“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 Biding 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
- Forecast on the Future Scenarios by ACERC

Adv. Lorenc Gordani, PhD
Executive Director of ACERC
Share of RES in Gross Final Energy Consumption (GFEC) by Eurostat 2015 - Source ACERC

<table>
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<tr>
<th>YEAR</th>
<th>RES share in GFEC</th>
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<td>2020</td>
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</table>
Electricity Consumption Developing Scenarios
Growth Rate 1, 5 and 3% - Source ACERC

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Executive Director of ACERC
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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PPPs 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 guaranties 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 on Modelling in the Electricity Sector of the SLED SEE 2016 by ACERC

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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

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)

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

En.Trading 017 Seminar

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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

Adv. Lorenc Gordani, PhD
Executive Director of ACERC
Albanian Energy Mix Production and Demand of Electricity Forecast within 2030 - Source ACERC

<table>
<thead>
<tr>
<th>Year</th>
<th>Natural Gas</th>
<th>Photovoltaics</th>
<th>Reference HPP</th>
<th>Demand Request</th>
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Reference HPP

Photovoltaics

Natural Gas

Demand Request

GWH

Adv. Lorenc Gordani, PhD
Executive Director of ACERC
Thank You for Your Attention!