



THE NEW TARIFF SCHEME FOR ELECTRIC ENERGY, A BETTER APPROACH TO OPEN MARKET ECONOMY

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Abstract

Energy is a driving force in all the economic processes, social, and vital to the country. We analyse this sector in Albania, identifying its components, challenges, processes which are developed in the sector and linked with the development of all the other economic sectors of a country. It is a specific product under ethical protocols, cooperation and development as well, which often condition also its model developments, including here in particular the organisation of the tariff scheme, as it is an important element of the customer protection from the 'energy poverty'. The purpose of this paper is to offer a detailed picture of the situation of the electric energy sector in Albania, the main reasons of this situation and the lessons learned up to now, especially, decisions related to the change in the tariff model and scheme, in order to establish a better approach to electric energy by the customers. This is done through an analysis of the tariff scheme before the year 2014 and an assessment of the new scheme changed in the frame of total performance improvement of the electric-energy sector. Part of the findings are the customer service and the access to the network by the customers.

Keywords: Electric energy, energy tariff, integrated management, efficiency, reform, performance, development

INTRODUCTION

This paper initially analyses the situation of the Albanian electric-energy sector for the years 2013-2014, facts and the accumulated problems as a derivative of the changes during the years. In this paper will be made present initially the situation of the Albanian electric energy sector in the years 2013-2014, the facts and problems accumulated during years, and an overview of all of the changes made. The study reviews the implementation of the sector reforms earlier in the year 2014, analyse the situation based on the findings related with this period, in order to list them and bring into light the elements which need to change or intervene, to guarantee a better performance of the sector and a full reformation pursuant the European directives and of the third energy package 2009/72/EC, Policy for the electric energy (EC) no. 714/2009 and the policy ACER, no. 713/009 as amended, and improved taking into consideration the environmental approach with the European directive 2009/72/EC which covered important aspects: a) unbundling process, involvement of the operators where the transmission and distribution system remain unbounded, b) independence of the regulatory bodies (in our case ERE), ACER (Agency for the Cooperation of Energy Regulators – certification of regulatory body), c) cross-border cooperation and d) open and fair markets (neutral).

Under the above conditions as up to the year 2014, the energy sector was in deep financial collapse caused by the bad managed privatisation of the distributing Czech company “Cez a.s” which held 75% of the shares. In October 2014 the Albanian government repossessed the shares from the company Cez Albania as result of the bankrupting process declared from the latest one. From this restated process was created a new distribution company, or the state owned company “OSHEE”, with 100% of the shares owned from the Ministry of Energy and Industry, but with a very difficult financial situation, near total collapse. The total uncollected bills for the unpaid invoices of electricity by the end-users were more than 130 billion All, debts to the third parties were more than 75 billion All. The debt for the unpaid invoices of energy from OSHEE to KESH was almost 53 billion All. The distribution sector was facing combined challenges connected with the unbilled energy due to the fact of the missing electricity meters, or the damaged meters, as well as due to committed theft in the system, did not provided sufficient revenue from the invoiced energy to the end users. The acquisition of the company from the Albanian state was obligatory after this bankruptcy. It was associated with additional costs too as a result of the loans taken from the third parties from Cez during its administration, with an estimation of a total near to 92 million Euro, an amount to be paid from OSHEE now in four annual rates to CEZ Distribution.

While the energy losses were highly increased, the investments in the distribution system were insignificant placing the distribution grid in poor technical conditions. During the

private administration of the distribution system, the total investments in the system were only 8 million Euro, while the estimated immediate need for intervention with investments was round 900 million Euro.

Due to the above mentioned facts, also due to the fact that the energy sector is very interdependent, every change in the system gives an immediate chain effect from one company to another. Considering that OSHEE on 2014 did not generate sufficient income to cover its costs, all the energy sector was negatively impacted and closed to collapse. The distribution grid has not had investments since 36 years by now.

Under this conditions, to guarantee the security and the quality of supply, it was urgent to invest with objective to minimise the loses in the distribution system and to increase the income from the receivables in OSHEE, in order to obtain a high standard of the security of supply.

Based on the evaluations made on the above mentioned situation, the government decided to undertake a sector financial recovery plan for a period of 5 years 2015-2019. The proposed plan, the Financial Recovery Plan for the Energy Sector was focused in three main pillars: a) increase of the operational effectiveness b) strengthening of the institutional capacities and settling of the control mechanisms in company's management and c) financial sustainability to provide the investments and infrastructure improvements.

Sectorial Reform Of The Years 2015-2019

In the actual situation in which were found the electric-energy system, it was indispensable not to undertake a deep reform all along the sector by identifying the main directions of the intervention and improvements: urgent financial need to support the system in all three levels, generation, transmission and distribution. This was possible to realise with direct support from state budget but also by providing soft loans guaranteed from the government.

- The design of the strategy sector which would reflect all the new changes and expectations in the energy sector;
- Completion of the legal and regulatory framework pursuant the European directive for the development of the energy sector, third energy package 2009/72/EC;
- Establish a new market model which open the way to investments in the sector and open the energy market toward the region and further, through the free competition in all levels, and the liberalisation of the energy market up-to-downstream;
- *Establish e new tariff system which would stop the political interferences in establishing the energy price for the end users, based on the costs and the access in the network from the users by tension level;*

- Debts solutions for the system through the reallocation into long term loans by cleaning the financial books from the debit passive accounts, mainly with the public and governmental institutions;
- Payment of the overdue taxes and customs' obligations;
- Interventions in the network of the distribution and transmission level;
- Equipping the consumers in all levels with power meters;
- Clean the distribution grid from the illegal interventions;
- Interventions in the penal procedure code to reinforce the provisions against the illegal beneficiaries of electricity;
- Raising of the managerial capacities and performance control of the electric-energy system in all the entities, governmental and public institutions;
- Restructuring of the big public entities of the electric energy sector bringing them to high international standards of a corporate governance;
- Implementation of the corporate standards in the forecasting and planning process for those companies;
- Establishment of a fair ratio between investments and the debt payment in any of each three public entities of the electric energy system;
- Create a guarantee fund to mitigate the weather volatility, taking into consideration that the energy demand for electric energy in the country is enough higher than the production capabilities in the country, and also very dependent from the weather conditions;
- A definitive resolution of the conflict with Cez in dividing the company and creating a new state owned company of distribution OSHEE as a commercial company, a joint stock company the shares of which are fully owned by the ministry of energy in the Albanian government;

This reform was perceived as a strategic development program embodied in the Financial Recovery Plan of the electric sector approved by the decision of the government. It would be executed under the strict and rigorous supervision of the Energy Secretariat of the European Community of Energy and our international partners FMN, WB, EBRD, USAID, KfW etc.

In this framework, it was estimated that one of the immediate steps to be undertaken was to change the tariff system of the electric energy in all levels of voltage. The reform of the Energy Sector started with a new scheme for the selling and distribution of the electric energy based on

the costs of the network access of the voltage level, differently from the earlier tariff system that was based on the sectorial importance, with the purpose to support more some sectors, reflecting influenced decisions on a political level from the government. The existing scheme was not based on an economic or technical reason, and the access in the network produced a high rate of informality and both passive and active corruption, especially in the distribution level.

New tariffs approved by ERE and which are currently applied from the Distribution System Operator since 2015 are based on the network access cost-allocation, and are as per below:

Table. 1. Selling tariffs of the electric energy as per the reform¹

Retail electricity tariff for the year 2015		
Voltage level	Price (ALL/kWh)	Peak price (ALL/kWh)
Consumers at 35 kV	9.5	10.93
Consumers at 20/10/6 kV	11	12.65
Bakery and flour production at 20/10/6 kV	7.1	8.17
Consumers at 0.4 kV	14	16.1
Bakery and flour production at 0.4 kV	7.6	8.74
Household	9.5	
Tariff for the electricity consumption for the common areas (light in the buildings, elevator, pump)	9.5	
Fixed tariff for the service “zero” (ALL/month)		340

All this was accompanied with some measures and actions as follow: Based on the new tariffs there was a direct subsidy in the pension scheme and salaries of the clients in need (vulnerable consumers), due to the price difference compared between the new slot price up to 300 kWh which in the old system was 7.7 all/kWh. Based on an estimation today we can say that this category includes max 214,000 consumers. Already the Government accepted the responsibility to subsidy the families in need for any price change on the quantity of 300 kWh/month. For the year 2015 there has been a subsidy more than 1.7 billion All for the vulnerable group and beneficiaries of the subsidy through different pensions (alone pensioners,

¹ ERE decision Nr. 148 on 26.12.2014, “On the definition of the retail prices of the electric energy for the regulated tariff based consumers for 2015”, p. 2.

social assistance, people with health disabilities and their assistant persons, deaf, employees working in the public sector having a salary below 35 thousand All/month, who are head of the families and who don't have other employed persons in their family). This subsidy shall be updated continuously based on the tariffs restructuring and total of the subsidized consumers.

Initiated from the proposal of the OSHEE ERE repealed the structure with two bands for the household consumers and set one tariff per voltage access which reflects costs for all the customer category, starting from January 2015. Weighted average tariff for retail became a sole tariff as at 9.5 all/kWh for the households, being in favour of the 7.4% of the consumers, compared with the average tariff of the previous system with 10.22 All/kWh. While the average tariff for the end users became 10.7 All/kWh, due to the fact that the tariff for the non-households was increased to 15% (table 1). This process was accompanied also with a reasonable set of the tariffs in compliance with the tariff levels approved by ERE for the independent producers of the energy, by eliminating the creation of the new debts as a result of the energy supply beyond the levels approved in the tariff.

Also ERE approved the tariffs of the access in the network as per the level of voltage, in order to make possible the access in the market of the clients connected with the high and medium voltage 35/20/10/6 kV.

The objective was to maintain appropriate tariffs which reflect the supplying costs, transmission, distribution and selling of energy. Should be noted that this tariffs, as per ERE's methodology includes only the technical losses and don't reflect the non-technical losses which result from the theft of energy from a big number of consumers at the expense of the other consumers who regularly pay the bills of energy. The objective of the new plan is to return the electric energy sector in a sector which is self-sustainable and to diminish the operational costs without the support of the public budget.

In this frame, the expectation on a high financial performance affected from the new tariff system was high. The expected results were on more energy payments through the e-billing system and application of the new transparent tariffs and differentiated as per level of the network access, decrease up to total deviation of the flat tariffs (without measuring it) and of the abusive tariffs, increase the trust of the consumers in the electric energy system, total termination of the political intrusion in the appointment of the tariffs, also the creation of the possibilities for ERE for the full monitoring of the invoices and tariffs used on the end users.

The new tariff system, by the avoidance of abuse through the old system with two band tariff for the household users and the sectorial favouring tariffs applied before, produced an additional income since the first year from the application of the reform with almost 4.7 billion

All.² This measure was based on the equal access of the users consuming the energy and reduce in maximum the abuse with electric energy.

Models Of The Energy Market

The energy market is fundamental for the system. We distinguish regulated markets, where everything is determined by the regulator through a transparent process, where the price of the electric energy is determined based on a proposed methodology, suggested from the government and approved through ERE decision. This methodology is based on the revenues needed to cover the necessary costs for the supply with energy of the end user.

Or the markets can be deregulated, where the regulator determine and monitor the equal access rights in energy, but doesn't define the supplier and the price for the end user. On the second case we distinguish the day ahead markets (new energy market in Albania pursuant the law no 43/15). In this model the price of energy is based on a daily algorithm which registers the hourly quotes (even every 15 minutes) of the electric energy and defines the day in advance price for the next day and the price set by the end of the day will be also the price for the next day. We identify also the real markets (Real Time Market), balances the differences between the day ahead commitments and the actual real time demand for production of energy. The negative or positive diff, often or in the most of the cases with high error margin on the forecast are quoted in the moment and the costs are not predictable.

The importance in both cases is the definition of the basic load profiles, both for the bidder also for the end user. A very important element for the functionality of this markets is also the right implementation of the metering code by defining clearly the access point in the networks. What completes all is the forecast of the quantities, guaranteeing the capacities, in short and long term. For all the operators in the market, exist the possibility of the optimisation or the correction through the third parties by using in this way the energy reserves which are not activated in the market.

As noticed from the explanation the running of a business entrepreneurship on each of the levels and markets within the up-to-downstream system is different from what can be achieved from the ordinary goods markets. It goes through rules and different restrictions which often are constituted from protocols decided from the transmission and distribution system operators. The easiest part to be managed and privatised in this chain is the generation. Then, there come the deals and trade and, last, the supply or electric energy retail which is focused in the relation with the end user. In our country is completely deregulated the energy generation

² Source Annual Financial Report, OSHEE, March 2016

and trading in the whole sale market. Instead the supply is regulated with 80%. For this reasons, it is necessary to continue the reform in the electric energy sector and its completion in order to guarantee an open energy market in all its levels, by taking only as a public good the security supply and not the energy as a product or a good.

New Legislation Regulating The Electric Energy Sector

An important part of the reform was also to prepare and complete the legal regulatory framework of the electric energy system. Important elements that were completed are:

- i. Law of the electric energy sector approved in February 2015, law no 43/15, as amended lately in May 2020, in order to be more complete and to be closer with European directives.
- ii. Law on support of renewable energy production no 7/2017. This law has been drafted based on the previous law approved on 2013, but never applied. Now this law is on the list to be amended in the legal framework changes as per the changes in the European legislation after the year 2017.
- iii. The law on energy performance for the buildings, law 116/2016, which promotes and stimulate the efficiency on energy consumption, especially in the buildings.
- iv. Decisions of the council of ministers and other legal acts which complement and make applicable the laws and regulatory framework, creation of the new electric energy market model, foundation of the energy exchange as an only instrument for the application of the model, market deregulation up-to-downstream, completion of the unbundling process of the distribution by guaranteeing full independence of the distribution operator, increase of new investments on new sources and energy diversification etc.
- v. Decisions of ERE in connection with the functionality of the energy market between the regulated and not regulated part of it, where one of the most important decisions is the one of the approval of the tariff methodology for each voltage level and step value of the sector, production-transmission-distribution-supply.

RESEARCH METHODOLOGY

New tariff system, its connection with the performance of the electric-energy sector following the consumer perception

In this study there are interlaced technology factors, also social, economic, legal factors which are considered in setting the new tariff system altogether present an integrated influence in the system performance, seen as a technical and economic performance. As dependant variable is taken the total performance of the system, technical and legal-economical, Y_{tot} . For

this analyse we will run a multiple regression, where the total performance of the system is measured from the interaction of different factors as: a) assessment of the new tariff system on the end users compared to the old one, b) energy costs toward the total costs of the activity based on the new tariff system, c) assessment of the effect of the possible liberalisation of the tariffs, d) assessment of the possible effects of the market liberalisation, e) assessment for the market efficiency in the conditions of the market liberalisation, f) the possibility of entering in the open market of the public/private end users, g) prices of the electric energy compared to the prices of other alternative energy resources and h) structure of the capital of company/organisation. Sample of the interviewers consisting from a) familiar consumers, b) private costumers and c) budgetary and non-budgetary costumers.

We test the variables on their significance and correlation, also test of the respective regressions for multi-collinearity and autocorrelation. In this we make possible to clean the regression from the independent variables which can interfere with each other or with the standard error. Will test the linear model selected for the regression to prove the right form of the function, and also connected with the involvement of the irrelevant variables in the function. The hypothesis to be proved are:

- **Hypothesis H-1 The total performance of the electric energy system for the national economy will increase as a consequence of the application of the new tariff system based on the costs of the network access.**

The data for the assessment of the performance based on the questions to the end users are taken from a questionnaire I designed for a wide assessment of the reform in the energy sector on regard the work of the PhD thesis in the doctorate university UAMD. Based on this questions on regard the application of the new tariff system, I have symbolised and named the variables as follow:

Y(TSys) - Performance of the energy sector under the New tariff system

TsysFair - Tension access based tariff vs. sector based tariff

EBdg - Energy budget on total costs

TDrr - Tariff deregulation

MkDrr - Market liberalization

EcEfDrr - Efficiency under market deregulation

EP - Electric energy price vs. other energy sources

CapStr - Capital structure of the company

Regression run:

$$Y(TSys) = a_0 + a_1 \cdot TsysFair + a_2 \cdot EBdg + a_3 \cdot TDrr + a_4 \cdot MkDrr + a_5 \cdot EcEfDrr + a_6 \cdot EP + a_7 \cdot CapStr + e(TSys)$$

Y(TSys) - i vlerësuar P5bjb (Estimated)

Regression Equation

$$P5bj = 0.312 + 0.137 P5/a + 0.661 P5/b - 0.249 P5/c - 0.214 P5/d + 0.300 P5/e + 0.2206 P5/f + 0.084 P5/g$$

FINDINGSTable 2. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			Sig. F Change	Durbin-Watson
					R Square Change	F Change	df1 df2		
1	.803 ^a	.645	.602	.86501	.645	15.068	7 58	.000	1.317

a. Predictors: (Constant), P5_g, P5_d, P5_c, P5_f, P5_a, P5_b, P5_e

b. Dependent Variable: P5

Table 3. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.920	7	11.274	15.068	.000 ^b
	Residual	43.398	58	.748		
	Total	122.318	65			

a. Dependent Variable: P5

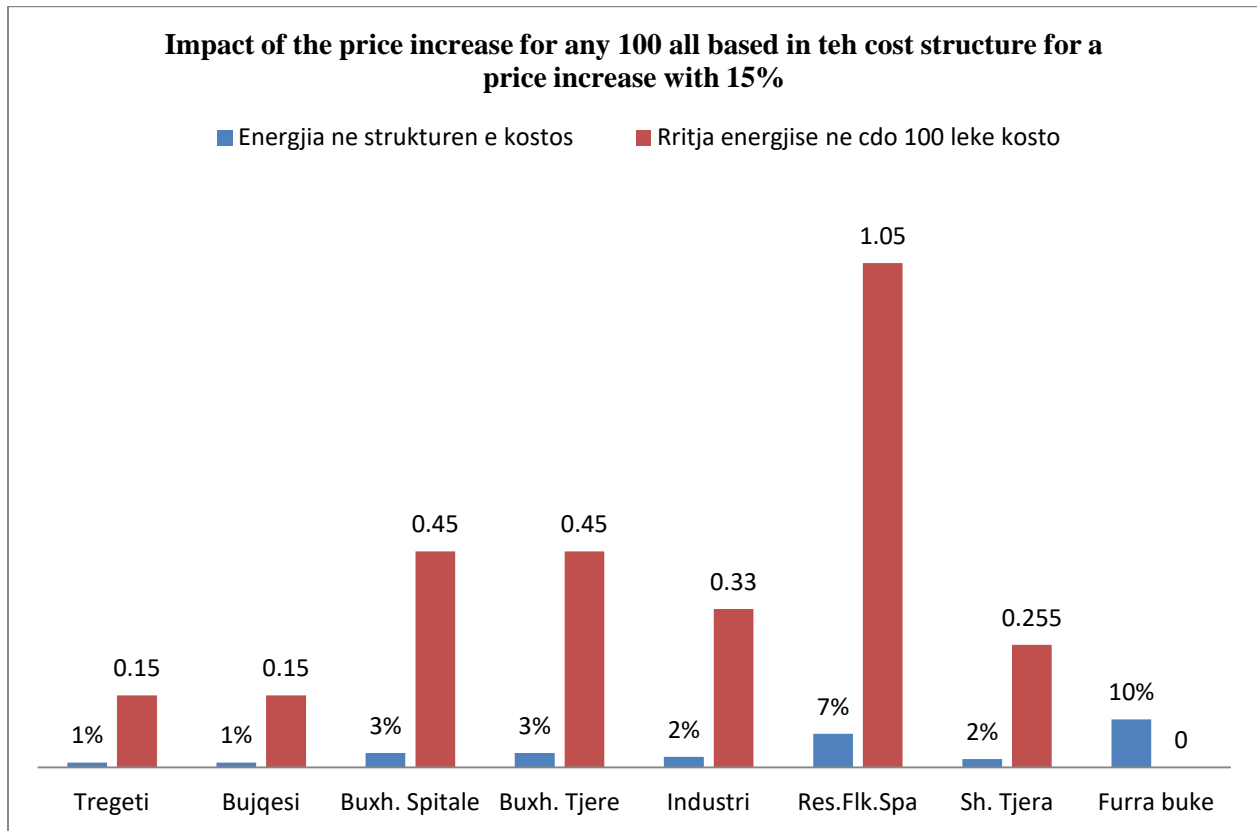
b. Predictors: (Constant), P5_g, P5_d, P5_c, P5_f, P5_a, P5_b, P5_e

As noted from the values of the function evaluated based on cross section data from the questionnaires show that the function is acceptable for the multi-collinearity. The correlation is strong with the dependent variable. This proves again that the measures taken in connection with the changes in tariff system and the other elements which accompany this system openly are perceived in its favour from the end users. Users evaluate positively this system and the performance of the electric energy sector in as high. Meanwhile, the old tariff system is relatively an excluded option massively, both from non-household users and household ones, and the new system resulted to be satisfying for the household users. The new tariff system also makes easier the network access as it facilitates the selection of the customers on the connection point and voltage. This is stimulated by the transparency in the tariffs determination, and is an important aspect also in the evaluation of the households. Regarding the non-households, the new tariff system is directly connected also with the possibility of starting their activity. Based

also on other assessments made by international organisations evaluating the possibilities of doing business in Albania, the facilitation of the procedures on registering a new contract and network access, imposed a very penalizing variable as per their evaluation, taking into consideration the importance that has in Albania the process on determine the tariff for non-households. This group of consumers evaluate with highly importance also the investments made in the distribution network as a tool to increase the efficiency in the network and the quality of supply with energy. On the other side a good network supply would support also the implementation of the reforms in energy sector, as it makes even more possible the implementation of the new market model, the deregulation and electric energy price liberalisation. This is more evident as a correlation in this category and in the categories of the performance variables “tariff system”.

Most of the participant judge as more economical the new tariff system of the electric energy in Albania (29.4%), instead 25% of them refer that there is no effect for the end users, with a significant change between regions ($p < 0.01$). The number of person who has answered to this question is $n=66$ (this is connected with the complexity of the tariff system itself and with the uncertainties that a big number of interviewers have on this regard – the rest have responded with “I don’t know”). As per the network access voltage based, which reflects the costs on offering the energy for the users, is judged as fair by (35.3%) of the participants, rational by (23.5%) with a significant change between districts from where they come from ($p < 0.01$). The consumers/clients from the districts of Elbasan and Tirana perceive better this system and make more than 55% of the total consumers in the country. Also, differently from the reactions of the consumers in the past against the sectorial tariffs often arbitrary and unfair ones and not based on costs of having the energy, and most part of the familiar consumers, manipulated in order not to pay the high price of the energy of 13.5 all/kWh for the normal consumers and not favourable, which in total produced corruption in any consumption level from the users and also the representatives of the system, liabilities not paid which often were presented as not possible to pay if not included in the scheme of favourable rates payment, most of the participants refer that this costs of energy consumption are fair and affordable (35.3%), instead 26.5% important and 20.6% think that is low and not important, with a significant change between districts ($p < 0.01$). This correspond with the analyses that I made in connection with the importance of the electric energy as costs for some business groups as presented in the figure 1.

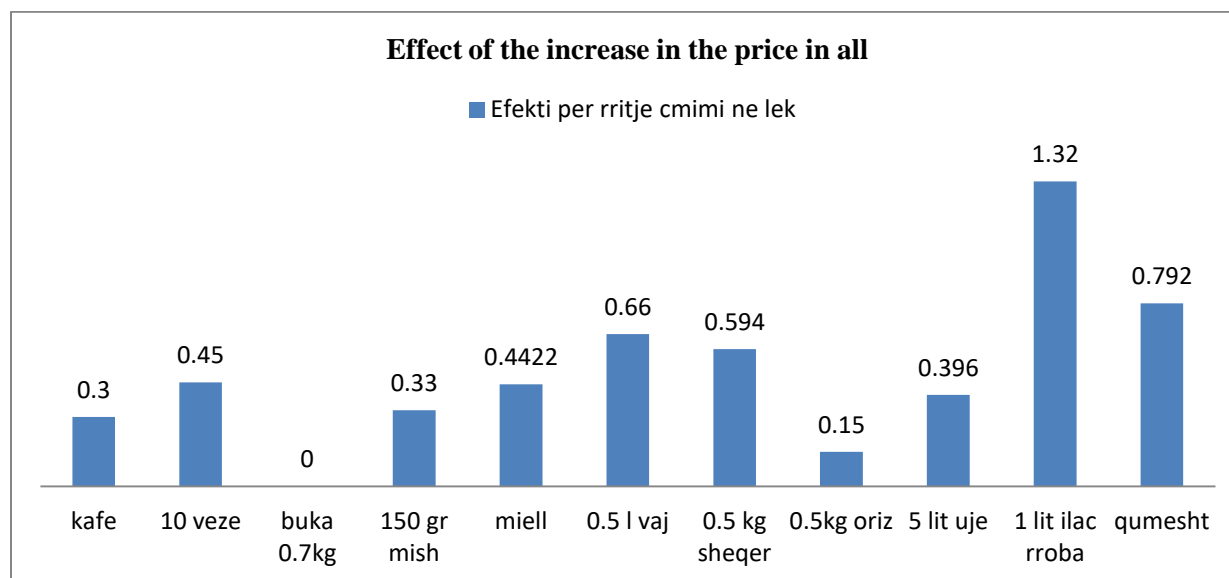
Figure 1. The impact of the electric energy price in the costs in some sectors



	Trade	Agriculture	Public Hospitals	Public inst. (other)	Indus.	Rest. Hair make Spa	Service (other)	Bakery
Energy in costs structure	1%	1%	3%	3%	2%	7%	2%	10%
Tariff increase (coefficient)	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0
Increase of energy in costs (coefficient)	0.0015	0.0015	0.0045	0.0045	0.0033	0.0105	0.00255	0
Increase energy for every 100 All of costs	0.15	0.15	0.45	0.45	0.33	1.05	0.255	0

Figure 2. Impact of the electric energy price increase in some goods or services

Goods that costs around 100 price	1 cup Coffee	10 eggs	0.7 kg bread	150 gr meat	1 kg flour	0.5 l oil	0.5 kg sugar	0.5 kg rice	5 lit water	1 lit cleaner	1 lit milk
	60	150	100	110	67	100	90	50	60	200	120
The weight of energy increase in the costs	0.005	0.003	0	0.003	0.0066	0.0066	0.0066	0.003	0.0066	0.0066	0.0066
Effect for increase in the price in All	0.3	0.45	0	0.33	0.4422	0.66	0.594	0.15	0.396	1.32	0.792



Meanwhile, the market liberalisation and of the tariffs of the electric energy from the side of the non-household consumers is seen from most of the participants as an action that will make possible the tariff to be lower than actually (52.9%), instead 22.1% of them judge that the tariff will not change, with the significant change between districts ($p < 0.01$). It is not noticed a significant change (average scoring) in the perception of the users of the electric energy among districts, F-ratio = 1.9, when $p = 0.09$. Likewise, the difficulty to find a supplier for the electric energy in case of deregulation and liberalisation of the electric energy market from most part of the participants is seen as an opportunity to increase a secure supply (41.4%) and safe and a highly efficiently supply (18.6%), with a significant change between districts with ($p < 0.01$). From

an efficiency perspective which might come from the deregulation most of the participant judge that will have lower energy prices (40%) and much lower (18.6%), with a significant change among districts ($p < 0.01$). In connection with the perception of the budgetary and non-budgetary entities on regard of how would be possible that these clients could buy energy in the deregulated market in real time under the actual Public Procurement law, it is evident that there is a lot of misunderstanding between them and the elements of the reform also the effects that it might bring under the management and administration of their institutions, and in the offering of their services and public goods from their side. Most of the participants in the interviews state that it is possible, but are needed changes (20.9%), it is easy and can be possible to assure energy supply timely (20.9%) and 26.9% are without a response and in full doubt for the effect on the secure supply of the electric energy ($p = 0.01$). The 53.6% of the interviewers from this group think without any reason or analyse of the costs that the electric energy represents for their institution is expensive and very expensive. This confirms again of how much far from the reform are the attitudes of the consummators of this group.

CONCLUSIONS

We can list as conclusions from the study of the materials and findings as follow:

- i. The situation of the electric energy system before 2014, last year before started the reform, during a period were undertaken some studies and assessments the situation was bad as from an economic point of view, legal, also in connection with the technical-physical conditions of its assets etc.
- ii. Legal framework was not settled and not fully in harmony with the European framework.
- iii. ERE was affected politically, by making continuously discriminatory decisions and not clear which brought the system in a difficult position.
- iv. The tariff system in the sector of the electric energy was deeply politically affected. It was easily identifiable the political impact in the sectorial tariff establishment.
- v. The general tariff of selling the energy is relatively accepted from the end users, despite all the differences it has between the households and non-household.
- vi. The lower tariff for the households is a product of a political approach from the government by hiding in this way its real cost for this consumer's segment.
- vii. There is a relatively high ambiguity in connection with the liberalisation of the electric energy market and the consequences which can bring, in connection with the costs of the secure energy supply. It is different somehow the perception, when we refer to the non-household users in connection with a possible decrease of costs if the market continues to deregulate. In this aspect, the review of the DCM no 08 date.14. January

2015 for the mitigation of the effects from the reform of the energy sector on connection with the impoverishment of the consumers and their protection is necessary.

RECOMMENDATIONS

Taking into consideration all the above discussion, is recommended as following:

- To be continued with the reform of the sector and with the measures provided in both two important documents, Plan for the Financial Aid of the Public Sector of the Electric Energy and Strategic plan of the Measures for the reform of the Energy Sector;
- To be fully functional as soon as possible ALPEX, or the market in advance, by providing asap with a service provider and to be finalised its first test within the first quarter of the year 2022.
- Determine of a supportive system which fosters the competition and guides the producers and consumers toward a deregulated market (pursuant to DCM 244/2016, 519/2016, 349/2018, 822/2015 as amended etc.), also to draft a DCM for the agreement on differences and to regulate the market balancing of the electric energy.
- To deepen the integration of the electric energy markets with Kosovo toward their final union. This would increase the market and made possible lower energy prices, also a fulfilled diversified need for energy in both countries.
- To be completed the process of amending the scheme of supporting the vulnerable groups for the effects that the reform can bring and other new situations connected with the liberalisation of the electric energy market.
- To be assessed and analysed the new tariff system, pricing method for any voltage level, taking into consideration also other new situations that might be created in the future as a consequence of the deregulation of the market and partially liberalisation of the energy prices.

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