



THE ENERGY IN ALBANIA



Qendra e Eficiencës së Energjisë Shqipteri-B
Albania-EU Energy Efficiency Centre



THE ENERGY IN ALBANIA (NEWSLETTER)

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Inside this Issue

- TRAINING COURSE ON IMPROVING ENERGY DATABASE AT NATIONAL AND LOCAL LEVEL
- 6th BALKAN POWER CONFERENCE – BPC 2006
- NATIONAL AND REGIONAL ACTIVITIES RELATED TO THE ELECTRICITY AND GAS TRANSITION STRATEGY

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TRAINING COURSE ON IMPROVING ENERGY DATABASE AT NATIONAL AND LOCAL LEVEL

(.....Continued from previous issue.....)

3. Brief Summary of the Participants’ Learning Experience

The participants gathered a great experience in the following issues regarding energy database:

- National energy database & energy balance,
- Supply and consumption side of energy balance at national level for a year,
- Supply and consumption side of electricity balance at national level for a year,
- Supply and consumption side of solar, wood, small hydro balance at national level for a year,
- National oil, natural gas, coal energy database and their balance for a year,
- Energy consumption at household at prefecture/district/municipality level,
- Energy consumption at service sector at prefecture/district/municipality level,
- Energy consumption at industry sector at prefecture/district/municipality level,
- Energy consumption at transport sector at prefecture/district/municipality level,
- Energy consumption at agriculture sector at prefecture/district/municipality level,
- Thermal insulation of existing households stock in terrace, windows and outside walls,
- Construction of new households buildings according to the New Energetic Building Code,
- Penetration of LPG to supply space heating and cooking in households and sector,
- Penetration of solar water heaters in house-

holds sector in order to meet energy demand of domestic hot water,

- Introduction of better management and good housekeeping energy management in all end users of agriculture sectors like agriculture, livestock, forestry and fishing sub-sectors,
- Promotion of efficient irrigation system in agriculture sector.

Based in the experience gathered from previous years, these workshops help to reach a full Energy Balance for Albania, and its sections are created according to EUROSTAT Formats. Energy database also serves to supply with data Long Energy Alternative Planning (LEAP Software) and it in itself serves several purposes: as a database, it provides a comprehensive system for maintaining energy information; as forecasting tool, it enables the users to make projections of energy supply and demand over a long-term planning horizon; it stimulates and assesses the effects physical, economic, and environmental of alternative energy programs, investments, etc.

The best experience got in this training was related with correction of all figures that are related to activity data and energy intensities in demand sectors: households, service, industry, transport, agriculture, non-energy sectors as well as electricity generation, transmission losses, oil wells, natural gas wells, coal mines, district heating and combined heat power plants.

4. Specific Successes and Difficulties Based in the Participant's Discussions

Some of the specific successes, which we reached during these sessions, have been:

- We trained the local statisticians regarding national and local energy database and together we thought how to correct energy database at local level for each sector related with energy consumption and energy supply.
- Local statisticians got knowledge on energy consumption in households, service, industry, transport, and agriculture for meeting different energy end-users services.

A good experience was gathered also in the understanding of the National Strategy of Energy and the importance of Energy Database at national and local level to prepare and to monitor the Strategy. During the training session the participants reach a good understanding for preparation of Energy Scenarios, which are part of the National Energy Strategy. The most difficult part of our work has been how to implement the above-mentioned knowledge in practice in each of their districts.

In order to achieve this, we have organized tables of discussion with all local statisticians. Based on this experience we are going to prepare the secondary legislation for this purpose based on the legal framework, which already are approved. Finally, we can declare that thanks to USAID and the World Learning Tirana Office we did a very good job during the three days. This gave us a great confidence in future for starting actually a new and very important step: prepare a trustable energy database at local and national level, which will help us a lot to update National Strategy of Energy and to use more confidently LEAP Software.

5. Final results of data analysis

Some of the final results, which we reached by transferring the know-how, are listed below:

- Design and description of households energy commodities consumption survey for space heating, cooking, domestic hot water, lighting, electric appliances and air conditioning at household sector at prefecture/district/municipality level.
- Design and description of service energy commodities consumption survey for space heating, cooking, domestic hot water, lighting, electric appliances and air conditioning at prefecture/district/municipality level.
- Design and description of industry energy commodities consumption survey for motive power and process heating at prefecture/district/municipality level.
- Energy commodities consumption at transport sector at prefecture/district/municipality level.
- Energy commodities consumption at agriculture sector at prefecture/district/municipality Level.

6. Recommendations for future programs

It is very important to follow this training with a third phase.

As it was mentioned above, the main tasks of Local Energy Offices will be to collect local energy database at municipality/district-prefecture level based in the questionnaires distributed at the end of the second phase. They have enough time, to gather local energy data and to fulfill the questionnaires. After this important task, which is going to be fulfilled on the field will be the third phase of training: data correction, validation, entering them in database and data processing. One week training period for the training on the local energy data processing will be carried out from 8 senior energy specialists of the NAE. These training courses will be organized in the same manner in four consecutive groups around Albania, based on its administrative division, as it was done in the second phase.

It is very important to collaborate with tax offices for controlling/monitoring the data collected from physical and juridical subjects. As it was mentioned above the main tasks of Local Energy Offices is to collect local energy database at municipality/district-prefecture level based in the questionnaires distributed at the end of the second phase. These questionnaires will be sent to the physical and juridical subjects. These subjects, based on the Energy Efficiency Law are obliged to issue data and if they will not do it Local Energy Offices will convince or penalize them.

NAE will organize one-week trainings for the training of the biggest energy consumers regarding the fulfillment of the questionnaires, as well as regarding the energy commodities consumption. These four training courses will be organized during the first six months of the year 2006.



Dr. Eng. Besim ISLAMI
Chairman
National Agency of Energy

1. Introduction

The recent crisis with natural gas supply, although brief, exposed the problems inherent in the present energy supply situation of Europe. Following the events, the professional and public forums took notice of the importance of the critical energy supply infrastructure and the potential fragility of the present situation. Protecting the strategic national interests, countries are stepping up their efforts to secure the energy sources and ensure their prosperity and development. Supply reliability, limited transmission capacity, dwindling production capacity surplus, environmental concerns coupled with EU Emission Trading, soaring prices of energy sources and high growth in energy demand have been the main drivers of increasingly volatile long-term wholesale electricity prices. These, in turn, reflect in the investments in new generation and transmission capacities, emphasizing the importance of the secure access to energy sources.

The Balkan region is rich with energy sources, ranging from conventional fossil sources, especially coal, to renewable energy sources such as hydropower. In addition to the conventional sources that are crucial for the progress of the region, the renewable present a welcome alternative, since their potential in the wider Balkan region is high yet insufficiently exploited. Knowledge and experience in renewable energy is crucial for achieving independence and growth of national economies as well as for research and technological development of the European industry. Its efficient use could significantly contribute to security of supply within the region and in the wider neighborhood.

Changes in the power industry, its privatization and restructuring are reaching its peak through the activities to establish a common Regional Electricity Market. Following the reconnection of the two UCTE zones, linking of the physical systems is already providing for new possibilities of cooperation between Balkan countries in all fields. These processes pose a real challenge for the future, in which the Balkan region and its wider neighborhood seek to establish sustainable energy independence. The European Commission support, which is cofunding the 6th Balkan Power Conference, BPC 2006, is a bold endorsement of the international cooperation in the R&D field. The conference will continue the tradition of being the meeting place for experts from throughout the industry and across the region. With your help we provide a forum for discussion to share knowledge, experiences and ideas about technical, economic and legislative issues concerning future challenges for Balkan power industry.

2. BPC 2006 Scope:

a. Ensuring Energy Independence in the Balkans:

- Investment opportunities in the Balkans region towards energy independence,
- Privatization - current overview and future perspectives,
- Regional energy market developments,
- Security of energy supply,
- Cross border energy trading and system aspects.

b. International RES Seminar: “Promoting Excellence in RES

in the Balkans”:

- Regulatory incentives for improving the penetration of RES in Balkan region,
- RES in isolated regions,
- Investment opportunities and challenges for RES in Balkan region,
- RES best practice and standards,
- Impact of RES on the operation of the electrical network,
- Environmental impact of RES.

3. Contributions

The Organizing Committee invites offers of contributions in any of the proposed topic areas. Prospective authors should submit the full paper to be received by the Secretariat for assessment March 31st 2006. Late submissions cannot be accepted. Authors should consult the Balkan Power Center web page about the requirements for the paper form. Authors will be notified about acceptance of papers by April 15th 2006.

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|------------------------------|----------------|
| • Receipt of full papers | March 31, 2006 |
| • Notification of acceptance | April 15, 2006 |
| • Early Bird Registration | April 20, 2006 |

4. Marketing Opportunities

This year's Balkan Power Conference promises to be another outstanding conference. This year's event is expected to draw to Republic of Macedonia more than 150 businessmen and academics to get up to date and share the latest from the power market. We invite you to join us by becoming a sponsor or an exhibitor at BPC 2006. The Balkan Power Conference offers your company an outstanding opportunity for meeting existing and potential customers, whether you are already doing business in the Balkan region or taking your initial steps. It is an ideal opportunity to increase visibility and maximize the exposure of your company.

There are different sponsorships available to companies that want to promote at the Balkan Power Conference. Recognizing that sponsors have different needs, we try to tailor sponsorships to individual needs of sponsors. For a detailed specification of the aspects you are most interested in, please contact the BPC secretariat. A commercial exhibition will also be available at the conference hall. We also offer a virtual booth on our Balkan Power Centre web page for all exhibitors and for conference sponsors.

The Balkan Power Conference official publication and on-line media offer sponsors, exhibitors and non-exhibitors a special opportunity for communicating the advertising message to the participants of the conference and to all visitors of the Balkan Power Centre web page.

5. Venue

The ancient city of Ohrid, situated along the coast of the magnificent Lake Ohrid, is undoubtedly the most beautiful and most attractive Macedonian town, a pearl of old architecture and a treasury of valuable cultural and historical monuments. Located on the shores of Lake Ohrid, the town of Ohrid is one of the oldest human settlements in Europe. Ohrid could literally be called a city-museum - another typical mixture of the western and the oriental, a city with a special architecture, and

modern, luxurious tourist facilities. One should have heard of the long tradition in making the famous Ohrid pearl, as well. Ohrid is a town which has always been of interest to every visitor to Macedonia. It is Macedonia's main tourist center.

For further information on the conference, please refer to BPC homepage <http://www.balkanpower.org> or send us e-mail to info@balkanpower.org.



Dr. Andrej GUBINA
Organizing Committee Chairman
Balkan Power Conference 2006

NATIONAL AND REGIONAL ACTIVITIES RELATED TO THE ELECTRICITY AND GAS TRANSITION STRATEGY

1. Introduction

The common objective of member countries to the Energy Community Treaty (ECSEE) signed in October 2005 is to stimulate the security of energy supply, especially to their citizens and to secure economic growth and investments in South East Europe. This objective will be tackled by improving the availability, efficiency and reliability of network energy sources at reasonable cost.

The parties of the Treaty (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FYROM, Republic of Serbia, Republic of Montenegro, Romania, Turkey, UNMIK/Kosovo and European Union) seek to achieve this objective through the establishment of a regional energy market compatible with European Union Internal Energy Market. The final aim is to have a single regulatory space for electricity and gas trade from Ankara in the South to Oslo in the North and from Sofia in the East to Lisbon in the West of Europe.

In order to implement Energy Community Treaty an Electricity and Gas Transition Strategy is discussed and adopted by the member countries.

This strategy indicates issues that need to be resolved and that are necessary for the transition phase of each member country of the Treaty. The main issues to be addressed by member countries are:

- The status and reform of distribution, transmission and generation companies,
- Payments reform and transparent pricing policies,
- Compatibility of national market design with the European Union Internal Energy Market,
- Special emphasis needs to be put on the social aspects of energy sector reform.

2. Regional Approach

The improvement of the performance of the energy sector is crucial to improve and sustain development in South East Europe.

The preferred approach is full state level control over energy policy, but with regional dimension. A strong regulatory board for both electricity and gas sector is needed in each country of the region. To develop regional energy trade aiming at the optimal utilization of regionally available natural resources and of existing as well as planned facilities, there has to be a consistent level of cooperation and coordination of investments policies. This might allow cost minimization and bring the regional energy infrastructure up to a standard comparable with European Union, in a relatively short period of time.

In particular, the European Commission and Donor's Community active in the region, place great emphasis on payments and tariff reform. It means better collection rates and cost covering tariffs to create the market conditions for foreign and domestic investments in the energy sector.

3. First Phase, Priorities and Transitional Measures

This part of the Transition Strategy considers the steps to be achieved in order that national and regional energy markets to be functional from December 2007. There are two necessary preconditions for each member state of that issue:

- To stamp out trading abuses, corruption and non-commercial arrangements,
- To develop energy statistics on the state and region levels that allow for effective policy development.

They are a lot of priorities to be considered by each country on this phase. Payment and tariff reform is the first priority, and is primarily a state level issue. South East Europe region needs a compressive payment and tariff reform process for network delivered electricity and gas. There are a few elements to be focused and to be developed at state level on that issue:

- A plan to bring payments of billings up (to 90 % for December 2005), elimination of abuse and corruption, reduction of non-technical losses and complete account transparency,
- A plan to make customers tariffs (retail level) cost reflective and transparent.

Each Government needs to actively support electricity and gas sector investments by ensuring that bill collection discipline is enforced. If private business in the electricity sector is to succeed, the Government, the consumers, the investors, and other groups of interest, all need to reach some consensus about tariff reform and about the improvement of collections including the conditions under which disconnection should be.

(.....continued on next issue.....)



Eng. Bujar LEKA
Member
Permanent High Level Group