, the thermal power plant Vlora, is not in operation. The tender for awarding a concession for the plant was cancelled in early 2020. The project for the Fier-Vlora gas pipeline was launched in June 2020 and is still in a preparatory stage. One of the expected results of this project is to enable the plant to switch its fuel to natural gas. Such a modification is considered as a substantial change and must be made subject to an environmental impact assessment procedure. Furthermore, the new plant must comply with the emission limit values of the Industrial Emissions Directive.

On 28 December 2020, the National Territorial Council adopted a Decision on the approval of the borders of protected areas. Forty-four protected areas were identified by the Decision, including new areas like the Vjosa river classified as a nature

park/nature managed reserve – a category IV protected area. Individual protection decisions by the Government and management plans for each site should follow. The Government should increase the proposed protection categories for some areas, like the Vjosa river, where the international expert community assesses that a higher protection category should apply. National protected areas as well as Emerald sites were identified as no-go zones for the future development of wind farms in the latest call for auctions. The five-year ban on hunting, including the hunting of wild birds, was extended for a further five years. Although amendments introduced to the Criminal Code of Albania in 2019 include two types of criminal penalties for endangered wild fauna, the national capacities of the investigators and prosecutors remain low and insufficient.

Installations under the Large Combustion Plants Directive



* not in operation

Source: compiled by the Energy Community Secretariat



Albania Climate

Climate Indicators	Transposition Assessment	Implementation Status	Descriptions
National greenhouse gas emissions monitoring and reporting systems			The Climate Change Law was adopted in December 2020. Draft secondary legislation on a mechanism for monitoring and reporting of GHG emissions is expected to be approved by the Government in the fourth quarter of 2022; this is required to transpose Monitoring Mechanism Regulation (EU) 525/2013.
National Energy and Climate Plans (NECPs)			As the second Contracting Party, Albania submitted a draft NECP to the Secretariat for formal recommendations in July 2021.

Albania's revised National Determined Contribution (NDC2) was finalized, adopted by the Government and submitted to the UNFCCC. The first Biennial Update Report was also finalized in the course of the year and submitted to the UNFCCC Secretariat. For the first time, it will be accompanied by a National Inventory Report, providing detailed information regarding the national GHG inventory for the years 2010 - 2016 and a revision of the inventory results for the year 2009. The fourth National Communication is expected to be finalized in early 2022. Albania joined the Powering Past Coal Alliance despite having no coal in its national energy mix.

In 2019, the Government endorsed the National Climate Change Strategy, which is the country's low carbon-development strategy within the meaning of the Paris Agreement. A Climate Change Law was adopted in December 2020. A law on

fluorinated gases is currently under preparation and expected to be finalized by December 2021.

Albania is not fully compliant with Regulation (EU) 525/2013. The Ministry of Tourism and Environment currently drafts secondary legislation on a mechanism for monitoring and reporting of GHG emissions to be approved by the Government in the fourth quarter of 2022, including the institutionalization of a national GHG inventory system (currently project-based).

The Climate Change Law establishes the legal basis for the NECP, albeit provisions on its role and function as well as details on updates are missing. The draft NECP was submitted for formal recommendations to the Secretariat in July 2021. The strategic environmental assessment process was started in late summer 2021.



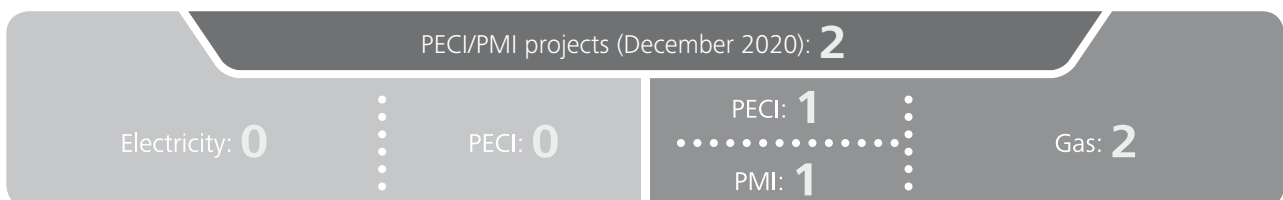
Albania Infrastructure

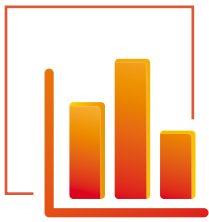
Infrastructure Implementation

Infrastructure Indicators	Transposition Assessment	Implementation Status	Descriptions
National competent authority		<div style="width: 70%;"><div style="width: 70%;"></div></div> 70%	It is unclear whether the Ministry of Infrastructure and Energy, designated as the national competent authority, fulfils all tasks assigned to it.
Manual of procedures		<div style="width: 0%;"><div style="width: 0%;"></div></div> 0%	The manual of procedures has not been published to date.
National regulatory authority involvement		<div style="width: 0%;"><div style="width: 0%;"></div></div> 0%	The regulator has not published the methodology and evaluation criteria to be used to evaluate infrastructure investments.

There was no progress in the implementation of the Decision on the Approval of Practices for the Promotion of Joint, Regional Investment in the Energy Infrastructure adopted in 2018 that transposed Regulation (EU) 347/2013. The Decision obliges the national competent authority to define and publish the manual of procedures and to annually inform the Electricity and Gas Groups, including the Secretariat, about the realization and current status of Albanian regional PECI/PMI projects. It has failed to do so. It is necessary to update the Law on Power Sector as it currently fails to task the national regulatory authority with defining and publishing the methodology and criteria to evaluate investments in electricity and gas and the higher risks incurred by them.







Full implementation of the Regulation in Albania is important due to its potential to facilitate the realization of ongoing strategic infrastructure projects, particularly the 400 kV OHL interconnection between Albania and North Macedonia (PECI 2018, under construction). The project is expected to improve security of supply and overall operation of the energy system of Albania, as well as positively influence the regional market and its coupling. The same goes for the ongoing preparations for gasification and gas infrastructure projects, especially the ALKOGAP project (PECI 2020) and the Ionian Adriatic Pipeline (PMI 2020).





Albania Statistics

Statistics Implementation

Statistics Indicators	Transposition Assessment	Implementation Status	Descriptions
Annual statistics			The five annual questionnaires and the questionnaire on final energy consumption of households for 2019 were transmitted to EUROSTAT.
Monthly statistics			Monthly data on coal and petroleum products and all short-term data are missing.
Price statistics			Biannual prices of electricity charged to end-users in 2020 as well as the breakdown of price components were not reported to EUROSTAT.

Compliance with the statistics acquis in Albania declined in 2021 due to missing datasets of statistics on electricity prices.

Official statistics in Albania are in the competence of the national institute for statistics (INSTAT). However, by means of a Government decision, the National Agency for Natural Resources (AKBN), established in 2006 under the Ministry of Economy, Trade and Energy, is tasked to collect, compile and disseminate energy statistics in accordance with best international practice.

As regards annual energy statistics, including quality reporting, Albania has implemented the requirements of the acquis. AKBN has been compiling annual energy balances and annual questionnaires and submitting them to EUROSTAT in accordance with the acquis. AKBN has also reported to EUROSTAT the preliminary data for 2020.

The breakdown of energy consumption of households has also been prepared, transmitted to EUROSTAT and published. The quality report is prepared and published in accordance with the acquis.

Concerning monthly statistics, oil, electricity and natural gas data are available and transmitted to EUROSTAT, although the timeliness of transmission is not duly observed. Monthly oil data, except for secondary products and oil stocks, are submitted to

EUROSTAT and to the JODI database through the UN Statistical Division. Monthly oil statistics defined in Annex C of Regulation (EC) 1099/2008, with the view to monitor stock building obligations under the oil acquis, remain unsatisfactory. Monthly coal data are not available yet.

The prices of electricity charged to end-users in 2020 were not transmitted to EUROSTAT in accordance with the acquis. Data was transmitted until first semester 2019 for households and until second semester 2019 for industrial end-users. The breakdown of electricity prices for both households and industry in price components is still missing.





In 2020, AKBN started to collect data on prices charged to industrial end-users, as well as the breakdown of electricity prices per component pursuant to Annex II to Regulation (EU) 2016/1952. The breakdown of price components for 2020 has been prepared, but not transmitted to EUROSTAT for publication on time.

The priority should be given to transmitting the price data to EUROSTAT in the prescribed format and within the defined timelines, as well as completion of monthly data reporting. The responsible institution should be equipped with the necessary human and financial resources in order to fulfil the remaining tasks in a timely manner.



Albania Cybersecurity

Cybersecurity Implementation

Cybersecurity indicators	Transposition Assessment	Implementation Status	Descriptions
Institutions and legislation			Albania has partially transposed the cybersecurity acquis. The responsible authority NAECCS operates as the national CSIRT. Only power system operators are considered as owners of critical information infrastructure. Other energy operators should be included. An energy CSIRT should be established.
Requirements for operators and energy regulatory authority			The Law on Cybersecurity defines security measures and corresponding obligations, while cybersecurity risk assessment is conducted by NAECCS. The obligations are implemented by corresponding acts of both regulators, NAECCS and the energy regulator ERE. Measures for inter-sectoral and regional cooperation and increasing transparency are lacking.

The main legal act relevant for cybersecurity in the energy sector is the Law on Cybersecurity of 2017, which partially transposes Directive (EU) 2016/1148 and Directive 2008/114/EC, with cross-border and regional cooperation missing.

The National Authority for Electronic Certification and Cyber Security (NAECCS) was established in 2017 as a cybersecurity authority responsible for all sectors of the economy, including energy. It acts as a national focal point, cybersecurity regulator and the single Computer Security Incident Response Team (CSIRT). All Critical Information Infrastructure (CII) operators are required by the Law to establish CSIRT teams and adopt minimum security measures, which are reported and audited by NAECCS. An energy-specific CSIRT does not exist.

Based on the Law and the ENISA Methodology, NAECCS maintains a list of CII operators for all public services. In 2020, the list was approved by the Government. The communication and data infrastructures of the operators for electricity (OST, OSSH and KESH) are included.

NAECCS is also responsible for risk assessment and specifies the organizational and technical measures that all CII operators, including for energy, should follow in order to increase

the cybersecurity level. The applied methodology does not distinguish energy-specific risk assessment and management measures from other measures.

Based on its competence to promote security of energy supply, the energy regulator ERE adopted the Regulation on Cybersecurity of Critical Infrastructures in the Power Sector in 2020. It sets the terms for implementation of the obligations imposed by the Law on Cybersecurity and NAECCS's Regulation on the content and method of documenting security measures, including reporting obligations and establishment of a sectoral CSIRT.

Cybersecurity incidents notification obligations of CII operators are stipulated in the Law on Cybersecurity and subject to penalties. NAECCS has implemented an online system for their management.

A new National Strategy for Cybersecurity, adopted in December 2020, defines policy objectives also for the energy sector and aims to further align the national legal framework with EU directives and regulations. It also envisages strengthening institutional collaboration and international cooperation with strategic partners in cybersecurity and cyber defence.