

Energy Efficiency Law

Chapter I General Provisions

Article 1 Purpose of the Law

The purpose of this law is to create the legal framework required for the elaboration and enforcing of a national policy for the efficient use of energy and reducing energy losses in whole energy cycle. This law shall contribute to the economical use of energy resources, more reliable energy supplies, less adverse impact on the environment and to the sustainable development of society.

Article 2 Definitions

In this law the following terms will mean:

1. "Minister" shall mean Minister of Industry and Energy or Minister responsible for energy.
2. "Electricity Regulatory Entity" shall mean the authority, which is established and function in accordance to law No.9072, dated 22.05.2003 "On power sector".
3. "National Agency of Energy" shall mean the agency with expertise in energy and energy efficiency issues subordinated to Minister responsible for energy.
4. "Local Energy Office" shall mean an office subordinated to every Prefecture dealing with energy issues.
5. "Energy" shall mean any form of energy either it is a primary or transformed energy source.
6. "Energy Efficiency" shall mean the rate of effectiveness of energy processes, defined as a percentage ratio of the total energy output and the total energy input of the same process.
7. "Energy Conservation" shall mean a reduction in energy use.
8. "Energy Audit" shall mean a process based on a systematic method of determination and valuation of the energy flows and consumption in energy facilities.
9. "Energy Facilities" shall mean any set of technical devices or buildings, which consume energy.
10. "Energy Auditor" shall mean a natural person who is in posses of a license issued by Minister pursuant to Article 8 of this law.
11. "Energy Service Provider" (ESCO) shall mean a public or private provider of energy conservation services.

Chapter II Energy Efficiency Policy

Article 3 Promotion of Energy Efficiency

The policy for the efficient use of energy shall be an integral part of the overall energy policy and shall consist in:

- a. Reducing hurdles to promote energy efficiency and stimulate investments in this way;
- b. Promoting financing solutions for the initiatives related to energy efficiency;
- c. Ensuring co-operation between consumers, producers, energy suppliers and public authorities in view of reaching the objectives set by the national energy efficiency policy;
- d. Supporting applicable research in the field of energy efficiency use;
- e. Educating and creating awareness among the users of different forms of energy about the necessity and benefits of reducing energy consumption per unit of product;
- f. Promoting private initiatives and the development of energy services;
- g. Co-operating with other countries in the field of energy efficiency and observing international treaties and conventions of which Albania is a party.

Article 4 National Energy Efficiency Program

Minister responsible for energy, through the National Agency of Energy, every 2 (two) years shall develop and submit to the Council of Ministers for approval a national energy efficiency program. The program shall be accompanied with a detailed economic evaluation.

Article 5 Energy Data Reports as Support of Energy Efficiency Program

1. For purpose of supporting the development and monitoring of the national energy efficiency program energy database at both, national and local level, shall be created and kept respectively by the National Agency of Energy and the Local Energy Offices.
2. Fuel and electric suppliers are obliged to submit every 6 (six) months no later than March 31 and no later than September 30 to the National Agency of Energy data reports on amount of energy supplied to customers.
3. Consumers who consume an annual energy quantity more than ___kwh of electricity, ___tons of oil, ___tons of coal or the equivalent of ___toe are obliged to submit no later than March 31 of every year to the Local Energy Office, competent by virtue of the location of consumers, data report on their energy consumption for the last year. The data reports shall be filed according to formats requested by the National Agency of Energy.

4. Consumers, whose annual consumption of any type of energy is lower than that set forth in paragraph (3) of this Article are obliged to submit no later than March 31 of each year to the Local Energy Office, competent by virtue of the location of consumers, their actual energy consumption only if requested.
5. For household, agriculture and transport sectors, the National Agency of Energy in cooperation with INSTAT and the Local Energy Offices shall undertake surveys for collecting data on energy consumption by those consumers.
6. The Council of Ministers shall adopt a regulation on the content and manner of submitting energy data reports by fuel and electric suppliers and energy consumers.

Article 6
Energy Labeling

1. A person who manufactures or imports energy appliances may not sell them to any other person in the country unless he has provided such appliances with energy labels. The data on the labels shall be in Albanian language.
2. The person pursuant to paragraph (1) of this Article shall be responsible for the accuracy of the data on the labels.
3. The labels shall include data on the specific energy consumption of the energy appliance, its energy efficiency in relation to the lowest and highest values of energy efficiency for the given type of energy appliances, as well as on possible negative impact that its operation may have on the environment and the health of people.
4. The label shall be placed visibly on the appliance.
5. The details regarding the labeling of the energy appliances shall be stipulated by a regulation approved by the Council of Ministers.

Article 7
Energy Audit

1. For purpose of knowing the level of utilization of energy facilities with the view to improve their energy efficiency, the natural or legal persons who consume energy may be subject of energy audits.
2. The energy audit is completed with a written report that shall include:
 - a. an assessment of the current level of energy facilities under evaluation;
 - b. a proposal of energy-saving measures to be executed, including their economic justification;
 - c. a final opinion of the energy auditor who carries out the audit.
1. Upon request, the owner of the audited energy facilities shall submit a copy of the energy audit report to the Minister responsible for energy, the National Agency of Energy or to the Local Energy Office competent by virtue of the location of the audited energy facilities provided that the audit is compulsory for such facilities or the audit has been financed by the energy efficiency fund.
2. The energy audit shall be compulsory for:

- a. all natural or legal persons applying for a financing under energy efficiency fund;
 - b. the state institutions or the organizations entirely or partly financed from the state budget with the total energy consumption per year higher than ___kwh, ___tons oil, ___tons coal, ___toe;
 - c. all natural or legal persons, with exception of organization entirely or partly financed from the state budget, with the total energy consumption per year higher than ___kwh, ___tons oil, ___tons coal, ___toe.
1. The persons subject to the energy audit shall cover its expenses.
 2. The detailed content of the energy audit shall be stipulated by a regulation approved by the Council of Ministers.

Article 8

Licensing of Energy Auditor

1. The Minister responsible for energy is authorized to issue licenses for energy auditors.
2. A person may be licensed as an energy auditor if he/she:
 - a. is competent pursuant to paragraph (4) of this Article;
 - b. has not been convicted of any crime committed in connection with the auditor's activity;
 - c. has passed the expert examination.
1. The expert examination shall be taken before an examining board appointed by Minister. The number, activity and compensation of members of the examining board shall be regulated by a regulation adopted by Minister.
2. A person is considered competent to perform the energy audits if it can be established that he/she graduated from university in a technical or natural science field and has 2 (two) years of auditing experience or completed his/her secondary education in a technical field and has 5 (five) years of auditing experience.
3. An application for an energy-auditing license shall be submitted to Ministry responsible for energy in writing. The model application form shall be stipulate by a regulation approved by Minister responsible for energy.
4. To the application for an energy-auditing license pursuant to paragraph (5) of this Article, the following documents shall be attached:
 - a. proof of competence;
 - b. a no-criminal record certificate issued not earlier than three months before applying;
 - c. copies of the energy audit reports executed in the past two years in which the applicant had participated and a certificate of the energy auditor confirming such participation;
 - d. expert examination certificate.
1. The energy auditor shall keep confidential all the data related to the natural or legal person whose energy facilities were subject to the energy audit, which came to his knowledge in connection to the audit performed. The energy auditor may not benefit from such data in any way and may not use them in favor or to the detriment of a third party. The obligation of confidentiality may only be

discharged by the natural or legal person whose facility was subject to the energy audit or if another legal act so stipulates.

Chapter III Energy Efficiency Fund

Article 9

Establishment and Financing of the Fund

2. The Council of Ministers shall establish an energy efficiency fund to be used solely for energy efficiency and energy conservation purposes;
3. The energy efficiency fund may be financed from:
 - a. annual funds from the state budget;
 - b. grants from international financing sources;
 - c. private sources;
 - d. electricity customers bill in cases when the Electricity Regulatory Entity decides to implement energy conservation programs for different categories of customers of power sector pursuant to Articles 8(2)(e) and 28(2)(gj) of the law No.9072, dated 22.05.2003 “On power sector”.
1. Funds not spent in any fiscal year shall remain in the fund to be used for energy efficiency and energy conservation programs.
2. Any interest earned on funds in the energy efficiency fund must be credited this fund.

Article 10

Administration of the Fund

3. Minister responsible for energy shall be responsible for administration of the Fund established pursuant to Article 9 of this law.
4. Minister, through the National Agency of Energy, shall seek to implement the delivery of energy efficiency programs in all regions of the country.
5. Minister may arrange the implementation of energy efficiency programs by contracting with energy service providers (ESCOs) applying the following subparagraphs:
 - a. Minister, through the National Agency of Energy, shall select energy service providers through a competitive bidding process pursuant to provisions of the law No.____, dated _____ “On public procurement”.
 - b. Minister may select an energy service provider without employing a competitive bidding process, if Minister finds that the selection of the energy service provider will promote effectively the energy efficiency and energy conservation programs and is consistent with the objectives and overall energy efficiency policy.

Article 11

Activities and Programs financed by the Energy Efficiency Fund

The Energy Efficiency Fund shall finance the following activities:

- a. investments aimed at the improvement of energy efficiency in buildings, industrial enterprises, and the transportation sector;
- b. investments aimed at the improvement of energy efficiency in extraction, production and transportation of energy;
- c. research and development activities in energy efficiency;
- d. establishment of demonstration projects in order to investigate and test new energy technologies or new organisational solutions for the energy sector;
- e. energy audits pursuant to Article 7 of this law.

Chapter IV Other Provisions

Article 12 Sanctions

1. Any person who has failed to report or has submitted false report in accordance with the provisions of paragraph (2) of Article 5 of this law shall be punished by the Local Energy Office, competent by virtue of the location of the person, by a fine from 100 000 to 300 000 leks.
2. Any consumer who has failed to report or has submitted false report in accordance with paragraph (3) of Article 5 of this law shall be punished by the Local Energy Office, competent by virtue of the location of consumer, by a fine from 30 000 to 100 000 leks.
3. Any consumer who, upon the request, has failed to report or has submitted false report in accordance with the provisions of paragraph (4) of Article 5 of this law shall be punished by the Local Energy Office, competent by virtue of the location of consumer, by a fine from 2 000 to 10 000 leks.
4. Any person who violates the provisions of Article 6 shall be fined by _____ by a fine from 100 000 to 300 000 leks.
5. The fines pursuant to paragraphs (1), (2) and (3) of this Article shall be enforced by responsible local authority to which the Local Energy Office is subordinated.
6. The fines pursuant to paragraph (4) of this Article shall be enforced by _____.

Article 13 Entry into Force

This law shall enter into force 15 days after it published in the Official Journal.