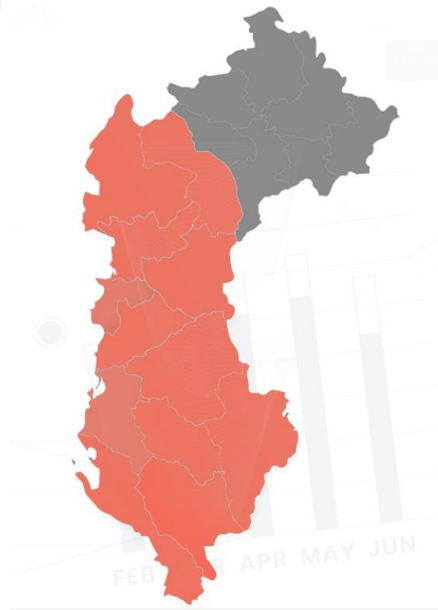




ALPEX
Albanian Power Exchange



- The Republic of **Albania successfully began the operation of the Day – Ahead Market for the first Delivery Day 12.04.2023**, through its dedicated Electronic Trading Spot System (ETSS) and in cooperation with the registered Exchange Members.
- Through ALPEX, as the structure responsible for the management and administration of the Organized Wholesale Electricity Markets in Albania, and soon also in Kosovo, the Targeted European Market Model will be implemented, i.e. the Organized Wholesale Electricity Market DAM and IDM
- Following the Launch of the Day – Ahead Market for the Bidding Zone of Albania, it is expected that **in September 2023, ALPEX will implement the Market Coupling of Albania and Kosovo for the Day – Ahead Market**, as the first project of Electricity Markets Coupling within the Balkans Western.
- Following the Initiative of Southeast Europe Electricity Market Coupling (SEE-MC) that USAID launched in the late 2022, **ALPEX (Albania and Kosova), North Macedonia PX – MEMO, and Greece PX – HEnEx will start the market coupling project among them.**

WHY ORGANIZED ELECTRICITY MARKET

- The electricity market ensures sufficient capacity and a secure supply:
Sufficient capacity: producers or flexible consumers – must be available on the market to make sure that supply and demand can be balanced at all times. Price signals ensure that market players provide an efficient mix of technologies made up of flexible producers and flexible consumers and invest in new generating or consumption capacity in good time. The market players use price quotes on the futures market and forward-looking market price forecasts for their investment decisions. If this information suggests that investments will pay off, then a key precondition for a positive investment decision is in place.
- The electricity market additionally always ensures via price signals that the existing capacity is contracted and actually used to the extent necessary
- The biggest energy security challenge is to make sure that we have to create the competitive and attractive electricity investment markets that drives the transition to a cleaner, low-carbon energy system
- Opening up the wholesale markets, opening up the retail markets and opening up the books
- Providing a framework for investors and the energy sector that gives long-term certainty with predictable returns, lowering risk and the cost of capital
- Ensuring to have investment in our energy infrastructure which secure the energy supplies of the future and develop more energy efficient technologies, and create jobs

THE ELECTRICITY MARKET

- if we want to strengthen our energy security even more, the next step is synchronising the electricity systems. It's also bring us one step closer to our climate goals.
- The result of regional cooperation is more than the sum of its parts. Working together, we stand the best chance to build economic growth and decarbonising our energy system at the speed and scale we need.
- the biggest energy security challenge is to make sure that we have to create the competitive and attractive electricity investment markets that drives the transition to a cleaner, low-carbon energy system
- Energy is the largest infrastructure programme across governments and energy is one of the biggest opportunities of countries has to boost their economic growth.
- we are providing a framework for investors and the energy sector that gives long-term certainty with predictable returns, lowering risk and the cost of capital

ALBANIAN ELECTRICITY MARKET MODEL

- Among the main principles of the Albanian Electricity Market Model in force are:
 - the implementation of market supervision and monitoring, in order to avoid market abuse,
 - operation as an organized day-ahead market and intraday market, for the trading of physical electricity flows, in the Day-Ahead time period;
 - trading of long-term bilateral physical contracts will be allowed in accordance with the capacity purchased and nominated in the explicit auctions organized by SEE CAO;
 - all other forms of trading can be financial or physical.

- TSO makes available to the organized market a minimum amount (50%) of the available cross-border capacities, which belongs to the respective union of the markets.

- VAT is exempted from electricity transactions into ALPEX.

CONCEPTS OF MARKET SEGMENTS, PRODUCTS AND ORDERS

ALPEX will present 3 (three) Market Segments to its Exchange Members, as follows:

1. **Day-Ahead Market Auctions,**
2. Intraday Market Auctions,
3. Continuous Intraday Trading Market.

In Day-Ahead Auctions, Exchange Members may submit the following type for Sell and Buy Orders:

1. **Simple Orders**
2. **Priority Price Taking Orders**
3. Block Orders
4. Linked Block Orders
5. Exclusive Group of Block Orders

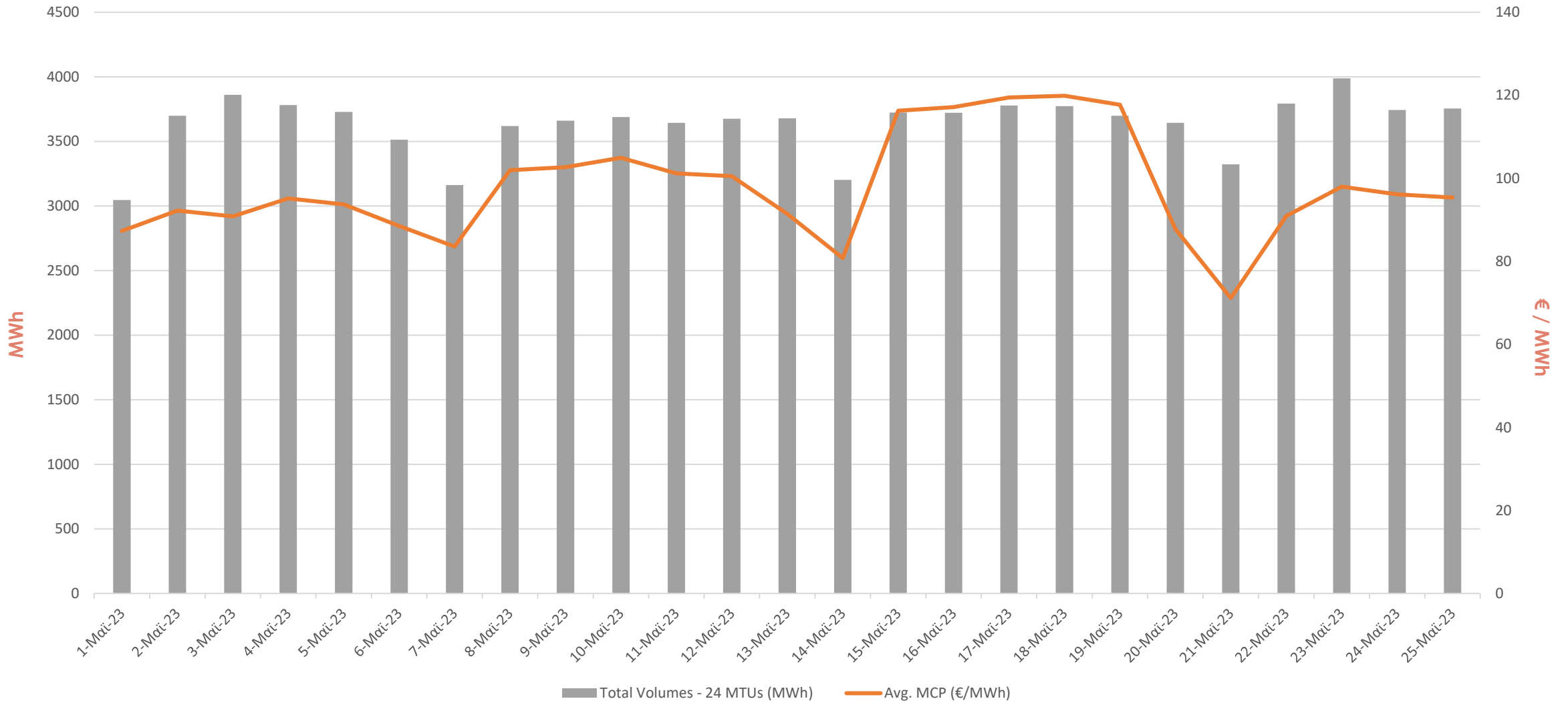
❖ ALPEX offers only **Hourly Product (60 minutes)**, but in the near future it will also offer 30 minutes Product, 15 minutes Product or Block, as the case might be.

Min, Max and Average Prices and Volumes MAY 2023

	Price	Volumes
Average	€ 97.96	151.08
Max	€ 202.90	226.6
MIN	€ 35.68	49.4
Total		83,398.9

Delivery Day	Avg. MCP (€/MWh)	Total Volumes - 24 MTUs (MWh)
1-May-23	87.30	3045.4
2-May-23	92.20	3698.7
3-May-23	90.80	3861.0
4-May-23	95.14	3781.5
5-May-23	93.70	3728.7
6-May-23	88.50	3513.2
7-May-23	83.56	3162.3
8-May-23	101.93	3618.9
9-May-23	102.66	3660.5
10-May-23	104.95	3687.7
11-May-23	101.17	3642.9
12-May-23	100.53	3674.8
13-May-23	91.43	3677.8
14-May-23	80.76	3201.0
15-May-23	116.27	3723.8
16-May-23	117.16	3722.3
17-May-23	119.48	3778.3
18-May-23	119.89	3772.7
19-May-23	117.71	3699.1
20-May-23	87.81	3643.7
21-May-23	71.16	3323.3
22-May-23	90.95	3792.4
23-May-23	97.99	3988.9
24-May-23	96.14	3743.4
25-May-23	95.37	3754.9










Prices and Volumes - May 2023



Why choose ALPEX?

- ALPEX operates on the European target model, related to all the procedures, products, characteristics, Gate opening and closing timeframe and calculation of the results through the Euphemia algorithm like any other European Power Exchange.
- the implementation of all market segments for Albania and Kosovo, as well as including the Coupling of Albania - Kosovo Markets,
- the value added tax (VAT) will not be applied, which means that for the Exchange Members of ALPEX in the position of the buyer, the allocation of 20% of value offered will be avoided in their respective collateral.
- Complementary production between RES Albania and Thermo in Kosovo
- Albania produce in 2022 6,500 GWh which 59% belongs public generator and the rest the other private generators and more transmit import/export 1,900 GWh. In 2023 this figures are 3,900 GWh.
- Providing flexibility for integration into regional and internal European electricity markets; Albania has interconnection with Greece (400kV, 156kV), Kosovo (400kV and 220kV), Montenegro (400kV and 220kV). It is under construction the 400kV line with NM and there is plan to increase transmission capacity with Greece through building a new 400 kV a
- There are approved for construction RES with total 700 MW capacity installed . In June 2023 is going to perform a new auction for building 300Mh capacity installed PV. Thera are other application in total 2,500 Mh.
- Creating conditions for the transparent and efficient transfer of funds and account flows, using ALPEX as a central counterparty for all traders in the organized market;
- All private companies starting January 1st will be in free market. Th only category out of free market will be households means clients 0.4kV.
- CfD scheme is implemented
- VAT is exempt from electricity transactions

List of Exchange Members registered in ALPEX

#	Exchange Member	
1.	Transmission System Operator – OST sh.a	
2.	Free Market Supplier – FTL sh.a	
3.	Universal Service Supplier – FSHU sh.a	
4.	Albanian Power Corporation – KESH sh.a	
5.	Distribution System Operator – OSSH sh.a	
6.	Ener Trade sh.p.k	
7.	EZ-5 Energy sh.p.k	
8.	GEN-I TIRANA sh.p.k	
9.	ReNRGY Trading Group sh.p.k	



ALPEX
Albanian Power Exchange

THANK YOU FOR YOUR ATTENTION!
