



## THE LEGAL FRAMEWORK ON ENERGY EFFICIENCY & RENEWABLE ENERGY IN ALBANIA

**D**uring the last years, several national efforts have been made in the country to sustain economic development and meet the commitments of EU standards and legislation as regards energy efficiency (EE) and renewable energy (RE) implementation. Albania has adopted the following legislative framework on EE and RE:

**Law on Energy Efficiency:** In November 2015, Albania adopted the Law on Energy Efficiency (Law No. 124/2015), in order to transpose the provisions of the EU Directive 2012/27/EU into the Albanian legislative framework.

**Law on Energy Performance of Buildings:** Albania has prepared a stand-alone law transposing the EU Directive on Energy Performance of buildings - EPBD (Law no.116/2016). This includes the requirements for new buildings occupied and owned by public authorities to meet the Nearly Zero Energy Buildings (NZEB) definition.

**Law on Labelling of energy-related products:** In 2012 Albania adopted the Law on Indication of Consumption of Energy and Other Sources by Energy-related Products (Law no.68/2012, date 21.06.2012) which fully transposes the EU Directive 2010/30/EU. This law establishes obligation for informing the consumers with the energy consumption of energy-related products.

**Law on Renewable Energy Sources:** The Albanian Parliament approved a new Law on RES (Law no.7/2017), which replaced the former Law on RES. The new RES Law partially transposes the Directive 2009/28/EU. The objective of the RES Law is to facilitate the harnessing of Albania's significant RE resources, in particular in the area of SHPPs, Solar Hot Water Systems, PV Power Plants, efficient traditional and industrial biomass heating systems as well as other RE sources.

**Law on the production, transporting and trading of biofuels and other renewable fuels used in transport:** This Law (no. 9876, date 14.02.2008) promotes the production and use of renewable biofuels so as to replace oil by-products in the transport sector. The Law aims at fulfilling the obligations established by the the Kyoto Protocol and ensuring the supply of renewable energy resources by promoting the cultivation of energetic plants to protect the environment

**Law on the establishment of facilities for construction of new power generation capacities** (Law no. 8987, date 24.12.2002).

**National Energy Efficiency Action Plan (NEEAP):** The Albanian Government has approved the 1st, 2nd and 3rd NEEAP defining the EE targets for all economic and social sectors. Measures undertaken during the 1st NEEAP were predominantly done with either the direct support of an international financing institution (IFI) or other donors or were provided via local commercial bank loans supported by an IFI or other donors. This support came both via financial and technical means according to the analysis carried out and presented under the 2nd and 3rd NEEAP. Such international support may continue, but to scale-up EE actions the availability of increased domestic funds (public and private) is required. In order to realize many of the EE measures, the EE law calls for development of an Energy Efficiency Fund, as a mechanism of financial support for the implementation of EE projects in the public and private sectors. The funding proposed from the State Budget should be seen as a tool to leverage greater resources from external parties (IFI and donors as well as private banks). To do this the EE Fund, in addition to direct financing, has the option of providing loan guarantees, subordinate debt, investment gap financing or interest-rate buy-downs.

**National Renewable Energy Action Plan (NREAP):** The Albanian Government has approved the 1st and the 2nd NREAP and they are defining the RES targets for all electricity, transport and heat sectors. The NREAP is based on Albania's obligations as a Contracting Party to the Energy Community Treaty to comply with EU Directives on the promotion of renewable energy sources. Albania is obliged to increase the portion of renewables to 38% of the total final energy consumption by 2020, which should be further increased up to 42.5% by 2030.

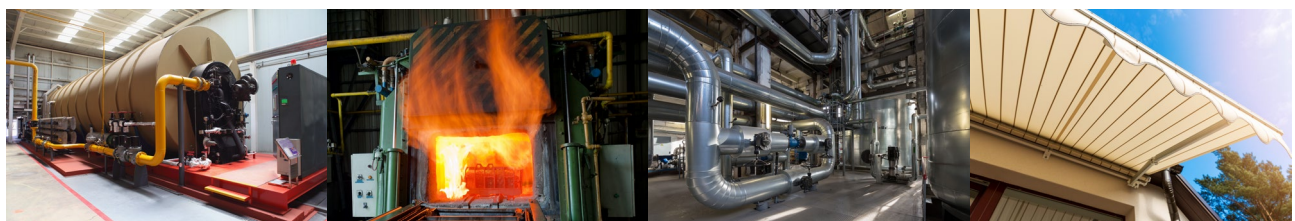
Apart from the above legal framework, Albania has also adopted the following secondary legislation on EE and RE:

- Decision of the Council of Ministers (no.852, date 7.12.2016) on establishment and manner of organization and functioning of the Agency for Energy Efficiency.
- Decision of the Council of Ministers auditors (no.407, date 19.06.2019) on approval of procedures, categories, conditions and requirements of qualifications and professional experience for energy which defines the procedures, categories and requirements for issuance of the energy auditing certificates.
- Decision of the Council of Ministers (no.342, date 22.05.2019) on approval of procedures, categories, conditions and requirements of qualifications for energy auditors.

- Decision of the Council of Ministers (no.256, date 27.03.2020) on calculation methodology of optimum cost levels for the minimum energy performance of buildings, and building units and elements.
- Decision of the Council of Ministers (no.537, date 8.07.2020) on minimum requirements of energy performance of buildings and elements of buildings.
- Decision of the Council of Ministers (no.934, date 25.11.2020) establishing the criteria and procedures for the selection manner of energy performance certificates of buildings which shall be subject of evaluation and their monitoring process.
- Decision of the Council of Ministers (no.1094, date 24.12.2020) approving the national methodology of calculation of energy performance of buildings.
- Decision of the Council of Ministers (no. 580, date 28.08.2019) on approval of consolidated National Renewable Energy Action Plan 2019-2020, which establishes the national overall RES target and specific targets for different RES technologies including the supporting measures required to be taken for reaching the objectives.
- Decision of the Council of Ministers (no.839, date 5.12.2007) on setting conditions and procedures of reimbursement of excise tax and establishing the facilities for construction of power generation capacities with installed capacity not less than 5 MW, as amended.
- Decision of the Council of Ministers (no.687, date 22.11.2017) on approval of methodology for setting the annual purchasing price of electricity from existing Priority Producers. The Priority Producers include the small HPPs commissioned before the date of entering in force of Law no.7/2017 on RES with installed capacity less than 15 MW.
- Decision of the Council of Ministers (no.369, date 26.04.2017) on approval of methodology for setting the purchasing price of electricity produced by small solar and wind power generators.
- Decision of the Council of Ministers (no.27, date 17.01.2018) on approval of methodology for setting the purchasing price of electricity produced by small RES power generators using the biodegradable part of solid industrial, urban and rural wastes.
- Decision of the Council of Ministers (no. 349, date 12.06.2018) on approval of supporting measures for promotion of electricity use from solar and wind energies and the procedures of selection of their projects, as amended.
- Decision of the Council of Ministers (no. 822, date 7.10.2015) on approval of rules and procedures for construction of new power generation capacities that are not subject of concessions, as amended.
- Decision of the Council of Ministers (no. 519, date 13.07.2016) on approval of electricity market model.
- Decision of ERE's Board of Commissioners (no.214, date 28.12.2017) on approval of Electricity Market Rules and Agreement for Participation on the Albanian Power Exchange.
- Decision of ERE's Board of Commissioners (no.229, date 20.12.2019) on approval of Regulation for issuance, transferring and cancelling of Guarantees of Origin for electricity produced by RES.

More actions to fully transpose the country's legal obligations on EE and RE are scheduled to be implemented in the coming period.

*This leaflet was produced in the framework of the project "Support in the Energy Efficiency Sector and the Renewable Energy Sources (RES) Development".*



*This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of EXERGIA S.A. and do not necessarily reflect the views of the European Union.*

THE PROJECT IS IMPLEMENTED BY EXERGIA S.A. & FUNDED BY THE EUROPEAN UNION

