

BOGA & ASSOCIATES

NEWSLETTER

To keep you up to date with the latest legal and economic developments, this newsletter prepared by our Team provides information that may affect the operation of your business in Albania.

New Draft Law "On the Promotion of the Use of Energy from Renewable Sources"



New Draft Law "On the Promotion of the Use of Energy from Renewable Sources".

The Ministry of Infrastructure and Energy in Albania has introduced a new draft law "***On the promotion of the use of energy from renewable sources***". The new law is expected to repeal law no. 7/2017, "*On the promotion of the use of energy from renewable sources*" in order to align the Albanian law with the Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 "*On the promotion of the use of energy from renewable sources*". The purpose of this draft law is to promote the increase in the use of energy from renewable sources to ensure a sustainable development in Albania and comply with the obligations under the Energy Community Treaty. It also aims to reduce the import of fossil fuels, the emission of greenhouse gases, protect the environment, and increase the diversification of energy sources and the security of supply of electricity in Albania among others.

The Draft Law introduces a more flexible treatment of renewables self-consumer. The current law provides that, in accordance with the metering scheme, a small or medium-sized utility or a household customer can install a total capacity of up to **500 kW** for the production of electricity from renewable sources (wind or solar) to cover part or all of the energy needed for personal/business needs and inject the excess energy produced into the distribution grid.

The new draft law stipulates that renewable self-consumers will have a maximum capacity of **500 kW** and will have the right to generate, consume, store and **sell excess production of renewable electricity**, including through bilateral agreements, electricity suppliers and trade agreements with counterparts, without facing discriminatory or disproportionate burdens.

The rights and responsibilities of renewable self-consumers will be defined in a decision of the Council of Ministers.

The decision of the Council of Ministers, shall provide, among others:

- The renewable self-consumer compensation scheme based on the net billing methodology;
- The application procedure for renewable self-consumers, including the relevant deadlines;
- Technological and technical requirements including, but not being limited to, necessary improvements of metering system to make possible the implementation of the compensation scheme;
- Rules for the sale of self-generated energy;
- Remuneration for electricity generated by self-renewable consumers determined by ERE in accordance with the decision of the Council of Ministers;
- The price of electricity generated by renewable self-consumers must ensure a fair compensation that reflects the market value of the energy supplied to the network and will avoid cross-subsidies or unfair discrimination between renewable self-consumers and other customers. The price of electricity also takes into consideration the costs incurred for transmission, distribution and balancing system;
- The annual period that will serve to measure their production.



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WTR1000 2022: Top Ranked in Trademarks

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Boga & Associates

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The firm's particularity is linked to the multidisciplinary services it provides to its clients, through an uncompromising commitment to excellence. Apart from the widely consolidated legal practice, the firm offers the highest standards of expertise in tax and accounting services, with keen sensitivity to the rapid changes in the Albanian and Kosovo business environment. The firm delivers services to leading clients in major industries, banks and financial institutions, as well as to companies engaged in insurance, construction, energy and utilities, entertainment and media, mining, oil and gas, professional services, real estate, technology, telecommunications, tourism, transport, infrastructure and consumer goods.