

New small hydropower plants and the privatization of several medium-sized ones have increased private sector electricity production in Albania to almost a fifth of total production, a report by the Albanian Energy Regulator (ERE) for 2014 shows. It says the private electricity production market in Albania was worth ALL 8.1 billion (EUR 58.2 million).

According to an article in Balkan Insight, last year 13 new private HPPs with a total installed capacity of 37 MW were connected to the grid. Private production of electricity in Albania started in 2000 when dozens of SHPPs, mainly built during the Communist era, were privatized. The market grew fast after 2008, when the government signed hundreds of concession agreements to build new HPPs under the promise of long-term purchasing agreements.

About 98 private HPPs are currently producing electricity in Albania with a total installed capacity of 294 MW, the regulatory authority's report said. Ashta hydropower facility, an Austrian downstream plant built over the Drini river in northern Albania, is currently the biggest producer. This 50 MW plant produced about 200 GWh during 2014. Devoll Hydropower project is the biggest under construction. It should be completed by 2019. Albania has still plenty of other rivers that could be used for electricity production, but this lucrative business has also caused concerns about potential damage to the environment. Licenses for the construction and use of 30 HPPs throughout Albania were cancelled in late April by the country's government for „failure to meet obligations,“ after members of the European Parliament called on it to reconsider the plans. Prime minister Edi Rama's cabinet earlier cancelled several hydro projects which were approved in the last meetings of former premier Sali Berisha's government, Independent Balkan News Agency said in a report. In a draft resolution on Albania's progress towards the EU on April 15, the European Parliament has called on the country's government to reconsider plans for the construction of HPPs in the country's protected areas.

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