2024

REPORT ON EFFICIENT AND TRANSPARENT PROCESSES FOR RENEWABLE ENERGY PROJECTS

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ABBREVIATIONS

CEM	Clean Energy Ministerial
DSO	Distributor System Operator
EBRD	European Bank for Reconstruction and Development
EU	European Union
ERE	Albanian Energy Regulatory Authority
GCF	Green Climate Fund
GEFF	Green Economy Financing Facility
GHG	Greenhouse Gas
GIZ	German Agency for International Cooperation
IRENA	International Renewable Energy Agency
IFC	International Finance Corporation
MIE	Ministry of Infrastructure and Energy
NEA	National Environment Agency
NREAP	National Action Plan on Renewable Energy Sources
OSHEE	Electricity Distribution Operator
OSSH	Distribution System Operator
OST	Transmission System Operator
RECs	Renewable Energy Communities
REDII	Renewable Energy Directive II
RES	Renewable Energy Sources
SMEs	Small and Medium Enterprises
UNDP	United Nation Development Program
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank

1. INTRODUCTION

The development of renewable energy projects is essential for Albania's sustainable growth and energy transition. However, ensuring efficiency and transparency in legal processes is critical to attracting investment, fostering stakeholder confidence, and meeting national and international energy goals.

This report provides a comprehensive analysis of the legal framework governing renewable energy projects in Albania, the role of self-producers, and the procedural steps required for project implementation. It also examines the institutional capacities of relevant authorities, identifies key gaps and barriers faced by stakeholders, and offers recommendations to improve the overall efficiency and transparency for renewable energy projects.

2. LEGAL OVERVIEW

Political frameworks for renewable energies exist in many countries worldwide, but not in all and often to varying degrees. The promotion of renewable energies is a central component of the global energy transition, including the development and operation of these technologies as the definition, construction and operational permits, land use and environmental standards to be met. Moreover, legal frameworks cover renewable energy projects financing, support schemes, tax incentives, grid connections, and other important issues such as the responsible authorities for permits, licenses, grid connections, and alternative dispute resolutions of these projects.

Having a closer look at the promotion of renewable energy through Citizen Energy Communities in the EU illustrates the relevance of the legal framework. Citizen Energy Communities are legally defined as part of the EU's efforts to transition to a sustainable, inclusive and decentralized energy system. In 2019 the European Parliament adopted the Clean Energy for all Europeans Package introducing for the first time a proper legal framework for the concept of Renewable Energy Communities and their role in the energy market for achieving the goals set by the EU. Article 15 of the Renewable Energy Directive (European Union, 2018) on the "promotion of energy from renewable energy sources" emphasizes the role and impact of energy community development, recognizing that fostering the renewable energy market necessitates consideration of its positive contributions to regional and local development, social cohesion, and job creation. Empowering jointly acting renewable self-consumers also provides opportunities for RECs to advance energy efficiency at household level and helps fight energy poverty through reduced consumption and lower supply tariffs. The participation of local citizens and local authorities in renewable energy projects through Renewable Energy

Communities has resulted in substantial added value in terms of local acceptance of renewable energy and access to additional private capital which results in local investment, more choice for consumers and greater participation by citizens in the energy transition. Such local involvement is even more crucial in the context of increasing renewable energy capacity. Measures to allow Renewable Energy Communities to compete on an equal footing with other big scale producers and actors further aim to increase the participation of local citizens in renewable energy projects and therefore increase acceptance of renewable energy. Under this directive (European Union, 2018), member states must ensure that national, regional, and local authorities incorporate provisions for integrating and deploying renewable energy – encompassing renewable energy self-consumption and renewable energy communities – as well as utilizing unavoidable waste heat and cold. These considerations should be integrated into planning processes, including early spatial planning and the design, construction, and renovation of urban infrastructure, industrial, commercial, and residential areas as well as into energy infrastructure such as electricity grids, district heating and cooling systems. Further on, Member States shall encourage local and regional administrative bodies to include heating and cooling from renewable sources in the planning of city infrastructure where appropriate, and to consult the network operators to reflect on the impact of energy efficiency and demand response programs as well as specific provisions on renewable energy self-consumption and renewable energy communities.

Since the introduction of the Renewable Energy Directive (European Union, Renewable Energy Directive EU/2018/2001, 2018) the total share of renewable energy sources in EU energy consumption has increased from 12.5% in 2010 to 23% in 2022 (Eurostat, 2023). According to the final EU Renewable Energy Synthesis Report 2021 (Hørman et al. 2022), EU competitiveness in global renewable energy markets could be further strengthened. Recognizing the potential contribution of energy communities in achieving a more secure, affordable, and cleaner energy system for Europe, the Repower EU Plan (European Union, 2022) put forward the shared political objective of achieving one energy community per municipality with a population of more than 10,000 by 2025. Given the need to speed up the EU’s clean energy transition, the Renewable Energy Directive (European Union, 2018) was revised in 2023. The amended Directive EU/2023/2413 (European Union, 2023) entered into force on 20th November 2023, given an 18-months period to transpose most of the directive's provisions into national law and new binding renewable energy target of at least 42.5% for 2030. The revised directive introduces stronger measures to ensure that all possibilities for further development and uptake of renewables are fully utilized. Importantly, it addresses a crucial bottleneck regarding the deployment of renewables on the ground, allowing legal procedures to be made easier and faster for renewable energy projects.

International legislation

International legislation on renewable energy projects includes several frameworks, treaties, and agreements designed to promote renewable energy development and investments in clean energy. Some of the key international initiatives include the Paris Agreement (2015), the United Nations Sustainable Development Goals, European Union Directives and Regulations, The Green Climate Fund (GCF), Clean Energy Ministerial (CEM) Initiatives and Climate Finance Policies. The overall and common objective in these policies is the development of renewable energy projects, addressing countries' climate targets, access to affordable, reliable and sustainable energy for all and to enhance energy efficiency. Figure 1 provides an overview.

Figure 1: Energy Policies and their common objectives
Source: created by authors

Providing more information on the international legislation mentioned, the Paris Agreement (2015), requires participating countries to submit their plans to reduce greenhouse gas emissions. Furthermore, it promotes capacity-building programs to empower nations of the global south to implement and manage renewable energy projects.

The United Nations SDG (2015) adopted as part of the 2030 Agenda for Sustainable Development, include goal 7, which set the objective of affordable and clean energy, enhancing international cooperation to facilitate access to clean energy research, technology, and investment in renewable energy. Also, within this framework governments are encouraged to implement policies that support renewable energy adoption, such as subsidies, tax incentives, and feed-in tariffs.

In 2010 during the United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP 16) in Cancún, Mexico, the GCF was formally established as a global financial mechanism to support countries of the global south in addressing the challenges of climate change. It provides grants and concessional loans to reduce financial barriers for renewable energy investments.

Another important mechanism is the Clean Energy Ministerial, a high-level global forum established in 2010 to promote clean energy policies and programs, accelerate the global transition to clean energy, and share best practices. The CEM supports renewable energy through collaborative programs and initiatives that focus on deployment, innovation, and policy advocacy. Some of the initiatives include Clean Energy Solutions Center, International Solar Alliance, etc.

In addition, many international financial institutions, such as the World Bank and the International Finance Corporation (IFC), have specific policies to promote investments in renewable energy, particularly in countries of the global south.
On the European level, the EU can be seen as a global leader in renewable energy legislation, with directives like the Renewable Energy Directive (EU, 2018), which mandates specific targets for renewable energy use among member states. As mentioned above, the European framework has a proper approach to energy communities which involves setting up local groups of citizens, companies, and local authorities that work together to produce, distribute, and consume renewable energy at the local level.

The Renewable Energy Directive (EU, 2018) together with the Electricity Market Directive (EU, 2019) built the key regulatory framework for enabling citizens, local authorities, and small businesses to participate collectively in energy generation, distribution, and consumption. Renewable Energy Communities are defined under Article 2 (16) of the Renewable Energy Directive as a legal entity that is based on open and voluntary participation, autonomy and effectively controlled by its members or shareholders that could be individuals, SMEs, or local authorities (including municipalities).

They focus on providing environmental, economic, and social benefits to its community rather than prioritizing profit (European Union, 2018). Under the Electricity Market Directive (European Union, 2019) the concept of Citizen Energy Communities is under Article 2 (11) as a legal entity operating on voluntary and open participation, effectively controlled by members or shareholders who are natural persons, local authorities, or SMEs. The main aspects of both directives include rights for communities and individuals to generate, store, and sell energy, non-discriminatory access to the grid, protections to ensure affordability and inclusivity and special focus on small-scale renewable projects and community participation.

Within the global trend in incentives for energy communities the most adopted are feed-in tariffs (FiTs), net metering/net billing, grants and subsidies, tax credits and deductions. Under feed-in tariffs schemes, communities are paid for the renewable energy they produce and feed into the grid. For example, Germany's Renewable Energy Sources Act (Federal Republic of Germany, 2023) supports local energy generation through FiTs. Whereas net metering is used to manage the energy generated by renewable energy systems and the energy consumed from the grid with a balance sheet perspective. So called prosumers with renewable energy systems can export surplus energy to the grid while in return, they receive credits on their energy invoice for the energy fed in. This ensures that prosumers only pay the net difference between the electricity fed into the grid and received from the grid over a set period. Net billing works similarly, but prosumers receive a rate for the exported electricity that is typically lower than the retail electricity rate. Under this scheme, the exported electricity is monetarily valued often at wholesale rates and deducted from the cost of electricity purchased from the grid.

Another model is that of grants and subsidies where governments provide funding to reduce the cost of installing renewable energy systems. One example are EU-funded grants under the Horizon 2020 program. Under the US Inflation Reduction Act (United States Congress, 2022), participants receive reductions in property taxes, sales taxes, or income taxes for investing in renewable energy projects.

National relevant laws, programs, and studies about the practicality and relevance of community approaches.

The current legal framework for renewable energy projects in Albania is composed of different primary and secondary legislation with clear objectives to promote renewable energy development, increase energy security, reduce greenhouse gas emissions, and align with European Union standards.

The EU Commission's annual Albania report (European Union, 2023, S. 115) points out that Albania's overreliance on hydropower for electricity generation remains a challenge. Some steps have been taken towards energy diversification, with the adoption of a new law on renewable energy sources (in April 2023).

The Parliament of Albania approved the law nr. 24/2023 "On the promotion of Renewable Energy Sources" (Republic of Albania, 2023). This law establishes the legislative framework for the promotion of energy generated from renewable sources and the rules for integrating renewable self-consumers and energy communities in the power sector. The law is partially aligned with the RED II (European Union, 2018). It sets out key incentives and regulatory structures to boost private and public investment in renewable energy technologies. Therefore, it introduces a system of support schemes, including feed-in tariffs and premium payments for small-scale projects. As mentioned before, it also introduces the concept of energy communities defining it as a legal entity with the following characteristics (Republic of Albania, 2023):

1. based on open and voluntary participation, autonomous, and effectively controlled by shareholders or members that are located in the proximity of the renewable energy projects that are owned and developed by that legal entity;
2. the shareholders or members are natural persons, SMEs or local authorities, including municipalities;
3. the primary purpose of which is to provide environmental, economic or social community benefits for its shareholders or members or for the social areas where it operates, rather than financial profits.

Further notable is the introduction of the concept of renewable self-consumer including many details for their operation. The law ensures that renewable energy producers have guaranteed access to the grid, though they must comply with specific technical requirements. Energy communities are prioritized for support benefiting from measures like simplified grid connection procedures and potential financial incentives. Based on Article 21 of the law (Republic of Albania, 2023) any renewable energy community shall enable and stimulate low-income or vulnerable households to become members. Additionally, the law allows private companies to be member in the energy community as long as its participation does not represent its primary commercial or professional activity.

As for any end-use customer and household customer, they are entitled to become a member of a renewable energy community and shall retain the status of the end-use customer with all the obligations and rights according to the law and the respective framework. Finally, the law ensures the right not to be subject to unjustified or discriminatory conditions or procedures that impede participation in a renewable energy community.

Based on Albanian law nr. 43/2015 on the Power Sector (Republic of Albania, 2015) and according to the provisions of the law on the Promotion of Renewable Energy Sources (Republic of Albania, 2023), **the Albanian Energy Regulatory Authority** (ERE) is responsible for licensing, regulating tariffs, and ensuring compliance with national laws and EU standards for energy projects. As for energy communities, ERE is defined as the responsible authority to set cost-reflective network tariffs according to the ERE-approved methodology as well as other relevant tariffs, levies, and taxes, ensuring that the setting contributes, in an adequate, fair and balanced way to the overall cost-sharing of the system.

Under law 24/2023 (Republic of Albania, 2023) the **Ministry of Infrastructure and Energy** is responsible for developing policies, drafting regulations, and coordinating with investors and agencies to facilitate project approvals. More detailed, the law defines under Article 21 (5) the Ministry of Infrastructure and Energy as the responsible authority to develop instructions in relation to the establishment and operation of renewable energy communities. With the instructions of the minister the authority defines the following:

- legal form of establishing a renewable energy community;
- conditions to ensure open and voluntary participation;
- the effective management of renewable energy community initiatives focuses on facilitating financial and informational access while providing regulatory and capacity-building support to public authorities for establishing renewable energy communities., and in helping authorities for direct participation;
- other relevant issues.

According to Article 9 of the same law (Republic of Albania, 2023) the Ministry shall establish appropriate programs for information, awareness-raising, guidance, and training to educate citizens on exercising their rights as active consumers. These programs will highlight the benefits, practicalities, and technical and financial aspects of developing and utilizing renewable energy, including self-consumption and participation in renewable energy communities.

Law 24/2023 (Republic of Albania, 2023) further requires the government to provide the policies and measures implementing the National Energy and Climate Plan (Republic of Albania, 2024) for the promotion of renewable energy self-generation and renewable energy communities.

The government's National Energy Strategy 2018–2030 (Republic of Albania, 2018) includes objectives to increase renewable energy capacity and reduce greenhouse gas emissions. The Albanian Government has also approved the 1st and the 2nd National Action Plan on Renewable Energy Sources (NREAP) (Rebuplic of Albania, 2018a). The NREAP is based on Albania's obligations as a contracting party to the Energy Community Treaty (European Union, 2006) to comply with EU directives on the promotion of renewable energy sources. Albania is obliged to increase the portion of renewables of the total final energy consumption, which should be up to 54% by 2030. In this document, the Albanian government has recognized energy safety, which is about developing strategic policies relevant to energy production, diversification of energy mix and/or energy saving.

Most of the RES projects in Albania have secured financing and technical support from international organizations, including the European Bank for Reconstruction and Development (EBRD), World Bank, and EU programs. Various grants and loans are directed toward expanding renewables, improving energy infrastructure, and enhancing regulatory frameworks. The EBRD has financed energy efficiency projects in Albania, particularly through its Green Economy Financing Facility (GEFF) (Green Econcomy Financing Facility, 2024). This program provides loans to households and businesses for investments in high-performance technologies like solar panels, energy-efficient boilers, and home insulation. It is part of a broader initiative across the Western Balkans aimed at reducing carbon emissions and promoting renewable energy adoption. It is worth noting that the EBRD has provided financing to OSHEE[1], Albania's state-owned electricity distribution company, to enhance the efficiency and reliability of the distribution network. The objectives in this case include improving long-term network investment planning to support RES penetration and to establish a sector skills council in energy to identify market skill needs and facilitate dialogue between companies, government, and education providers.

To support households in Albania the GEFF program has been implemented in partnership with local financial institutions, such as Union Bank, which received €6 million for on-lending to residential energy efficiency projects. The program also offers grant incentives funded by the EU and other donors to further support green investments.
The EU has supported several initiatives in Albania aimed at promoting renewable energy, self-generation, and energy communities. These efforts are part of Albania's alignment with the EU's "Clean Energy for all Europeans" package and commitments under the Energy Community framework. Some of the programs and efforts include

- support for energy communities: The EU, through programs like European Climate Initiative (EUKI) and partnerships with the Energy Community Secretariat, has worked on advocating for regulatory frameworks for citizen-led energy communities in Albania.

- financial and technical assistance: Albania has received financial support and technical expertise through EU-backed initiatives, including funding for solar panel installations and public awareness campaigns about the benefits of renewable self-consumption.

Further on, several European supported programs in Albania are focused on promoting energy efficiency and energy communities including:

- the Interreg IPA Cross-Border Cooperation Greece-Albania (Interreg, 2021): This program includes projects to promote energy-efficient "nearly zero-energy buildings" (nZEBs) and encourages the creation of energy communities in cross-border regions like Gjirokastra. It also supports developing joint approaches for energy community operations and scaling sustainable practices across borders.
- the smart Energy Municipalities Project (Swiss State Secretariat for Economic Affairs, 2022): Funded by the Swiss Embassy, this initiative pilot's energy management systems in select Albanian municipalities. It aims to institutionalize energy efficiency at the local level, supporting the implementation of Albania's national energy policy and fostering public awareness of energy efficiency.
- the Open Regional Fund for Energy Efficiency (ORF-EE) (GIZ, 2022): This is a GIZ (German Agency for International Cooperation) supported program, co-funded by the EU, which in Albania, supports technical assistance and capacity-building efforts for energy efficiency measures.

Finally, it is worth mentioning further different international aid and funding mechanisms like the EUs Horizon 2020 research and innovation program as well as Instrument for Pre-Accession Assistance (IPA) and United Nation Development Program (UNDP) which fosters renewable energy and community energy projects in Albania.

In June 2019 the Ministry of Infrastructure and Energy approved the Guidance on Self-producers' connection (Albania, 2019) to the grid. According to this document, the allowed installed capacity for small producers of solar or wind power systems amounts to capacities up to 500 kWp to meet their energy needs. Surplus energy can be transferred to the national grid through a net metering system. For this purpose, self-producers are required to use a two-way meter to calculate energy balances monthly.

In terms of the Ministry guideline document, any person who wants to connect to the network must submit the following documentation to the Electricity Distribution Operator (OSHEE):

- completion of the application form "On the Net Measurement Scheme" and the two-way meter connection according to the approved model published on the OSHEE website (OSHEE, 2025)

- declaration of the average annual consumption statement according to the history of the last two years, or in case of a lack of history, an energy audit report issued by a certified auditor), and the proposal for the electrical power installed. The installed power capacity for annual self-owned electricity production will be determined based on consumption patterns from the past two years, or in case of a lacking history, this calculation will be done by the certified energy auditor in an energy audit report.
- the proposal for the connection point of the PV plant to the grid approved by a natural and legal persons licensed for the connection of the PV plant in accordance with the distribution code approved by ERE
- the proposal on the metering model and its technical characteristics. The applicant is obliged, according to the law "On Promoting the Use of Energy from Renewable Energy Sources" (Republic of Albania, 2023) to install a two-way intelligent meter at its own expense, in compliance with OSHEE requirements and the metering code.

Once the application is submitted to OSHEE, the entity shall inform the applicant within 30 days whether the application is approved or not. If OSHEE evaluates the application as not in accordance with the requirements of the guidelines of the Ministry, OSHEE shall notify the applicant within 5 days regarding the missing documents of the application, which must be completed by the applicant within 10 days. It is worth mentioning that any person may reapply for a connection to the grid. After the application is approved, the self-producer must install the PV installation within 6 months after the date of approval and make the announcement to OSHEE after the installation is implemented otherwise the application must be redone.

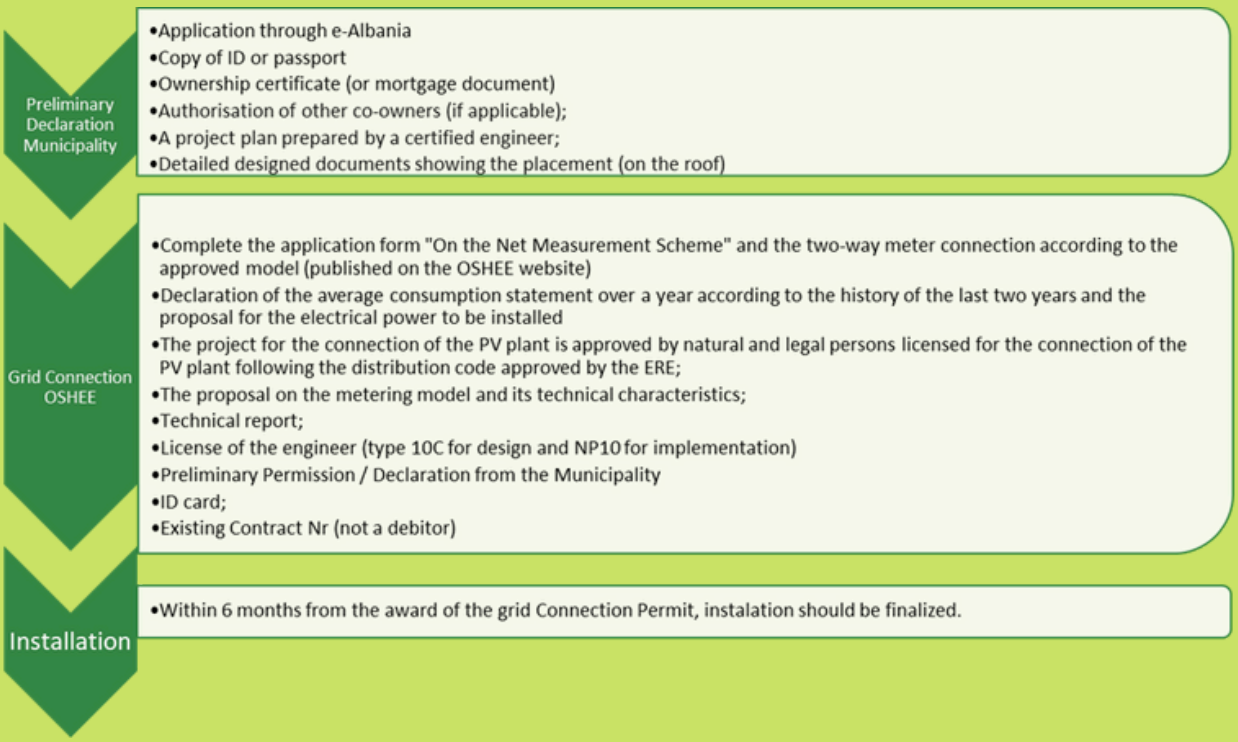

Figure 2: Flow chart of the legal installation process of a PV plant (own source)

Before starting the operation of the PV system, the self-producer must notify OSHEE in written form, by making the following documentation available:

1. a copy of the approval of the application and the record of inspection and meter system installed
2. a copy of the system's file, signed by licensed designers for renewable power generation plants and licensed professionals for the construction of power generation plants together with the self-producer confirmation of the PV system
3. manuals and technical tabs of PV system products, such as: panels, inverters, cables etc.
4. online access data on the system monitoring platform.

Under this guideline, OSHEE may disconnect the installation in case it certifies that self-producers have designed a plant that in an annual period exceeds the self-producer's energy consumption or when it is proven that the plant is installed and / or functioning differently from the project approved. In all cases, OSHEE announces self-producer and interferes with interruption only after the self-producer has not addressed OSHEE specific proposals.

Plants for self-producers must be designed in a way that the annual produced energy is below their annual consumption. This means, in case of lower energy consumption (e.g. smaller household composition) adaptation measurements with downsizing of the PV-plant.

The law (Republic of Albania, 2023) enables producers to sell excess energy through bilateral agreements or directly to suppliers. For example, larger producers with a trading license can sell electricity on the free market through bilateral agreements (PPA) with consumers like factories or large companies, while individuals or businesses generating their own energy (< 500 kW) can use net metering, injecting excess electricity into the grid in exchange for credits to offset future consumption. This represents a change from earlier regulations, where surplus energy had to be sold to the universal service provider at regulated prices.

Clearly, following the adoption of the law on the Promotion of Renewable Energy Sources, it is imperative for all actors/ institutions (the Council of Ministers, the Minister responsible for Energy, the National Energy Regulatory Authority, the Energy Efficiency Agency) to take action for developing the proper secondary legislation like the implementation methodology or revising of permits procedures for the development of RE projects.

In the provisions of article 29 (Republic of Albania, 2023) is foreseen that the Council of Ministers, the responsible Minister for energy, and the Energy Regulatory Authority shall be charged with approving the by-legal acts necessary to implement this law within 12 months of its entry into force. The current Energy Minister

guidance in force until now, dates back to the 20th of June 2019 and is based on paragraph 4 of Article 15 of Law no. 7/2017 (Republic of Albania, 2017).

Barriers to implement the EU Renewable Energy Directive in Albania

Implementing the EU Renewable Energy Directive in Albania faces several structural barriers due to its institutional capacities, partial decision-making, and bureaucratic processes. This section first outlines the responsibilities for implementing relevant laws and then points out accompanying structural barriers that currently exist.

As mentioned in the last section above, Article 29 of law 24/2023 (Republic of Albania, 2023) foresees the provision for the responsible authorities to adopt, within 12 months, all the by-laws related to energy communities and self-generators which consist in:

- appointing the institution, which shall have the main duties of the agency responsible for renewable energy (Article 5 paragraph 2);
- approval of the methodology for the share of energy from renewable sources, (Article 6 paragraph 2);
- approval of the supporting measures, the rules, and procedures to benefit from these measures, to promote the achievement of the national objective for renewable energy sources. According to the Council of Minister Decision, the minister determines the detailed rules to implement the issue of the support measures to renewable energy sources. (Article 10, paragraph 1);
- determination of the rights and responsibilities of renewable self-generators.

The Minister of Energy is responsible for approving, within 12 months of the law's entry into force, the by-legal acts implementing Article 21, paragraph 6, which refers to the National Energy and Climate Plan and outlines policies and measures for promoting renewable energy self-generation and renewable energy communities.

- The Energy Regulatory Authority (ERE) is in charge, within 12 months of the law's entry into force, to approve the following by legal acts among others:
- adopting the grid and market measures, with the proposal of the Transmission System Operator and the Distribution System Operator, to minimize the electricity interruption generated from renewable energy sources and the methodology for the assessment of restricted electricity volume. The methodology of ERE shall take into consideration the restricted energy volume from the injection to the network, to maintain the storage facilities of the priority generators (Article 17, paragraph 5),
- defining the electricity price generated from renewable self-generators.

The law (Republic of Albania, 2023) has foreseen multiple bodies involved in energy policy including ministries, agencies, and municipalities for the permission of renewable energy projects. This results in coordination issues between the authorities which can delay and make it difficult for the approval of energy projects. Responses from the questionary developed for this report have shown that application procedures for installation of photovoltaic plants for own production are fulfilled by employed experts within private installation companies, who are well aware of the documents to be submitted. Further on it was pointed out that the bureaucratic procedures sometimes take two months or more (mainly because of claims by OSHEE that the IT-system does not work, technical scan issues, erroneous documents etc.). This results in main concern for smaller investors due to slow bureaucratic processes and comprehensive knowledge regarding permits or licenses, which disincentivize possible investors.

Even though the primary law entered into force in April 2023, and the responsible bodies had to develop the secondary legislation within one year afterwards, most of the secondary legislation is still missing resulting in an unclear regulatory framework. Together with long procedures time, the lack of clear rules and methodology for the surplus of energy generated by the photovoltaic power plant is another concern raised by the interviewees. Up to now, surplus electricity fed into the grid is not compensated and transferred to the Universal Service Supplier without compensation. Other aspects affecting the implementation of the EU directive are related to limited financing options. Albania’s project financing should be tailored towards the renewable energy sector and not only be targeted to the traditional gird operators, which means that the deployment of renewable energy sources shall consider the changing role of consumers in generating, selling, storing energy etc.

3. SELF-PRODUCERS

The development of energy prosumers in Albania is an objective for the transition to sustainable energy. Prosumers could be either individuals or entities that produce and consume their own energy. The Law on Promotion of Renewable Energy Sources (Republic of Albania, 2023) provides legal frameworks for prosumers, allowing individuals and businesses to produce their own electricity from renewable sources and feed excess power into the grid. Article 3 of the law defines “renewables self-consumer” as a final customer who generates renewable electricity for its own consumption and who may store or sell self-generated renewable electricity. However, for non-household renewables self-consumer, those activities do not constitute in primary commercial or professional activity. This law introduced a new concept, that of “jointly acting renewables self-consumers” which describes a group of at least two consumers jointly acting as renewables self-consumers who are located in the same building or multi-apartment block.

The law has set an allowed level of installed capacity. Renewable self-generators have a maximum installed capacity of 500 kWp and shall have the right to generate, consume, store and sell their excess generation of renewable energy, including through bilateral agreements with electricity suppliers and counterpart trading agreements according to the equality and proportionate principles. Based on the Ministry proposal the government approves the rights and responsibilities of renewable self-generators. The Council of Ministers decision defines, among others:

1. the compensation scheme of renewable self-generators, based on the net invoicing methodology;
2. the procedure of handling the application for the self-generators of renewable energy, including the relevant deadlines;
3. technological and technical requirements including, but not limited, to the necessary updates of the matters to enable the implementation of the compensation scheme;
4. rules for the sale of self-generated electricity;
5. the annual period that shall serve to meter their generation.

The Distribution System Operator maintains and operates a system which is recording information about the name, location, capacity, and the commence date of renewable self-generation facilities, including any additional information according to the Council of Ministers Decision provisions. The support schemes for renewable self-generators shall be proportionate, contribute to the national renewable energy targets of the Government of Albania, and not jeopardize the financial sustainability of any of the segments of the electricity supply chain. The scheme shall be subject to prior approval by the State Aid Commission under the legislation for state aid. Renewable self-generators located in the same building, including multi-apartment blocks, are entitled to engage jointly as renewable self-consumers and are permitted to arrange the sharing of renewable energy that is generated on their site or sites between themselves, without prejudice to the network charges and other relevant charges, fees, levies and taxes applicable to each renewable self-generator.

In summary, the aforementioned discussion clearly indicates that the law has defined the fundamental rights and obligations of self-producers. Further on, the law defines the public institutions in charge of the development of renewable energy projects by self-generators. Under the Law (Republic of Albania, 2023) the Ministry of Energy has the responsibility to develop the proper rules needed for the operation of renewable energy projects by self-generators. As for the price, which has to be set by ERE according to the methodology as approved by the government. When inquired about the costs for the legal procedures for installing a PV plant for self-generation, interview responses did not specify a definitive value for document drafting expenses. However, their answers suggest that the process is lengthy and lacks transparency regarding costs, required documentation, and procedures as there are no by-laws in place which can be referred to. Additionally, communication with applicants appears to rely on informal channels, such as Facebook posts, which may not offer sufficient credibility or clarity. Informal communication channels cannot be in any case an adequate tool to share legal decisions.

This unregulated situation for smaller prosumers can be further supported with data. According to the data provided by ERE the Distribution System Operator (OSSH) has granted self-generator status in 2024 to 2416 customers with a total capacity of about 216.823 kWp. The specific weight of contract categories with installed photovoltaic panels in the distribution network, considering the status of self-generators by customer category and power installed are 94% private sector, 2% public institutions and 4% households.

The following table shows detailed data on installed capacity per contract category for photovoltaic power plants:

Type	Number	Installed PV Power [kWp]	Average size of the plant [kWp]
Public	51	2,159	42.33
Households	705	8,799	12.48
Private Sector	1,645	203,873	123.93
Public institution (non budgetary)	15	1,992	132.80
TOTAL	**2,416**	**216,823**	**89.74**

Table 1: Installed capacity per contract category for photovoltaic in 2024.
Source: ERE – Annex 1

Table 1 points out that the energy transition – considering the PV installations 2024 – is mainly conducted by bigger projects from the private sector with more than 1,645 plants with an average capacity of 123.93 kWp per plant while households play a marginal role with only 705 plants and an average capacity of 12.48 kWp per plant. This shows urgently the untapped potential for self-generators on household level.

4. DESCRIPTION OF APPLICATION PROCEDURES FOR RENEWABLE ENERGY PROJECTS

Developing renewable energy projects in Albania requires compliance with regulatory, licensing, and technical procedures under the national legal framework. As a first step, a site selection and feasibility study are needed to conduct economic, technical, and environmental assessments to confirm that the project is viable. This includes resource measurement (e.g., wind or solar data) and grid connectivity assessments.

The construction of a renewable energy (RE) power plant in Albania goes through the following steps and permits:

1. Environmental and Social Impact Assessment: Conducted and approved by the National Environmental Agency.
2. Permits from Government Bodies: Authorization for construction and operation is granted by the Ministry of Infrastructure and Energy (MIE).
3. Construction Permit: After environmental approval, apply for a construction permit from the Territorial Council.
4. Generation License: Obtaining a generation license from ERE, Albania's energy regulator.
5. Grid Connection Agreement: Secure a Grid Connection and Technical Compliance Agreement to connect to the grid.
6. Construction: Begin construction after obtaining all necessary permits, licenses, and agreements.
7. Commissioning and Testing: Conduct testing to ensure safe operation and compliance with grid and environmental standards.
8. Ongoing Compliance: Submit regular environmental and technical reports during construction and operation as required by law.

It should be mentioned that each project may have specific requirements depending on its type (solar, wind, hydro), scale, and location, necessitating close coordination with local agencies and regulators. As shown below in more detail several documents, institution permits and licenses are required for realizing a RE project:

1. Project Proposal and Pre-Feasibility Study

- Detailed assessment of the project's viability.
- Technical, environmental, and financial evaluations.

2. Environmental and Social Impact Assessment (ESIA):

- Comprehensive report on the potential environmental and social impacts.
- Public consultation records (if applicable). National Environment Agency's approval of the ESIA report.

3. Concession Agreement (if applicable):

- For projects using public resources or land (e.g., hydropower), a concession agreement from the Ministry of Infrastructure and Energy (MIE).
- Competitive tendering documents (if required).

4. Construction Permit:

- Application for a construction permit submitted to the Albanian National Territory Council (KKT).
- Site plans, design documents, and environmental mitigation measures.

5. Connection Agreement:

- Agreement with the DSO or Transmission System Operator (OST) for grid connection.
- Technical review, grid capacity assessment, and connection design documentation.

6. Generation License Application:

- Technical, economic, and financial information for ERE.
- Project impact assessments on the electricity grid.
- Permits from other agencies (e.g., NEA, MIE, Agency for Management of Water Bodies and hydropower plants).

7. Operational Permit:

- The completion reports.
- Inspection and compliance documentation.
- Certification of safety and environmental standards.

As for self-generators, grid connection follows the Ministry's guidelines, as previously outlined in this report. A comparison of requirements and characteristics for large-scale renewable energy projects versus self-generators highlights significant differences, as shown in the following table:

Requirements and Characteristics	Large-Scale RE Projects	Small-Scale Self-Generators (Prosumers producing RE for self-consumption (< 500kW))
Authorization from the Ministry of Energy	Required authorization from the Ministry of Energy or from the Council of Ministers	Exempted
ERE Licence	Requirement of a generation license from the National Energy Regulatory Authority	Exempted
Environmental Assessment	Requirement of an Environmental and Social Impact Assessment (ESIA) including studies on land use, biodiversity, social impact and mitigation measures	Generally exempted due to minimal environmental impact.
Construction Permit	After Environmental Approval requirement of a construction permit subject of approval by the National Territory Council.	Simplified procedures; may not always be required
Grid connection	Requirement of an agreement with the DSO or OST	Simplified connection procedures; Requirement to install a two-way meter at own expenses based on the ministry guideline
Investment costs	General higher costs due to permitting fees, land use agreement, and infrastructure investments	Lower capital investment compared to large-scale projects

Incentives	Eligible for Contracts for Difference (CfD) or premium contracts through competitive bidding	Benefits from net billing schemes to offset consumption and intended compensation for excess energy
Reporting	Required to submit regular environmental and technical reports during construction and operation.	Minimal reporting requirements, mainly for energy accounting and grid compliance.
Modification of the project	Limited flexibility once operational; expansion requires new permits and approvals	Greater flexibility - self-generators can expand capacity within legal limits.

Table 2: Comparison of requirements and characteristics between Large-Scale RE-Projects and small RE-Projects (<500kW).
Source: Table created by authors

In Albania, small renewable energy (RE) projects - specifically those with a capacity less than 500 kW - are granted certain exemptions from some of the more complex and costly requirements that apply to large-scale RE projects. Although small RE projects are not fully exempted from grid connection agreements, the process is generally simpler compared to large-scale projects resulting in implementation without large infrastructure investments and operation with less regulatory burden.

5. SKILLS AND CAPACITIES OF THE AUTHORITIES

Establishing energy communities requires specific skills and capacities from local authorities, specialized institutions and government bodies. It needs the understanding and relevance of energy communities and also the political will to push actors like energy communities. To promote RE projects including energy communities and self-generators, legal and regulatory expertise, familiarity with the EU Renewable Energy Directive (European Union, 2023), and Clean Energy for all Europeans Package is crucial, as these frameworks encourage energy communities and prosumer models.

Authorities are given the responsibility to develop the secondary legislation which is crucial for the promotion of RE projects. The applied questionnaire developed for this report shows that interviews claim the lack of information on procedures and timelines. In this view authorities should be skilled in drafting policies and regulations that enable energy communities, such as simplifying processes, ensuring transparent grid access, and setting favorable tariffs for community energy projects.

Not only knowledge of the proper legal framework in the EU but authorities shall moreover be skilled with technical capacity in renewable energy and grid management. Authorities should have expertise in different renewable energy technologies, particularly solar PV and small-scale wind systems that are feasible for community setups. This includes understanding installation, maintenance, performance and monitoring. To support energy communities, local authorities need expertise in grid management, including integrating distributed energy resources (DERs) like solar or wind farms.

Further on, authorities must be capable of securing funding from international sources, such as EU grants, development banks, or green bonds for community energy projects. Understanding how to structure financing options is crucial for making energy projects accessible and affordable for participants.

Considering the asymmetrical possession of information, authorities must be capable of conducting effective outreach campaigns to educate the public on the benefits of energy communities. This includes knowledge of RE, energy efficiency, and the economic benefits of local energy production. Moreover,

authorities should foster collaboration among citizens, local businesses, and government entities to build trust and encourage local investment in energy projects. A clear example of the role of information is seen in interviewees' responses. When asked, they state that there are no bylaws or instructions to refer to. When engaging with citizens, only a Facebook post was shown which refers to annual electricity billing.

Authorities should be capable of collecting and analyzing energy usage data to design energy communities effectively. Under this view, data management and digital skills are crucial for monitoring project performance and understanding local energy demands. Authorities should develop partnerships with international organizations, NGOs, private-sector entities, and educational institutions for knowledge exchange, funding, and project support.

Energy promotion needs not only cooperation between actors but also across various sectors, including housing, transport, and the environment. Authorities should be skilled in forming interdisciplinary groups of experts across sectors to address challenges related to energy storage, mobility, and grid infrastructure.

All these areas pose a challenge for public authorities while private international entities can play a critical role in supporting public authorities in developing frameworks for energy communities and self-generators. Their support ensures that public authorities are equipped with the knowledge, tools, and resources needed to effectively regulate and promote energy communities and self-generation. Their assistance can be tailored to meet the objectives and goals of the legislation in the energy sector by:

- public authorities staff training sessions on best practices, new technologies, and innovative regulatory frameworks for energy communities and self-generators.
- providing guidelines for developing policies and regulations that promote energy communities and self-generation.
- assisting in drafting or revising laws and regulations to align with EU legislation in this field.
- conducting studies for integrating energy communities and self-generators into the grid etc.
- conducting events to gather input and address concerns from diverse groups of stakeholders;

With the support of international organizations, authorities could provide technical assistance to energy communities offering training programs or workshops on how to start, manage, and sustain an energy community. Providing this support, including training on technical, financial, and administrative aspects, community members can be empowered to take ownership of local energy projects. In this view, authorities could go further to facilitate the growth of energy communities by offering advisory services by establishing one stop shops or helplines where community members can

get advice on regulatory, technical, and financial questions. Social impact and equity have to be considered as well by authorities in their planning, ensuring that energy communities provide affordable energy access and benefits to low-income households and marginalized communities. Investing in these capacities and skills would enable Albanian authorities to provide comprehensive support for energy communities, fostering local energy independence, sustainability, and economic resilience.

6. GAPS AND BARRIERS

In the framework of this report, a questionnaire was delivered to various persons and businesses, which covered aspects about household and businesses installed capacity, installation procedures, official documents needed, financial costs involved, time and tendency of PV installation shortly as well as some recommendations for decision makers.

The responses indicate that a significant proportion of electricity production plants for self-use are primarily implemented by business entities. The installed capacity in renewable energy projects of households accounts for only around 10-20% of the average installed capacity in business projects. As for the application procedures for the installation of these plants in business entities, most of them have responded that they have employed specialists within their company.

The subjects are mainly aware of the existence of documents to submit, which are facilitated through the company's specialist. The subjects have not declared a value, the cost of drafting documents, but they point out that the procedures last 2 months or more (mainly because of the claims by OSHEE that the system does not work, technical scan issues, erroneous documents, etc). Procedures in any case, such as for small or large installation capacity, are practically the same.

Regarding the trend of installations in the coming years, whether it will continue to grow or stabilize, the responses indicate that, so far, businesses have been the primary investors. In the upcoming years, however, household installations are expected to increase.

Taking the barriers of the interviewed stakeholders into account, the authors of this report were investigating further on the barriers hindering photovoltaic implementation as shown in the following table:

AREA	BARRIERS HINDERING SOLAR PV
Political and economic framework	• Law "On Promoting the Use of Energy from Renewable Sources" (Republic of Albania, 2023) outlines various support mechanisms, including energy purchase agreements and contracts for difference, to encourage renewable energy production but specific bylaws that detail procedures and regulations are not adopted yet and currently, secondary legislation from the previous law nr 7/2017 (Republic of Albania, 2017) is in force until new bylaws are established. • There is currently a lack of long-term coherent policy and economic support for RES projects (e.g. missing compensation scheme for renewable self-generators based on the net invoicing methodology, unclear electricity price setting by ERE for electricity generated from renewable self-generators). • There are no rules and regulations specifically targeting women as the gendered impacts of climate change and energy transition have not been addressed in the national implementation plans.
Market structure	• While the RES sector is profitable for big companies, citizens are currently left behind to participate in a simplified and supported manner. • The RES sector is exclusively seen as an opportunity to make profit and broader society with different intentions, e.g. fighting energy poverty or climate change, is not included • The inclusion of vulnerable groups in RES projects is not considered. Vulnerable groups are not able to take on loans to invest in RES, therefore they do not have interest or an opportunity to get involved • The Albanian Energy Market Model (Republic of Albania, 2016) currently lacks provisions for energy communities and self-generators.

Administrative authorisation	• The entire administrative process for the registration of renewable energy projects being complex and tedious • A collective building can only use the produced electricity for the joint use of the building (lighting of staircases, elevator, and similar uses), but the electricity cannot be divided among the households sharing the building which poses a barrier to wider penetration of solar in the collective building. It is evident that while the law exists, the sublegal acts for its enforcement and implementation are lacking. • Missing land property evidence is complicating the process. Although a land property certificate is a legal document, many property owners in Albania still do not possess one.
Grid Connection	• Inadequate grid regulation and infrastructure including flexibility and storage • Missing investments in grid improvements to ensure the grid can accommodate the growing share of renewable energy (International Renewable Energy Agency, 2021, S. 24) • The 5-year development plan of DSO needs to address the integration of RES with special focus on the need for flexibility.

Table 3: Barriers Hindering Photovoltaic implementation
Source: Table created by authors

Regarding the recommendations for institutions at policy level but also for the procedure of permitting installations, interviewees have recommended the following:

- The application for PV plants up to 10 kWp shall consist of only one notification to OSHEE instead of applying first at the municipality, then approaching OSHEE with diverse documents and requirements to be fulfilled.
- The licenses granted to businesses have as a criterion for the company to have 3 engineers (electrical, hydro and wind) in their workforce. This structure appears illogical for a company that is exclusively focused on photovoltaics, as there seems to be no justification for the presence of three experts in fields which are not applicable.
- In the case of net metering, there is an urgent need for bylaws or official guidelines to reference. Typically, applicants are informed with a Facebook post that states annual electricity billing.

7. CONCLUSIONS

Albania's legal framework for renewable energy has aligned with EU Renewable Energy Directive (RED II). While Albania has adopted the primary legislation on renewable energy, the secondary legislation provisions for prosumers and energy communities remain underdeveloped and fail to address the practical needs of energy communities and self-producers fully. Several structural barriers impede Albania's alignment with EU directives including insufficient integration of community energy approaches and prosumer rights in national bylaws, and different institutions handling renewable energy policies. Also, self-producers face numerous challenges, including high initial investment costs, and complex application procedures.

The application process for renewable energy projects permission in Albania is perceived as not clear and time-consuming. Prosumers and potential energy communities encounter unclear requirements, with limited support from authorities. Simplifying these procedures is crucial to fostering participation.

Despite the need for clear rules the development of energy communities in Albania holds the potential to transform the country's energy landscape. While procedures and requirement seem confused the Albanian government clearly states in the National Energy Strategy, its goal on achieving energy security, transitioning to renewable energy, improving energy efficiency, and aligning with European Union (EU) energy market standards. Also, the Law on Renewable Energy Sources (Republic of Albania, 2023) sets clear objectives to increase renewable energy use, ensure compliance with international commitments such as the Energy Community Treaty, and foster regional integration while promoting economic growth in rural and isolated areas.

To address vulnerabilities, the government is focusing on adding solar, wind, and other renewable energy sources to reduce reliance on hydropower and climate risks. This shift improves energy security, cuts greenhouse gas emissions, and supports global climate goals. Small-scale renewable projects and self-generators play a key role by decentralizing energy production and involving local communities.

The 2017 Renewable Energy Law established the groundwork for small-scale solar projects, while the 2023 Renewable Energy Law (Republic of Albania, 2023) introduced a more comprehensive framework for renewable self-consumers and energy communities. This legislation aims to facilitate the integration of distributed renewable energy resources through measures such as feed-in tariffs, net metering, and simplified permitting processes. However, several critical gaps remain.

The methodology for compensating renewable self-generators has yet to be approved, creating uncertainty for potential investors and participants. Furthermore, ERE has not established compensation rates for surplus energy fed into the grid. In the interim, surplus energy is transferred to the Universal Service Supplier without compensation, a practice that undermines the financial viability of self-generation projects and discourages broader participation. Comprehensive, community-led initiatives remain rare due to several barriers.

Complex and lengthy licensing processes, challenges in securing grid connections, and unclear pricing mechanisms for renewable energy all contribute to the slow development of energy communities. The increasing interest in diversifying RES, including solar and wind, has created an urgent need for a more resilient and adaptive grid. Modernizing the grid to accommodate these resources is critical for ensuring the stable and efficient integration of community-generated power. Albania's existing grid infrastructure is not designed to handle the additional capacity from decentralized RES installations, particularly solar and wind farms (International Renewable Energy Agency, 2021, S. 24).

RES installations and invest in Smart Grid Technologies, deploy advanced technologies like smart meters, real-time monitoring systems, and automated controls to enhance grid efficiency and reliability.
As mentioned, current policies and regulations in Albania do not sufficiently address the needs of prosumers and energy communities and leaving them with limited support and protection.

As a candidate for European Union (EU) membership, Albania has access to a range of funding opportunities from EU programs and international organizations. These funds can support the development and scaling of energy communities by financing feasibility studies, providing technical

assistance, and subsidizing the installation of renewable energy systems. Capacity-building initiatives and public awareness campaigns are also essential for educating stakeholders about the benefits of renewable energy and encouraging participation in energy community projects.

Municipalities have a crucial role to play in this process. By providing land for renewable energy installations, streamlining local permitting procedures, and engaging citizens in project planning and implementation, municipalities can create a supportive environment for energy community development. Partnerships between municipalities, private companies, and community members can further enhance the success of these projects by combining financial resources, technical expertise, and operational support. In conclusion, energy communities represent a transformative opportunity for Albania to achieve its energy transition goals. Current policies and regulations in Albania do not sufficiently address the needs of prosumers and energy communities, leaving them with limited support and protection. By fostering collaboration among citizens, businesses, and local authorities, these initiatives can accelerate the shift toward a more sustainable, resilient, and inclusive energy system. The next chapter point out recommendations on how Albania can unlock the full potential of energy communities, ensuring a cleaner, more secure, and economically vibrant energy future.

8. RECOMMENDATIONS

In its primary and secondary legislation is recognized that encouraging energy prosumers—consumers who also produce energy, typically through renewable sources like solar or wind—can significantly help Albania advance its renewable energy goals, reduce dependency on imports, and enhance energy security. To assess how to promote prosumer activity it must be looked at what is missing in the legislation in place and what consumers see as barriers.

Prosumers and Energy Communities

Without a clear regulatory framework (secondary legislation) specifically designed for self-generators and energy communities, there remain obstacles in investing in RE projects, such as the legal form of the energy communities, as described above on accessibility of the grid connection, and energy pricing. This lack of clarity can discourage communities from pursuing projects.

It is crucial approving a net billing meter in Albania and other relevant rules under article 20 (Republic of Albania, 2023), covering application procedures, technical requirements, electricity sales rule of self-generated electricity and annual metering.

Another issue to be considered is that subsidies and grants for solar panels through direct grants or low-interest loans are necessary to cover installation costs for residential and small-business solar systems. This could help alleviate high upfront costs, which are often a barrier to entry.
Most consumers consider the process for individuals and businesses to get connected to the grid as not clear. Simplifying permitting, connection, and reporting requirements could encourage more people to participate. Investing in being a prosumer or being part of an energy community is not only a matter of financial aspect; it takes a lot of bureaucratical steps for consumers to be connected.

Authorities and NGOs should foster awareness campaigns on the economic and environmental benefits of becoming a prosumer. This could involve workshops, seminars, and partnerships with schools to increase awareness of renewable energy and prosumer opportunities.

With the introduction in the primary law of the concept of renewable energy communities it is important to support energy communities and prosumers in Albania, especially vulnerable consumers. Different support measures may include but not be limited to:

1. Policy Support: Develop the secondary legislation as required by law together focusing on the reduction of the administrative barriers and provide subsidies for low-income households.

2. Financial Aid: Create dedicated funds, offer low-interest loans, and foster public-private partnerships for renewable projects.
3. Grid Upgrades: Modernize grid infrastructure for prosumer energy and implement tariffs for vulnerable consumers.
4. Capacity Building: Provide training, raise awareness, and support local collaborations to form energy communities.
5. Monitoring: Set measurable goals, track progress, and adapt policies based on community feedback.
6. Pilot projects are an essential step in demonstrating the viability of energy communities in Albania. Successful examples can showcase the economic, social, and environmental benefits of community-driven renewable energy initiatives, building public trust and encouraging broader participation.
7. Exchange with European umbrella organisations like Rescoop.eu, BBEn (Germany), EnergieSamen (NL) and plans to set up a supportive organisation to push energy communities

By supporting local energy production and consumption, prosumers and energy communities can reduce dependence on imported energy, lower electricity costs, and generate economic benefits such as job creation and increased local revenue. Furthermore, they can foster energy autonomy, empowering communities to take control of their energy needs and contribute to the national energy transition.

Grid Connection and Infrastructure

One of the main problems accompanying RES projects is the integration of decentral electricity production into the existing grid infrastructure. There is an urgent need for grid infrastructure upgrades to support a growing prosumer base and ensure system stability. Albania's electricity grid may not be fully prepared to integrate large-scale renewable energy sources like wind or solar. It seems important to not only consider proper legislation or technical and financial aspects in the successful implementation of RE projects but also administrative barriers.

Simplifying the grid connection process and ensuring adherence to deadlines are essential. The Energy Regulatory Authority should properly monitor the deadlines for each stage of the grid connection process, including application submission, review, technical assessments, and final approval, and consider revision of the existing connection rules. Also establishing a centralized point of contact where applicants can receive guidance, submit applications, and coordinate with relevant authorities and operators. This approach reduces the need for applicants to navigate multiple institutions and speeds up the overall process.

Also investing in smart grid technologies is essential for modernizing Albania's electricity infrastructure and provide real-time data on energy production and consumption, enabling more accurate demand forecasting and resource allocation.

Legislation and application of laws

Together with the need for adoption of the primary and the secondary legislation it is crucial for the proper implementation and development of the RES projects, to ensure that legislation on the renewable energy sector in Albania is clear and that any changes are easily accessible to potential investors and citizen prosumers. Achievements of this goal would include:

1. Dedicated Online Platform - Creation of a government dedicated online portal for renewable energy legislation where laws, regulations, guidelines, and amendments are published and where users can easily find specific legislation.
2. User-Friendly description of the legislation, which is easily understandable by non-experts. Distribute clear guidelines and toolkits on how citizens can become prosumers, including steps for licensing, grid access, and incentives.
3. Engage stakeholders - organize regular workshops with stakeholders, including investors, citizen prosumers, NGOs, and local authorities, to explain legislative changes and gather feedback for improvements to the legislative framework.
4. Local authority training - Train local government officials and energy regulator expert to understand and effectively communicate renewable energy legislation and to simplify and standardize permit application processes for small-scale renewable energy installations.
5. Oversight and review - public bodies shall monitor frequently the legislation on RES projects to review and evaluate the implementation of renewable energy laws, the need for amendments in the primary and secondary legislation to align renewable energy legislation with EU energy and environmental directives.

Policy cohesion

To enhance policy cohesion between renewable energy and related areas in Albania requires regular review to align renewable energy projects with local socio-economic and environmental needs, considering land use and ecological impact. Integrated policy frameworks are required to adopt cross-sectoral strategies that explicitly integrate renewable energy goals with climate change, biodiversity conservation, land use, agriculture, and social policies. For a proper coordination of different public bodies it is suggested an inter-ministerial task force or agency not only to coordinate the public bodies but as well to ensure inclusive participation of local communities, NGOs, private sector actors, and international partners in policy development to ensure diverse perspectives and to ensure harmonization renewable energy development to comply with environmental protection, biodiversity, and land-use regulations including to evaluate the impact of renewable energy projects on climate, biodiversity, and social factors.

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ABOUT THE PROJECT

Albania is almost exclusively dependent on hydropower for 90% of its electricity generation and is increasingly exposed to predicted extreme hydrological situations in the future and therefore problems with the security of energy supply. However, as a member of the European Energy Community and an EU accession candidate, the country has committed itself to decarbonizing its economy, increasing energy efficiency, exploiting the potential of renewable energies and diversifying electricity generation from hydropower to other renewable energy sources. Driven by the motivation to increase its own energy security, protect itself from rising energy prices and take an active role in the fight against climate change, citizens and businesses in the region are also increasingly turning to renewable energy, despite facing numerous obstacles.

The project aims to promote renewable energies in Albania, encourage citizen participation in the energy transition and at the same time strengthen gender equality. Specifically, Albanian women entrepreneurs in rural areas, low-income households and young people are to learn to recognize and understand the potential of community energy as well as self-consumption and self-generation of renewable energy for individual action. These target groups should be motivated and empowered to get involved themselves.

Renewable self-consumption can help Albania to utilise its vast renewable energy potential and build resilient and environmentally friendly energy systems by cutting reliance on energy imports and fossil fuels.

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