

Albania energy sector primarily relies on HPPs, state owned managed by KESH power corporation and number of private HPP companies. Electricity import dependency is strong but the energy strategy aims to change the balance and costs coming from electricity imports. Private HPPs could significantly change the energy and financial situation in the country.

The hydropower production in Albania is dominated by the public sector. Albanian Electrical Power Corporation is the largest producer in the country with a total installed capacity of 1,448 MW. According to data published by ERE the net domestic power generated in 2013 amounts at 6,956 GWh.

KESH generated 6,070 GWh or 87% of this production and private HPPs generated 886 GWh or 13%.

The hydro-energy sector contributed only with 2% to the GDP, while reported revenues accounted for 2.7% of the State Budget. Domestic power production covered 89% of domestic needs including technical and financial losses which comprised 42% of total domestic needs. Power exports remain at minimal level at Lek 4.1 billion or 1.6% of total exports.

Data reported from AKBN show that a large number of HPP granted on concessions have not yet commenced the construction or are still under construction, showing delays of two years and above. More specifically, out of 501 HPPs under concession, 307 HPPs with installed capacity of 1,127 MW and forecasted energy at 5,288 GWh have not yet started the construction phase. The remaining of 84 HPPs are in the construction phase.

If assumed that all HPPs were completed within two years from the concession date and produced the energy foreseen in the concession contract the concession fee for the year 2013 would be 1.78 billion Lek, which is at least ten times higher than the actual revenue received from this benefit stream.