“I would put my money on the sun and solar energy”, by Thomas Edison, 1931
Legal Assessment on the Electricity Generation Capacity Development in Albania

Adv. Lorenc Gordani, PhD
Law Adviser in Energy Policy, Regulation & Infrastructure

The Main bullet Points Covered:

- Regional Targets and Bidding Obligations
- Statistical Findings on Demand Request and Investments
- Hydropower Policy, a failure or success, in Albania?
- A Revolution Era of Photovoltaics Deployment!
- New Projections on the Conventional Power Plants
- Overall Conclusions
Share of RES in Gross Final Energy Consumption (GFEC) by Eurostat 2015 - Source ACERC

Res share in GFEC

YEAR TIME LINE

PERCENTAGE OF SHARE IN THE TOTAL OF GFEC

0 5 10 15 20 25 30 35 40


RES share in GFEC 28.1 30.7 32.1 32.8 32.9 31.4 32 31.4 32.6 35.2 33.2 32 34.9

Indicative trajectory 32.6 32.6 33.2 33.2 33.2 34.3 34.3 34.3 34.3 35.6 35.6 35.6 38 38

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Electricity Consumption Developing Scenarios

Growth Rate 1.5 and 3% - Source ACERC

Reference Scenarios (ERE)
Scenarios Sled SEE 2016

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Various Regimes Across EU & WB Countries in Granting Investment of HPPs

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WBs Institutional and Organizational Framework under the Regime of Concession/PPP

Many Type of Rights

- Permits
- Licences
- Authorisations
- Concessions PPP

Strong economic impact through the legal procedures!

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PPP as a Regime Build to Attract the Favor of Private and Foreigner Investors

Freely negotiate terms of CA based in financial modelling with IRR at 16-22%

PPA guarantees the intake of all energy, based in "feed-in" model for a period from 15Ys

Permits release (up to 20) as a co-responsibility shared with the public authorities

Harmonized with the EU Directive 2004/18/EC

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HPPs Deployment Forecast Based at Modelling in the Electricity Sector of the SLED SEE 2016 by ACERC

<table>
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Axis Timeline

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Revolution Era of Photovoltaics Deployment in Albania!

Technical Potential: Albanian 240-300 days & exploitation of PV's production range over 1500-1800 kWh/m²/a

Legal Framework: favorably provision introduced with the new RES Law 7/2017

On 9 June MoU EBRD-ECS, international auction, up to 700MW (minimum 500 mil/€) of large-scale PV plants within 2020

May 2017, MoU MEI-EBRD, PPA by 100 €/MWh thought authorization up to 2MW for 50-100MW

Mid-spring 2017, NetMeeting, up to 500kV, simplify permission (maximum 30 days)

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New Projections on the Conventional Power Plants

**GMP 2017:** Consumption for electricity generation 770 mcm within 2040

**Albania Gas Master Plan (GMP) 2017:**
Total penetration rate of thermal demand to 1.5 bcm & 3 bcm within 2020 & 2040

**Back-up reserve:** already Valona CCGT 97 MW

**Capacity market:** Albpetrol pre-agreed on 0.3 bcm

New plans of CCGT Vlora II and III, 200 & 160 MW, foreseen to come online in 2020 and 2025

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Albanian Energy Mix Production and Demand of Electricity Forecast within 2030 - Source ACERC

<table>
<thead>
<tr>
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Thank You for Your Attention!

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